



Annual Report 2015

***BINCKBANK**
FOR INVESTORS



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About BinckBank

STERDAM

SER. FILM
WUCK!



Profile BinckBank

Private individuals today face a number of challenges. Interest rates are historically low, the pension system is being cut back and social security is becoming less secure. We are convinced that consumers must take control themselves to secure their future and at BinckBank we want to help. With its 'navigator' role, BinckBank helps customers find the services they need in a user-friendly digital environment.

BinckBank N.V. (BinckBank) is an online bank for investors and savers. BinckBank provides services for private customers, independent asset managers and institutional investors (BPO) in the Trading (brokerage), Investing and Saving segments. Trading focuses on customers who want to trade actively in securities and makes up the largest segment of BinckBank. Investing covers more diversified forms of investment, often focused on the long term. In the Saving segment, BinckBank offers a range of savings formulas.

In the Trading field BinckBank is the market leader in the Netherlands and Belgium and ranks third in France. BinckBank offers its customers a stable platform giving them access to all important financial markets in the world. This includes order execution at competitive rates, combined with facilities such as excellent customer service, a professional investment website with streaming quotes, news, depth of order book, research and tools for technical and other analysis. BinckBank provides its services under the Alex and Binck brands. The Alex brand name is used in the Netherlands and Spain, while the Binck brand name is used in the Netherlands, Belgium, France and Italy.

In the Investing field BinckBank provides Binck Fundcoach and Alex Vermogensbeheer. Binck Fundcoach offers the easiest possible way for customers to invest in investment funds and ETFs. Binck Fundcoach has an online platform where customers can find news, opinions, columns and extensive fund information. A customer who wishes to invest his or her capital, but lacks the time or knowledge to do so, can use Alex Vermogensbeheer. Alex Vermogensbeheer manages its customers' assets on the basis of a personal investment plan. An automated computer system carries out daily quantitative analyses to determine whether the portfolio needs to be adjusted.

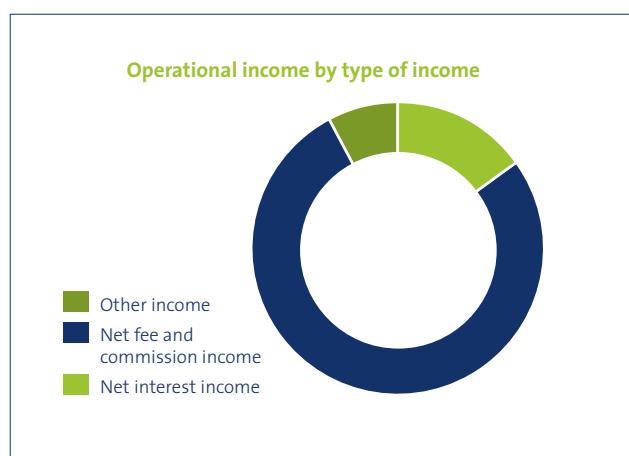
BinckBank is listed on Euronext Amsterdam stock exchange and has been included in the Amsterdam Midkap Index (AMX) since 2 March 2007. BinckBank's market capitalisation at the end of 2015 was € 564 million. BinckBank operates in four European markets and also has an investor centre in Spain targeted at Dutch nationals resident in that country.



BinckBank at a glance

BinckBank is an online bank for investors and savers. BinckBank is active in the following banking services:

- // Trading
- // Investing
- // Saving



Key figures

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

	2015	2014	2013
Customer figures			
Number of customer accounts	606,514	595,506	551,970
Number of brokerage accounts	471,993	457,180	420,185
Number of asset management accounts	39,931	42,890	36,602
Number of savings accounts	94,590	95,436	95,183
Number of transactions	9,293,591	8,617,490	8,164,978
Assets under administration	20,575,397	18,538,716	16,124,263
Brokerage accounts	20,354,176	18,248,332	15,761,180
Savings accounts	221,221	290,384	363,083
Assets under management	1,697,871	1,952,193	2,147,591
Company profit and loss account			
Net interest income	25,724	28,497	27,686
Net fee and commission income	131,461	125,951	137,936
Other income	10,947	11,102	11,049
Result from financial instruments	2,031	351	7
Impairment of financial assets	15	(168)	32
Total income from operating activities	170,178	165,733	176,710
Employee expenses	53,015	56,586	51,556
Depreciation and amortisation	27,253	27,675	29,107
Other operating expenses	50,110	57,124	53,715
Total operating expenses	130,378	141,385	134,378
Result from operating activities	39,800	24,348	42,332
Tax	(8,368)	(5,555)	(10,966)
Share in results of associates and joint ventures	(730)	12,674	(2,393)
Impairment of goodwill	-	-	(10,047)
Net result	30,702	31,467	18,926
Result attributable to non-controlling interests	(1,076)	87	322
Result attributable to shareholders BinckBank	29,626	31,554	19,248
IFRS amortisation	21,515	21,515	21,515
Fiscal goodwill amortisation	4,407	4,407	4,407
Other adjustments to the net result	-	-	10,047
Adjusted net result	55,548	57,476	55,217
Average number of shares outstanding during the year	70,251,842	70,171,109	70,432,579
Adjusted net earnings per share (in EUR)	0.79	0.82	0.78
Balance sheet & capital adequacy			
Balance sheet total	3,436,335	3,311,664	3,209,404
Equity	437,480	440,247	431,631
Total equity	253,582	225,898	200,693
Capital ratio	40.2%	37.1%	36.2%
Cost/income ratio			
Cost/income ratio	77%	85%	76%
Cost/income ratio excluding IFRS amortisation	64%	72%	64%

Financial calender 2016

JAN	FEB	MAR	APR
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
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Annual results 2015

8 February 2016

Annual report and financial statements 2015

14 March 2016

First quarter results 2016

25 April 2016

General Meeting

25 April 2016

Ex-dividend

27 April 2016

Record date dividend

28 April 2016

Payment of dividend

2 May 2016

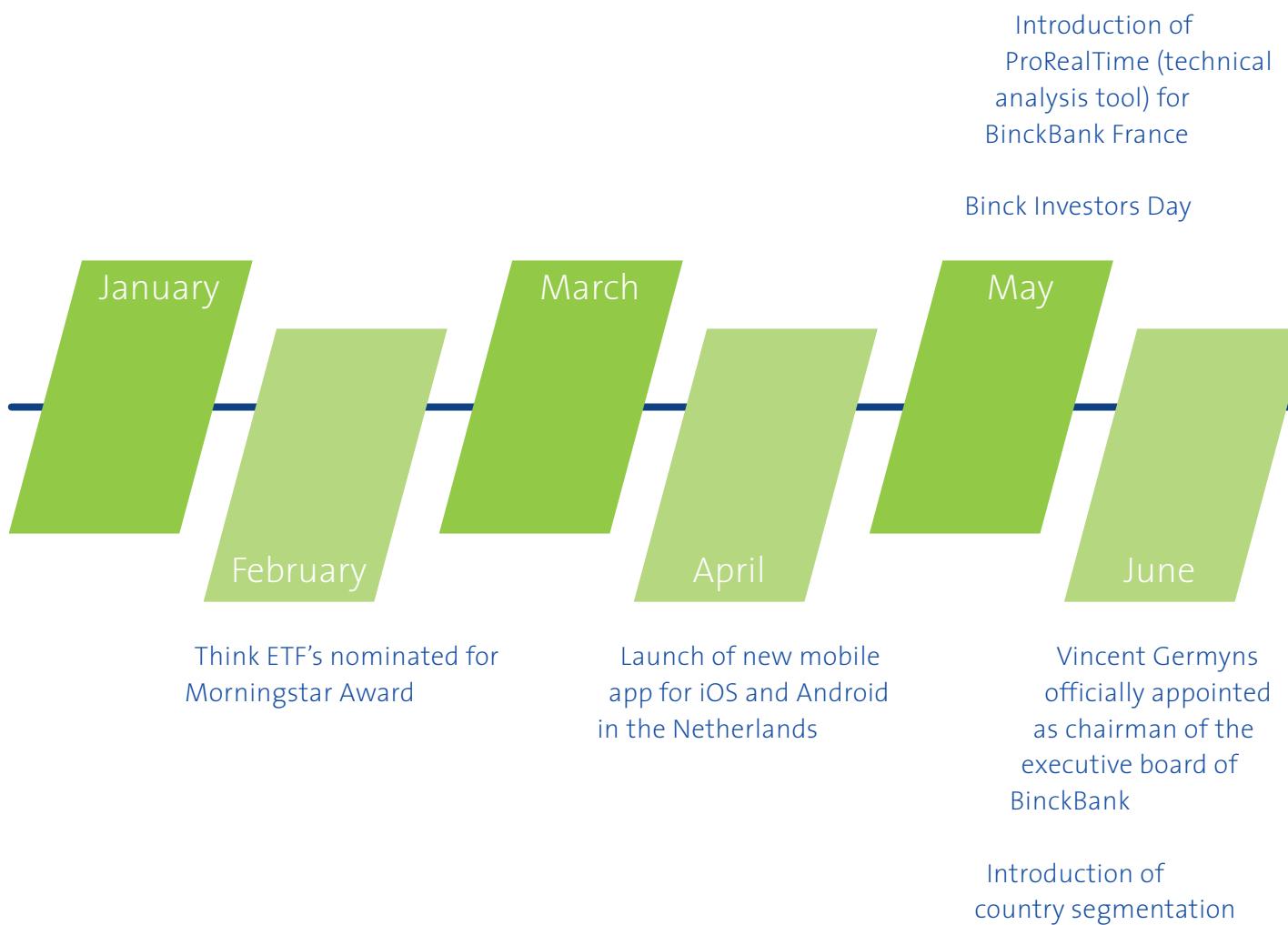
Half-year results 2016

25 July 2016

Third quarter results 2016

24 October 2016

Key events in 2015





Report of the executive board



Chairman's message



“ First of all I would like to thank our customers for their loyalty. I see 2015 as an important year of transition for BinckBank. The organisation was structured more efficiently and a strong focus on customer satisfaction and operational excellence delivered good results. With the ‘New Binck’ growth strategy and our strong capital position, we are ideally placed to offer our customers the very products and services they will need to build up their financial capital independently. Our propositions and capabilities in Trading, Investing and Saving provide a solid foundation for growth in the years ahead. ”

Driven by technological developments and evolving customer requirements, the financial sector is changing at a rapid pace. Existing traditional providers of services in the financial sector are encountering increasing competition from non-traditional operators. This new group of competitors is providing innovative products and services in specific market segments. On this playing field the winners will be those companies that successfully challenge the status quo and drive change by anticipating constantly evolving customer demands and market conditions.

BinckBank celebrated 15 years in business during the past year. Since our formation we have time and again demonstrated our ability to launch products and services that successfully challenge the status quo. Over this period we have experienced rapid growth in online brokerage services (Trading). In 2012 we started providing more investment-related services (Investing) with the expansion of Alex Vermogensbeheer and the launch of Binck Fundcoach. In the future we see further growth potential for our company in investment-related services, but also in new forms of savings (Saving). To bolster our strong position in online brokerage, we will energetically exploit investment and savings opportunities in the years ahead in all four markets in which we currently operate. The technological developments in the field of Investing offer growth potential for BinckBank. In addition to a focus on new growth opportunities, we will naturally continue to optimise our core business. I am convinced that we are at the start of an exciting new chapter in our history. It is important that we now make the switch to ‘The New Binck’.

With the implementation of our strategy we made good progress during the year in pursuing the strategic axes of customer intimacy & operational excellence, our ‘navigator’ role, a focus on distribution and a more balanced income stream. In terms of operational excellence we structured the organisation on the basis of uniform country units in the first half of 2015, allowing more direct control. The Professional Services Business unit was also formally integrated in the Dutch organisation as from 1 September. Each country now has the same organisational structure, with a country manager having ultimate responsibility and each having its own business management, marketing & sales, customer service & order desk and legal & compliance functions. The four country managers report directly to the chairman of the executive board. The information technology and product development functions have been positioned centrally in the organisation and come under the

control of the new Chief Operating Officer (COO). Other progress in the field of operational excellence includes BinckBank France's internal system migration to the European base platform. This migration is progressing smoothly and is expected to take place in early 2016. The restructuring of the organisation and the expansion of the executive board with the addition of a COO enable me as chairman to focus increasingly on the execution of strategy and revenue growth.

Right from the time BinckBank was formed we have always put the customer at the centre of everything we do. That starts with the quality of our customer service department, which secured a place on the podium for the 'Gouden Oor Award' in 2015, and continues through to our product development, which draws on the input from customer panels. Our customer service was further improved during the year, partly through shorter telephone waiting times and optimum availability of our trading platform, including at times of high-volume trading due to volatility in the financial markets. That meant our customers had constant access to the financial markets and support from BinckBank.

With regard to the distribution of services, instead of developing in-house products, we introduced ProRealTime in France. Over 1,000 active customers have acquired the product since it was launched in May. It is a high-calibre third-party product which we offer our customers as a distributor. The package naturally connects seamlessly to our trading platform. Our distribution model offers a range of possibilities for providing customers with the functionality they require without BinckBank having to deploy substantial development capacity itself.

Alex Vermogensbeheer also saw continued development. We expanded the range of investments and the investment universe was further extended with the addition of the Swiss and Scandinavian markets, resulting in better diversification and risk spreading for our customers. The updated mobile app for iOS and Android was particularly well received and launched with a short time to market. This shows that with our central IT platform we can roll out services increasingly rapidly across the various countries.

As a result of the continued low level of interest rates in the money and capital markets, interest income from our investment portfolio has shown a declining trend for some years. Our income also includes a large proportion of transaction-related income, which is very susceptible to volatile sentiment in the stock market. One of our strategic objectives is to make the income streams less transaction-dependent and thereby achieve a more stable income stream. Various alternatives were examined in 2015 with a view to using the asset side of the balance sheet to generate a more balanced income stream. In November 2015 BinckBank decided to gradually invest € 500 million (approximately 25% of the investment portfolio) in Dutch residential mortgages. For this purpose BinckBank has signed a cooperation agreement with a new Dutch provider of mortgages, which will offer mortgage loans to private homeowners in the Netherlands under the bijBouwe brand (www.bijBouwe.nl). Our partner will provide the marketing, sales and servicing of the mortgages, with BinckBank providing only the financing. BinckBank itself is therefore not directly providing any mortgages in the Dutch market; it is only investing in mortgage receivables.

After a detailed study BinckBank took the decision in the third quarter of 2015 to discontinue its involvement in the acquisition process of Keytrade Bank. The asking price for Keytrade Bank substantially exceeded the level at which an acquisition could be of interest to BinckBank and we could not identify sufficient added value to justify a move towards the asking price. This decision was to some extent reinforced by our firm conviction that we can grow under our own steam. This is also reflected in the 'New Binck' growth strategy. The new formula is geared to the underlying customer demand for 'I'll do it myself', 'help me do it' and 'do it for me'. This growth strategy is aimed at helping private customers to achieve their financial ambitions and objectives in terms of capital accumulation. We are convinced that our independent positioning, with services focused on helping individual customers to achieve capital growth, provides a solid foundation for future growth.

There are also challenges ahead. The Netherlands Authority for the Financial Markets (AFM) has notified BinckBank of its intention to impose a fine in respect of the advertisements placed by Alex Vermogensbeheer. This may have the effect of encouraging claims from dissatisfied customers. The Belgian government has also

introduced a ‘speculation tax’ on realised capital gains on shares, options and warrants held in a portfolio for less than six months. Private investors are expected to make greater use of financial products to which this tax does not apply. It currently remains unclear what the longer-term consequences will be for BinckBank in Belgium. In the use of our available resources we must also continuously strike the right balance between implementing new laws and regulations, strengthening our IT platform and developing new products and services.

Looking back over the past year we see that our income grew positively. Our customers conducted 9.3 million transactions in 2015, 0.7 million more than in the previous year. In a highly competitive environment, the Netherlands, Belgium and Italy posted rises in transaction numbers. Italy achieved the strongest growth at 22%. The number of transactions in France declined by 3%. BinckBank’s adjusted net profit in 2015 is € 0.79 per share. The share price rose by 12.8% in 2015, with a closing price of € 7.95. The BinckBank share generated a total return of 19.1% for shareholders in 2015.

I would like to close by expressing my gratitude to all our shareholders and employees for the trust they have placed in BinckBank.

Amsterdam, 10 March 2016

BinckBank N.V.
Vincent Germyns,
chairman of the executive board

Executive board members

Chairman

Vincent Germyns

1973 – Belgian nationality



Vincent was appointed as a director under the articles of association at the General Meeting of 22 April 2014. The supervisory board officially appointed him chairman of the executive board of BinckBank on 11 June 2015. In his role as chairman Vincent focuses primarily on the execution of strategy and revenue growth. Vincent has led BinckBank's international expansion during his career with the bank. He was responsible for the start-up of the foreign branch in Belgium and for overall control of all foreign branches. Vincent studied at the Royal Military Academy in Brussels and the Catholic University of Leuven. Earlier in his career he was employed at KBC Asset Management in Belgium.

Board member, Chief Financial & Risk Officer

Evert-Jan M. Kooistra

1968 – Dutch nationality



Evert-Jan has been an executive director and chief financial & risk officer (CFRO) of BinckBank since 2008. He was reappointed as a director of BinckBank under the articles of association at the General Meeting of 23 April 2012. He is responsible for Finance & Control, Operations, Legal, Risk Management and Treasury & ALM. Evert-Jan studied business economics at Erasmus University in Rotterdam, and is a certified public accountant. He has more than 20 years' experience in the financial field, including periods of employment at PricewaterhouseCoopers and Shell. Most recently he served as financial director of the US company International Game Technology.

Board member, Chief Operating Officer

Steven Clausing

1971 – Dutch nationality



Steven was appointed as a director of BinckBank (Chief Operating Officer) under the articles of association at the General Meeting of 30 April 2015. He is a Technical Business Engineer (Eindhoven University of Technology) and also has a Masters in Finance (TIAS business school, Tilburg) and an Executive Master in Internal Auditing (Erasmus University, Rotterdam). Steven began his training and career in the Royal Netherlands Navy, where as an officer he was involved particularly in the improvement of operational management. From 1998 he worked at ABN AMRO Bank, serving in both commercial and internally focused posts. In 2008 he moved to RBS, where in 2011 he moved from being Head of Internal Audit of the 'International Payments' business unit to Risk Management. In March 2013 he joined BinckBank as head of risk management. In that position he played a prominent role in various subcommittees of the executive and supervisory boards. In his post as COO Steven will primarily be responsible for product development and IT.

Strategy of BinckBank



As an online bank for investors and savers, BinckBank focuses on providing financial services for its customers, using its central trading and investment platform. In the years ahead BinckBank will work with partners to develop new, innovative value propositions for its customers in the fields of Trading, Investing & Saving in which customer experience will be central.



Introduction

BinckBank celebrated its 15th anniversary in 2015. From the time it was founded in 2000, BinckBank has offered private investors the same trading possibilities as professional investors. It has done so by using the ‘trinity’ approach, comprising a stable and user-friendly platform, competitive rates and superlative service. In this way BinckBank has actually operated as a ‘fintech company *avant la lettre*’. Within financial services BinckBank has focused on securities services for private investors. It offered added value by giving customers new and advanced investment possibilities by means of 100% online services at lower prices and with a higher level of service than traditional providers. This has led to impressive growth for BinckBank. Since 2009 profitability has decreased despite continued growth of the customer base and the volume of entrusted assets.

In 2014 BinckBank established six new strategic axes to ensure that it could offer more added value for its customers. Six medium-term objectives (2018) were linked to these six strategic axes. In 2015 the strategic objectives were further developed, leading to the formulation of concrete actions for profitable long-term growth. In the past year a great deal of attention was devoted to infrastructure improvements on the central trading and investment platform. BinckBank pursues a twin-track strategy. On the one hand it focuses on strengthening the current core activities such as brokerage services (Trading) and achieving operational excellence on the trading and investment platform. On the other hand, with the support of partners, it focuses on creating new value propositions for customers in Investing and Saving. The new strategy will lead among other things to an expansion of services towards automated asset management and a valuable enhancement of the ‘navigator’ role, with BinckBank enabling its customers to achieve capital growth. Customers’ experience and satisfaction with BinckBank’s services is at the heart of our strategy.

Trends in the environment that are key for the new strategy

Trends in the customer environment

Private investors and households face various challenges today. First, interest rates are at historically low levels. The financial crisis, low economic growth and the uncertain macroeconomic outlook have pushed interest rates to all-time lows and caused greater volatility in the financial markets. For our customers this means they have to make more effort in their search for investment returns. There is also a growing awareness among consumers that they must take matters into their own hands to build up personal wealth and to set money aside for later. This is driven by cuts in social security benefits, deteriorating pension benefits and the scaling back of previously government-financed schemes, such as study grants.

Technological developments have also influenced the demands made by customers on the products and services which they buy. ‘Online – anytime – anywhere’ is becoming increasingly important. New websites, apps and online tools enable customers to make financial choices independently whenever they wish.

Trends in the industry

Banks are currently having to contend with a new group of competitors, the fintech startups. Fintech stands for Financial Technology and refers to start-ups entering specific segments of the financial markets. They develop alternatives to existing financial products and services. Fintech players that succeed in entering a specific part of the market drive rapid change in that market. They also offer new alternatives providing additional options for private savers and investors.

Another trend in the industry is trust in financial institutions. Since the start of the financial crisis in 2008, trust in the financial sector has deteriorated. Although banks and regulators have made major strides in the past few years to make banks more robust, each negative report about financial institutions fuels criticism of the financial system.

Trends in regulations

Regulatory pressure from supervisory bodies has increased steadily since the financial crisis erupted. As part of the financial sector, BinckBank has constantly had to absorb the impact of new, stricter laws and regulations. At BinckBank we see the speed and efficiency with which BinckBank succeeds in implementing new laws and regulations as one of the factors behind the successful expansion of our services.

The ‘New Binck’ growth strategy

Introduction

BinckBank believes customers will encounter difficulty in choosing new entrants and new financial products. It expects consumers will search for a reliable partner to assist them in making the right choices and enabling them to achieve capital growth. Fintech start-ups usually have state-of-the-art technology, but often have inadequate capital to distribute their new financial products (marketing, sales and service) sufficiently to develop a large customer base. That makes it attractive for fintech players to work with BinckBank. With its background in online services focused on investment, BinckBank has got to know financial consumers increasingly well over the last few years. We can use this knowledge to good effect in developing attractive new products and services. Innovative services developed fully or partly by third parties can be distributed to our customers through BinckBank’s central trading and investment platform. The new growth strategy is aimed at helping private customers fulfil their financial ambitions and objectives for capital accumulation. BinckBank helps its customers to make the right choices and creates a unique customer experience. In addition to the healthy capital position, our customer base, service and customer focus, coupled with a presence in four countries, give BinckBank a good basis for future growth.

The six strategic axes

BinckBank focuses its business activities on six strategic axes:



Customer intimacy & operational excellence

Since the day it was founded BinckBank has put the customer at the centre of what it does and achieved a high level of customer satisfaction. But our relationship with customers goes further. Customer intimacy starts from the premise that it is essential to understand the customer's needs in order to meet them. A strong relationship grows through continuous improvement of existing services and the development of new products and services in cooperation with customers. We determine our position and the agenda for future development on the basis of our customers' wishes.

BinckBank's strategic objective is to use its existing infrastructure as efficiently as possible by processing as many transactions as possible and administering and/or managing the highest possible volume of assets on it. The central IT infrastructure and the central back office are important starting points. Economies of scale based on high volumes are necessary in order to remain competitive in the long term. Volume can be increased, for example, through growth in the number of accounts in existing markets or by introducing new products and services. Operational Excellence means continuous improvement of processes, systems and people. By working on permanent improvements to its business management, BinckBank keeps its costs manageable and operational losses within acceptable limits.

Key developments in 2015

BinckBank made progress in operational excellence in 2015. Work started on the rationalisation of the IT platform, with the Business Process Outsourcing (BPO) platform being phased out up to 2018. In early 2016, the French Retail operations will be migrated to the European base platform. The services to independent asset managers will be transferred to the European base platform in 2016 and 2017. In the period from 2016 to 2018, BinckBank will increase the efficiency of the European base platform by reducing the number of online platforms and mobile applications.



More balanced income stream

BinckBank aims to achieve a more balanced mix of income from its business operations, with at least 66% flowing from recurring commissions, interest and asset management. BinckBank's earnings model will therefore have to evolve in the coming years from a transaction-based income model to one based on transactions, subscriptions and asset-backed income. In addition to the online brokerage activities, the services will be expanded further with updated savings and investment activities.

Key developments in 2015

In 2015 BinckBank had to contend with a substantial outflow of assets under management as a result of disappointing results at Alex Vermogensbeheer in 2014. The total decline in assets under management was € 254 million. As a result, BinckBank fell short of its target of creating more recurring income from assets under management at the end of 2015. Low interest rates in the money and capital markets and consequent declining interest income for BinckBank also made it difficult to achieve progress towards the objective of a more balanced income stream. The return on the investment portfolio fell from 0.61% in 2014 to 0.45% in 2015. In order to stabilise interest income, BinckBank decided in November 2015 to gradually invest € 500 million (approximately 25% of the investment portfolio) in Dutch residential mortgages. To this end BinckBank signed a cooperation agreement with a new Dutch provider of mortgages which will offer mortgage loans under the bijBouwe label (www.bijbouwe.nl) to private homeowners in the Netherlands. Our partner will provide the marketing, sales and servicing of the mortgages. BinckBank's role will be limited to investing in Dutch mortgage receivables for its own account and risk. The more stable interest margin from the investments in mortgage receivables will contribute to the objective of a more balanced income stream.



Navigator role: focus on distribution

Tomorrow's customer will look for a reliable partner that enables him or her to achieve capital growth.

BinckBank will increasingly play the role of 'navigator', providing optimum support for customers to enable them to make the right financial and other choices. BinckBank will concentrate more on making its knowledge available in the field of securities, asset management and providing new services to customers with the aid of partners, with the focus increasingly on the distribution of services and less on the development of proprietary products. The central point here is that BinckBank will earn more from allowing providers of new technologies and/or financial services to access the BinckBank platform and the customers of BinckBank, with customers being able to choose the services they wish to buy. BinckBank can offer added value in this way, since it has an overview of the whole value chain, encompassing both execution-only services and asset management, and because it has its own platform with a large customer base.

Key developments in 2015

An important part of the 'New Binck' growth strategy is to provide new products and services on BinckBank's IT platform. It is therefore important that the IT backbone is structured to efficiently connect to new interfaces. The connectivity between our platform and that of our partners is therefore a critical success factor. In 2015 work started on the design of the API structure, which facilitates such interfaces enabling our backbone to be linked to our partners' infrastructure.

BinckBank introduced ProRealTime in France in 2015. ProRealTime is a high-calibre, third-party program that offers high-quality technical analysis tools which we offer our customers as a distributor. The package naturally connects seamlessly to the BinckBank trading platform. This distribution model offers a range of possibilities to provide customers with the functionality they require without BinckBank having to deploy substantial development capacity itself.



Strengthening the existing international footprint

BinckBank strives to achieve further growth in its online brokerage activities and expand its services with the addition of savings and asset management activities within its existing geographic footprint. Growth in customer numbers, assets under administration and management and transaction volumes are important parameters in this regard. A decision was taken in 2014 not to start any new 'greenfield' operations and BinckBank expects this position to remain unchanged in the near future.



Continued development of the earnings model

BinckBank's future earnings model will rely more on a good basic service at an attractive price, supplemented by the possibility of additional services for which extra charges will apply. This will enable customers to get to know and appreciate BinckBank's products, so they can decide which additional services they are prepared to pay for. User experience and personalisation of services are central here, and BinckBank strives for complete transparency in its charging structure for its customers, so that they know exactly what BinckBank's services cost and what they are getting for their money.

Key developments in 2015

In 2014 BinckBank launched a study with the aim of further developing and refining the earnings model and thereby identifying services for which customers are willing to pay an additional charge. The results showed that there are customers who want to invest their assets themselves, customers who need more help and customers who wish to entrust the entire management of their assets to another party. They also showed that customers are prepared to pay more for additional services in the Trading, Investing and Saving segments. BinckBank has used these results in the development of its 'New Binck' growth strategy.

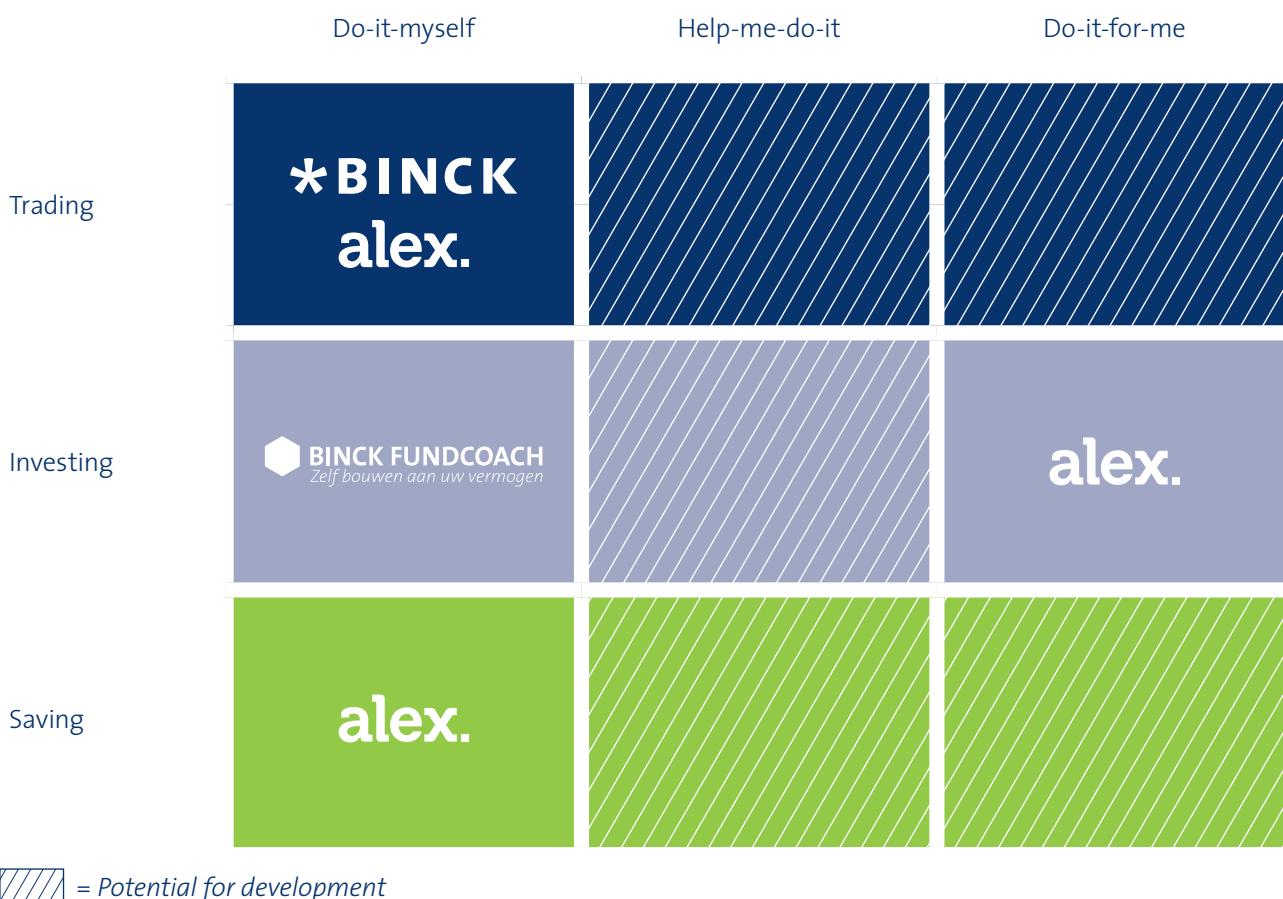


Brand positioning

The two brands in the Netherlands (Alex and Binck) will be positioned with more mutual differentiation by focusing more on the different needs of investors. The Binck brand will be positioned more for 'Do-it-myself' and 'Help-me-do-it' customers. The Alex brand will be positioned more for 'Do-it-for-me' customers. The foreign branches will serve all three segments under the Binck brand. No decisions were taken in 2015 which fundamentally affect the brand strategy. In 2016 further research will be conducted into the use of the Binck and Alex brands in the Dutch market and their positioning within the new strategy.

The new value propositions

BinckBank will help consumers to choose the right financial products. A central feature of BinckBank's new strategy is that it will 'navigate' customers to products and services that are the most suitable for them. These include products and services from BinckBank's current offering, but also new services and products developed by fintech startups. This can be attractive for fintech start-ups because these parties do not have to focus so much on distributing their innovative products. For BinckBank this is a unique opportunity to accelerate the expansion of services for its customers, further strengthening the platform's economies of scale and where relevant supplying personalised services with high user experience in the market. This all has to take place within the 9-grid which BinckBank has developed for the new strategy. BinckBank is focusing on the changing requirements of its existing customers and on the customer groups that are not being adequately served in the market at present. By means of an onboarding process involving an assessment of the customer's characteristics and wishes, BinckBank can navigate its customers to those parts of the 9-grid that best meet their requirements. The 9-grid below consists of three segments and three levels representing the customer's degree of involvement and shows that with its current products and services BinckBank is only active in a limited number of components.



Market potential

The table below shows high market potential in the ‘uncovered’ parts of the grid.

Total market	NL 	BE 	FR 	IT 	Other 
Trading (# million transactions)	12	5	30	40	224
Investing (in billion euro)	233	477	1,321	1,356	4,390
Saving (in billion euro)	463	369	1,321	1,247	6,706

Figures are an indication based on available sources: Credit Suisse Global Wealth 2015, Eurostat plus an analysis of BinckBank experts.

BinckBank has researched customer requirements in the Trading, Investing and Saving segments and found that in all segments there are requirements for products and services other than those currently available. Within the Trading segment, BinckBank finds that there are consumers who want to control their capital themselves but have insufficient time and knowledge and need more support. In the Investing segment BinckBank believes there are insufficient products available for consumers with assets between € 100,000 and € 1,000,000. The current providers of investment-related services focus mainly on consumers with assets above € 1,000,000. As a result of low interest rates and the maximum amounts guaranteed under the deposit guarantee system (DGS), BinckBank sees a need for new products in the Saving segment for the above groups. Many consumers are concerned about low interest rates but hesitate to enter the Trading and Investing segments. Consumers who do enter the other groups often want to keep part of their portfolio in the form of savings.

Development of new service concepts 2016-2018

Over the next three years BinckBank will offer new service concepts within the 9-grid. In the Trading segment BinckBank will add value for customers by developing new applications which help and inspire investors. Examples are providing access to experts' investment portfolios and facilitating themed investment. In the Investing segment new services can be offered such as robo-investing. There are various forms of robo-investing. For example, it is possible to have preselected portfolios managed automatically or to use signal investing, where investment advice is generated automatically on the basis of technical analysis. Customers can see on the app what is happening with their portfolio and/or send signals to change the portfolio – anytime and anywhere. These services are focused on ease of use, with technology doing the work on behalf of the customer. In this way BinckBank makes investing smarter and easier by inspiring and motivating customers to be active across all kinds of channels and content. In the Saving segment, BinckBank seeks to add value for customers by introducing smart saving concepts. BinckBank will help its customers place their money with banks in a secure, advantageous and easy way. The customer may be looking for higher returns, or for security if he or she has a savings balance that exceeds the limit of the deposit guarantee system.

Constraints for implementing the strategy

Conservative financial policy

BinckBank pursues a conservative financial policy. Its capital management is aimed at maintaining a sound solvency and liquidity position, seeking constantly to strike the right balance between the amount of capital it holds, the return it can realise and the risks to which it is exposed.

Compliance with changing legislation and regulation

BinckBank operates in tightly regulated and supervised markets in which all stakeholders must be treated appropriately. BinckBank must continuously meet the requirements of rapidly changing legislation and regulations in the financial sector and is bound by the obligations associated with its banking licence.

Corporate social responsibility

For BinckBank, corporate social responsibility (CSR) means building and maintaining trust in its activities. The cornerstone of our CSR policy is to place the customer's interest first. The CSR policy is integrated in BinckBank's services and is taken into consideration in decisions on innovations and product renewal. The position of banks in society is an issue attracting much attention, and many initiatives and activities are coming under scrutiny. This is evident in the media coverage, as well as in the increased pressure from politicians and regulators. BinckBank endorses the importance of the intended transparency.

Medium-term targets

Medium-term targets 2018	Target 2018	Realisation year-end 2015	Realisation year-end 2014
Customer satisfaction	>=8 weighted-average	7.3 weighted-average	7.1 weighted-average
Number of transactions	11 million	9.3 million	8.6 million
Assets under administration	€ 21 billion	€ 20.6 billion	€ 18.5 billion
Assets under management	€ 3.5 billion	€ 1.7 billion	€ 2.0 billion
Cost/income ratio (excluding IFRS amortisation)	<65%	64%	72%
More balanced income flow	Minimum 2/3 of earnings generated by ongoing commission and asset management fees	33.8%	34.1%

On the basis of its strategic axes, BinckBank formulated six medium-term objectives in 2014 to be achieved by 2018. Compared to 2014, good progress was made with four of these objectives over the past year. At the end of 2015 the cost income ratio was 64%, but the high dependence on transaction-related revenues and investments in new projects means that the ratio is liable to fluctuate every year.

Assets under administration rose by € 2.1 billion in 2015 to € 20.6 billion, almost reaching the 2018 target, with transaction numbers showing a rising trend.

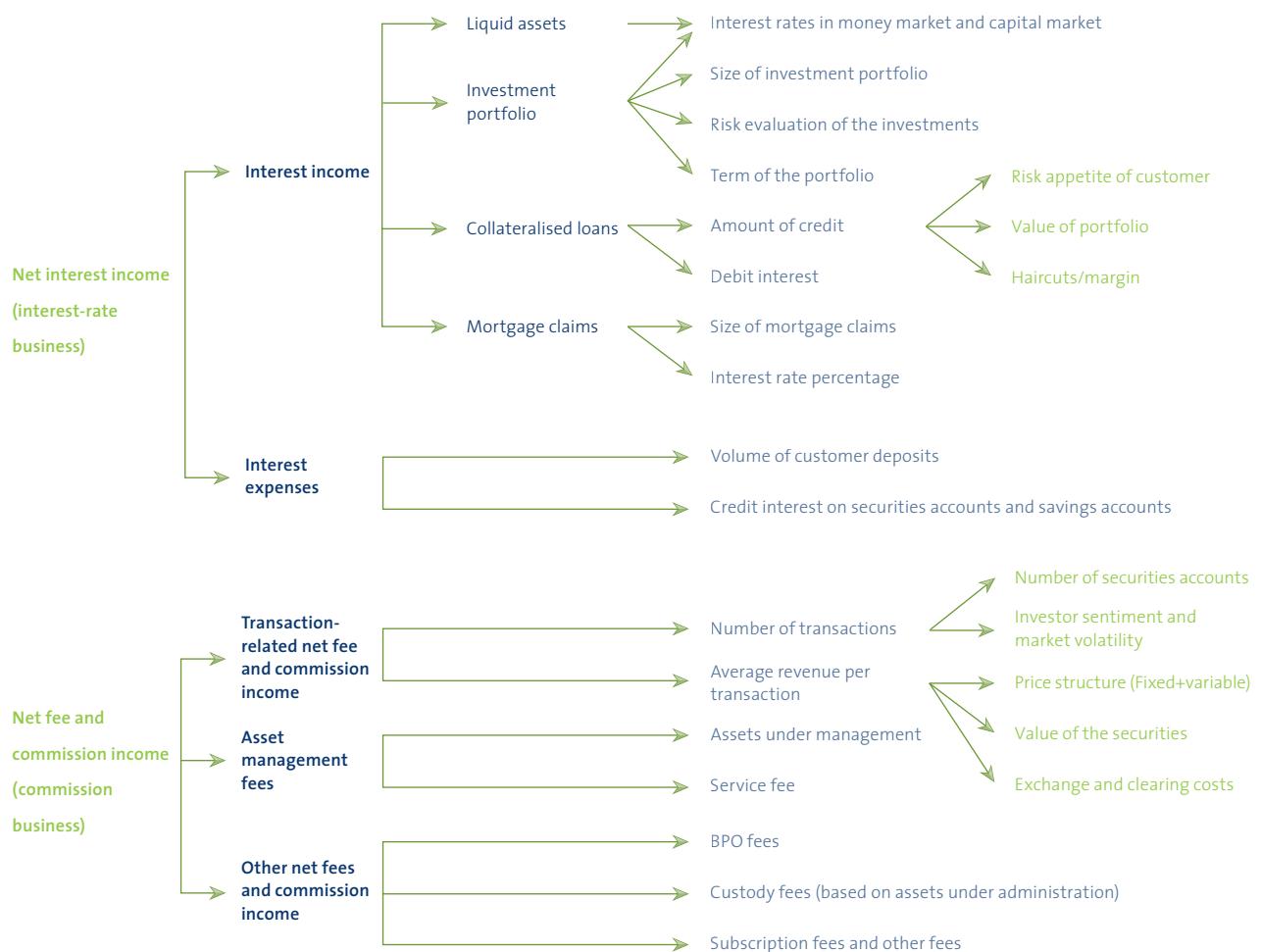
With regard to customer satisfaction, the scores can be described as good, but not yet at the target level.

A focal point is assets under management. Plans have been drawn up to achieve a further increase in assets under management in 2016. For example, Alex Vermogensbeheer resumed advertising in the first quarter of 2016 and there are plans to introduce asset management in one of the countries outside the Netherlands in 2016.

As part of the formulated strategic objective of achieving more balanced income and thus being less dependent on transaction-related income, BinckBank decided to make € 500 million (approximately 25% of the total investment portfolio) available within its investment policy to finance Dutch residential mortgages in a collective structure.

Overview of earnings model

BinckBank generates its income from interest-rate business (net interest income) and commission business (net fee and commission income). The diagram below shows the earnings model of the interest-rate business and the commission business with the underlying drivers for the earnings model.



Interest-rate business (net interest income)

BinckBank has a permanent liquidity surplus due to the fact that customers are never 100% invested. This means there are cash balances on customers' investment and savings accounts. This liquidity balance totalled € 2.6 billion as at 31 December 2015 and is shown in the balance sheet under funds entrusted. BinckBank holds a portion in liquid assets for operational financing. It also uses a portion to finance collateralised lending for customers. The bulk is invested in the investment portfolio. These three components jointly generate BinckBank's interest income. The interest income on the investment portfolio is determined not only by the interest rates on the money and capital markets, but also by the size of the investment portfolio, the risk weighting of the investments and the term of the investments. The interest income on the collateralised lending is determined by the amount of collateralised lending and the debit interest rate which BinckBank charges for the loans to its customers. The amount of the collateralised lending is determined by customers' risk appetite and BinckBank's willingness to lend against collateral. The interest expenses are determined by the amount of funds entrusted which BinckBank holds for its customers, the interest expenses on cash positions held and credit interest paid on securities accounts and savings accounts. The net interest income consists of interest income minus interest expenses.

Commission business (net fee and commission income)

Net fee and commission income consists of transaction-related commission income, recurring asset management fees and other commission income. The transaction-related commission income is determined by the number of transactions and the average revenue per transaction. The number of transactions which BinckBank processes for its customers depends on the number of customers which BinckBank has (number of securities accounts) and these customers' activity level. The activity level is determined by sentiment among investors, which in turn is heavily dependent on the volatility and the direction (rise or fall) of the financial markets. The average revenue per transaction depends on the price structure which BinckBank applies, the value of the securities traded and the stock exchange and clearing costs which BinckBank is charged for the processing of the transaction. The recurring asset management fees are determined by the amount of capital which BinckBank manages for its customers, the service fee and any performance fee which it charges. The other commission income consists of recurring fees for various services. The level of these fees is determined by the number of underlying service contracts, the number of subscriptions taken out and the volume of assets under administration.

Vision and mission

Our vision

We see that consumers – and not only investors – are becoming increasingly aware, more independent and more active with regard to their personal finance and assets. We believe that is a good and even a necessary development. BinckBank believes in consumers' financial independence. We believe that everyone must have control of his or her financial destiny. We promote and endorse that independence in everything we do.

Our mission

We are there to serve all consumers who believe they should manage their funds and capital consciously, actively and independently, helping to create a broad and differentiated market with a broad range of financial profiles and motives. We offer our customers a better customer experience than competing providers.

At BinckBank we support and encourage consumers to become conscious, active and independent with regard to their assets, with technology-driven and yet highly personalised solutions – innovative solutions in which ease of use, simplicity, insight and collaboration are central.

BinckBank activates, facilitates and teaches everyone to accumulate capital. In everything we do (from products and service through to communication) we offer convenience, simplicity, clarity and accessibility, including, but not exclusively, in terms of price. In that way every customer has optimum control of and insight into his or her capital growth and returns.

Strengths, weaknesses, opportunities and threats (SWOT analysis)

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

The main internal and external factors are summarised in the table below.

Strengths (internal) <ul style="list-style-type: none">• Solid customer base in four European countries.• Strong brands (Alex and Binck) and good distribution facilities for new and existing financial products in the field of investing in saving.• High level of service, with customers valuing our proactive approach and speed of service.• Sound financial position and conservative risk monitoring.• The financial position provides a solid basis for product and service innovation.• Centralised back office and IT infrastructure with extensive expertise and experience in securities transactions.• Flat hierarchical structure with a focus on investing in a broad sense.	Weaknesses (internal) <ul style="list-style-type: none">• Heavy dependence on volatile transaction income and a relatively small number of highly active customers for online brokerage.• High fixed cost base (infrastructure), maintenance projects require a lot of IT capacity.• Still not enough volume to make optimal use of economies of scale.
Opportunities (external) <ul style="list-style-type: none">• Growing awareness among consumers of the need to take control themselves in order to accumulate capital and make financial provisions for later.• Technological developments offer opportunities to provide new financial services in the field of investing and saving that meet the demands of consumers.• Increasing popularity of passive investing (ETFs/ Trackers), offering additional prospects for our subsidiary Think ETF Asset Management.• Potential for earning additional returns on funds entrusted by customers once money and capital market interest rates rise again.• Customer intimacy can be further increased by investing in User Experience.	Threats (external) <ul style="list-style-type: none">• Declining trading volumes, increasing competition and price pressure in self-directed investing.• New, small competitors sometimes have a faster time to market for introducing new services due to less legacy.• Continuing low levels of interest rates in money and capital markets.• Increased risk due to more complex legislation and regulation (internal control and compliance costs).• Regulators not enforcing a level playing field.

15 years of Binck

2000 Binck is founded by four former employees of IMG Holland. From 19 June of that year, Binck offers institutional investors broker services for Amsterdam options trading. On 6 October, Binck launches its website for private investors.

2001 Binck is the first broker in the Netherlands to launch free real-time price information for all leading shares on the Amsterdam exchange.

2002 Despite the poor market conditions and increasing competition, Binck grows its profit by 241%.

2003 The Dutch central bank grants Binck official bank status on 24 January.

2004 In the space of one year, Binck's customer base grows from 10,000 to 20,000 customers.

2005 BinckBank expands its exchange trading services to other European exchanges (Germany, Ireland, Italy, Austria, Portugal and Spain), and follows quickly with new trading options on Eurex.

2006 BinckBank begins its international expansion by opening a branch in Belgium.

2007 • BinckBank draws financing from the market for the purchase of Alex, with a rights issue valued at € 385 million. • BinckBank acquires Dutch competitor Alex, catapulting it to the position of market leader in the Netherlands and making it a top-5 player in Europe.

2008 BinckBank continues its international expansion with the opening of a branch in France. BinckBank enters the market as the cheapest online broker.

2009 BinckBank and Optiver launch TOM.

2010 • BinckBank launches ProTrader: the trading platform for the very active investor. • BinckBank moves to break into the Dutch tracker market by acquiring a 60% stake in ThinkCapital.

2011 BinckBank is the first in the Netherlands to launch a mobile investment app for iPhone and Android.

2012 • Binck and Alex introduce options on American shares. • BinckBank moves further into Europe, opening a branch in Italy.

2013 • Official launch of Binck 360. • BinckBank is the first in the market to offer interactive educational tutorials on turbos.

2014 • BinckBank launches Binck Fundcoach. • BinckBank introduces Binck turbos.

2015 • BinckBank introduces ProRealTime in France. • BinckBank introduces its own turbos in Belgium. • BinckBank presents its new growth strategy 'The New Binck'.

Financial results 2015

Adjusted net profit in 2015

The adjusted net profit in 2015 amounted to € 55.5 million, which equates to € 0.79 per share. This represents a decrease of 3% compared to 2014 (2014: € 57.5 million, € 0.82 per share). However, the 2014 result included non-recurring profit from the sale of BeFrank amounting to € 15.5 million (€ 0.22 per share). The operating profit in 2015 rose by 63% from € 24.3 million to € 39.8 million. This was mainly due to higher transaction-related net commission and fee income due to the 8% increase in the number of transactions on an annualised basis. In addition, returns for the Alex asset management product in 2015 rose above the high watermark for some of our customers, as a result of which performance fees of € 3.6 million were received in respect of 2015 (2014: € 0.2 million). The operating expenses in 2015 were 8% lower than in 2014, resulting in a cost/income ratio before IFRS amortisation of 64% (2014: 72%).

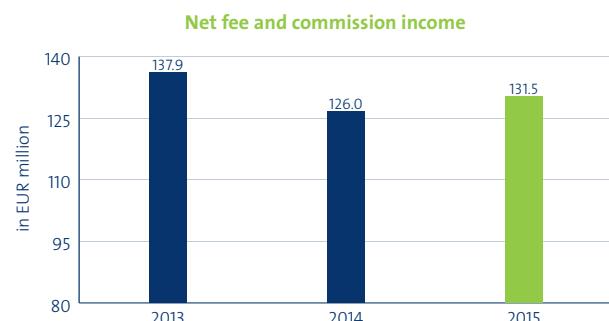
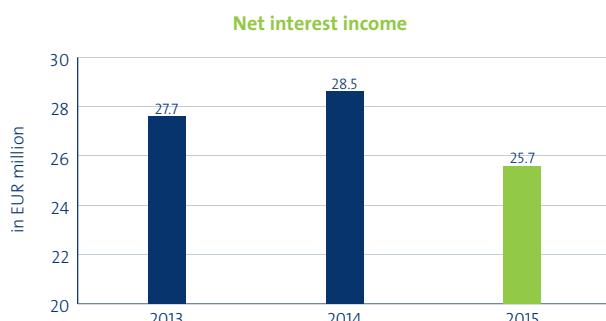
The adjusted net profit is the net result attributable to BinckBank shareholders adjusted for IFRS amortisation and the tax saving on the difference between the fiscal and commercial amortisation of the intangible assets acquired and goodwill paid. The annual dividend is determined on the basis of the adjusted net profit.

Net interest income

Net interest income amounted to € 25.7 million in 2015. This is 10% lower than in the comparable period in 2014 (2014: € 28.5 million), mainly due to the sustained low level of interest rates on the money and capital markets. The decrease in net interest income arose primarily in the investment portfolio and the funds placed with banks and the ECB. Interest income on the collateralised lending in 2015 amounted to € 19.5 million (2014: € 19.7 million).

Net fee and commission income

Because the stock markets were generally attractive to investors in the first eight months of 2015, the number of transactions increased, making a significant contribution to the 4% rise in net fee and commission income compared to 2014. Net fee and commission income rose from € 126.0 million to € 131.5 million. Transaction-related net fee and commission income also rose by 4% in 2015 from € 94.7 million to € 98.6 million, primarily as a result of an 8% increase in the number of transactions. Asset management fees showed a net decrease of 2% compared to 2014. The negative trend resulting from a decrease in assets under management at Alex Vermogensbeheer was largely offset by higher performance fees in 2015 totalling € 3.6 million (2014: € 0.2 million). Other net fee and commission income rose from € 11.7 million in 2014 to € 13.8 million in 2015, partly as a result of higher revenues from Binck Fundcoach, custody fees and distribution fees received in foreign branches.



Other income

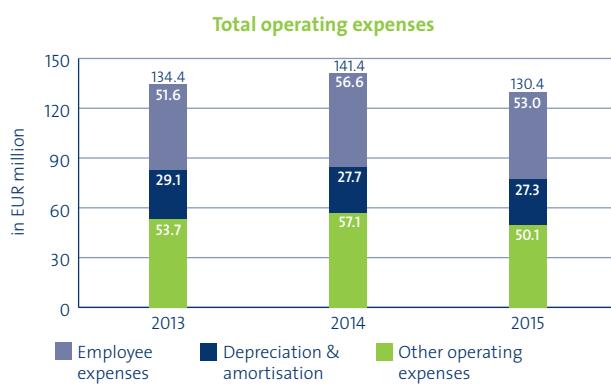
The other income mainly related to revenues from the Able activities. The income of € 10.9 million from this business unit in respect of 2015 was reasonably in line with the income in the prior period (2014: € 11.1 million).

Result from financial instruments

The result from financial instruments mainly concerns income from the issue of the Binck turbos. The average outstanding position in the Binck turbos rose compared to 2014, when issuance of Binck turbos began. The result from financial instruments in 2015 is € 2.0 million (2014: € 0.4 million).

Total operating expenses

Total operating expenses decreased by 8% from € 141.4 million in 2014 to € 130.4 million in 2015. Operating expenses fell across the board. The € 7.0 million decrease in other operating expenses resulted partly – € 4.0 million – from the resolution levy recognised in 2014 and was also due to the reassessment of provisions. After adjustment for the resolution levy in 2014, the cost saving in respect of other operating expenses in 2015 was 6%.



Taxes

The tax expense in respect of 2014 was heavily influenced by the substantial holding exemption on the result of the sale of the interest in BeFrank and the use of the Innovation Box for the years 2011 to 2014. Having regard to the trend in results and the positive outlook, Think ETF Asset Management B.V. recognised a deferred tax asset of € 1.1 million in respect of losses from prior years.

Share in results of associates and joint ventures

The share in the results of associates and joint ventures was € 0.7 million negative in 2015 (2014: € 12.7 million positive). The decrease was mainly due to the sale of BinckBank's interest in the BeFrank joint venture, which took place in 2014 and resulted in a book profit of € 15.5 million. The TOM associate performed in line with expectations but made no positive contribution to BinckBank's result in 2015.

Result attributable to non-controlling interests

The result attributable to non-controlling interests concerns part of the result of the fully consolidated 60% interest in Think ETF Asset Management B.V. BinckBank holds a primary preference on certain retained reserves of Think ETF Asset Management B.V. up to an amount of € 1.1 million, followed by a secondary preference on certain retained reserves of minority shareholdings up to an amount of € 1.1 million. The positive development of the result of Think ETF Asset Management BV, partly due to the recognition of the deferred tax asset, has resulted in both preferences being redeemed and accordingly future results will be allocated to shareholders in proportion to their shareholdings. In 2015 the positive result from the recognition of a deferred tax asset of € 1.1 million accrues particularly to the non-controlling shareholders due to the above structure.

Financial results 2015

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

	2015	2014	Δ
Customer figures			
Number of customer accounts	606,514	595,506	2%
Number of brokerage accounts	471,993	457,180	3%
Number of asset management accounts	39,931	42,890	-7%
Number of savings accounts	94,590	95,436	-1%
Number of transactions	9,293,591	8,617,490	8%
Net fee and commission income per transaction	€ 10.61	€ 10.99	-3%
Assets under administration	20,575,397	18,538,716	11%
Brokerage accounts	20,354,176	18,248,332	12%
Savings accounts	221,221	290,384	-24%
Assets under management	1,697,871	1,952,193	-13%
Company profit and loss account			
Net interest income	25,724	28,497	-10%
Net fee and commission income	131,461	125,951	4%
Transaction-related	98,571	94,744	4%
Asset management fees	19,071	19,526	-2%
Other	13,819	11,681	18%
Other income	10,947	11,102	-1%
Result from financial instruments	2,031	351	479%
Impairment of financial assets	15	(168)	-109%
Total income from operating activities	170,178	165,733	3%
Employee expenses	53,015	56,586	-6%
Depreciation and amortisation	27,253	27,675	-2%
Other operating expenses	50,110	57,124	-12%
Total operating expenses	130,378	141,385	-8%
Result from operating activities	39,800	24,348	63%
Tax	(8,368)	(5,555)	51%
Share in results of associates and joint ventures	(730)	12,674	-106%
Net result	30,702	31,467	-2%
Result attributable to non-controlling interests	(1,076)	87	-1,337%
Result attributable to shareholders BinckBank	29,626	31,554	-6%
IFRS amortisation	21,515	21,515	0%
Fiscal goodwill amortisation	4,407	4,407	0%
Adjusted net result	55,548	57,476	-3%
Average number of shares outstanding during the year	70,251,842	70,171,109	
Adjusted net earnings per share (in EUR)	0.79	0.82	
Cost/income ratio excluding IFRS amortisation	64%	72%	
Balance sheet & capital adequacy			
Balance sheet total	3,436,335	3,311,664	4%
Equity	437,480	440,247	-1%
Total equity	253,582	225,898	12%
Capital ratio	40.2%	37.1%	

Developments and results of the Netherlands business unit

Organisation

A great deal of attention was focused on the structure and restructuring of the Dutch organisation in the first half of 2015. The management was strengthened in order to further consolidate the leading position in the Dutch market; a new director was appointed and new managers were appointed to a number of key positions. In September the Professional Services business unit was integrated into the Dutch Retail organisation.

Customer experience

A high customer rating is very important to BinckBank. BinckBank endeavours to achieve this by implementing the 'customer intimacy' strategy and continuously improving its service for customers. BinckBank has engaged in many forms of dialogue with customers on how to further improve its services. These include periodic customer surveys. BinckBank also conducts enquiries as part of existing customer contacts, including on the telephone and in webinars. From this year specific customer panels have also been organised, in order to discuss improvements in our services in a more focused way.

The 2015 'Gouden Stier' nominations of Binck for Best Broker and Hans Oudshoorn, investors trainer for Alex Academy, for Best Investment Expert bear out the efforts made for customers over the past few years. These were also reflected in the large number of new customers BinckBank has welcomed despite increasing competition.

BinckBank improved its customer service during the year by taking on additional personnel in order to shorten telephone waiting times and by improving staff coaching. BinckBank sees the second place achieved by the customer service team in the 'Gouden Oor Award' as an indication that it is on the right track. A highly stable trading platform is important for customers and the quality and reliability of the platform was evidenced this year by its optimal availability – even at times of high volatility on the financial markets – and its ability to process high trading volumes fast and reliably.

BinckBank launched a new website for Alex in 2015. This is part of the 'one platform strategy' aimed at improving efficiency. Visible innovations include the new homepage and the 'order wizard', which came about partly as a result of customer panels. In 2016 the Binck websites in the Netherlands and the other countries will also switch to this new platform. BinckBank aims to further increase customer satisfaction in this area through continuous improvement of the websites.

BinckBank continues to develop its mobile app and is witnessing an increase in volumes processed by telephones and tablet, reaching as much as 9% for Binck customers. New functionalities will be added in 2016 and there are plans to connect Alex customers.

The right balance between ease of use, security and reliability of the systems is of great importance to BinckBank and its customers. From that perspective BinckBank included a new security step in the login process in the second quarter with the introduction of two-factor authentication. Customers now have to go through an additional security step when logging into their account. They do this after receiving an authentication code by SMS. Customers have now become accustomed to this procedure thanks to efforts by the customer service teams.

Partly as a result of these efforts, customer satisfaction at Binck has stabilised at a relatively high level and at Alex is slowly but surely rising from the low point. A year earlier, in 2014, there was a great deal of dissatisfaction with Alex Vermogensbeheer. For both Binck and Alex an important objective is to further increase customer satisfaction in the years ahead.

Over the past year BinckBank devoted additional attention to education and personal contact with its customers. The Academy plays an important role in this regard. For example, the number of webinars has been increased

and the ‘Alex Beursflits’ was introduced. BinckBank also made steady progress with the ‘Beleggerskompas’ and the highly rated ‘Alex in ‘t Land’ customer gatherings. To mark BinckBank’s 15th anniversary, the Binck Investors Day was held for the first time on 29 May 2015. Over 1,000 customers visited the event at the RAI, with the internationally acclaimed investment guru Marc Faber giving the keynote speech. Participants gave the event an 8+ rating.

Products

Alex Vermogensbeheer performed better in 2015 after a disappointing 2014. Customer satisfaction is gradually recovering, complaints and terminations have fallen sharply and the outflow of customer funds has fallen for four quarters in a row. Further improvements were made to various aspects of the product. For example, the diversity of investments has been increased and the investment universe has been expanded to include the Swiss and Scandinavian markets, with the relevant benchmarks being adjusted at the same time. The stock market climate also contributed further to a recovery in confidence. The sample portfolio for the cautious profile (behoedzaam profiel) achieved a positive return of 11.7% in 2015 (2014: -11.2%). Alex Vermogensbeheer still had a net outflow of € 241 million in the first quarter of 2015. In the second and third quarters the net outflow slowed to € 74 million and € 25 million respectively and in the fourth quarter it was € 44 million. Assets under management were 13% lower at € 1.7 billion. The decrease in assets under management was due in part to the net outflow and in part to a positive investment result of € 150 million.



The services provided for independent asset managers in the Netherlands were brought within the Netherlands business unit as a result of the integration of Professional Services. Interfaces will be established with the leading portfolio management systems at the beginning of 2016. As at 31 December 2015, BinckBank supplied services to 109 independent asset managers, an increase of 7% compared to 2014, with total assets under management of € 6.6 billion, an increase of 13% compared to 2014.

Binck Fundcoach focuses on self-directed investors with a longer investment horizon who do not want to be influenced by the day-to-day hustle and bustle of the stock market. Binck Fundcoach saw customer numbers rise by 10% in 2015. In view of the favourable market conditions for this product, BinckBank aims to increase this number further in 2016. A strengthening of the proposition and intensified marketing will contribute to this.

A year after the launch of the Binck turbo, the product has become very popular among Dutch investors. With tight spreads and long trading hours, BinckBank offers a high-quality product that is greatly appreciated by its customers. This led to the Binck turbo becoming the second most traded turbo in the Netherlands within a short time. In 2016 BinckBank will add currencies and precious metals to further expand the underlying offer.

Financial results

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

2015 2014 Δ

Customer figures

Number of customer accounts	474,666	469,581	1%
Number of brokerage accounts	350,450	341,727	3%
Number of asset management accounts	39,931	42,890	-7%
Number of savings accounts	84,285	84,964	-1%
Number of transactions	6,630,875	6,100,727	9%
Net fee and commission income per transaction	€ 11.65	€ 12.21	-5%
Assets under administration	16,524,133	15,077,177	10%
Brokerage accounts	16,315,715	14,801,681	10%
Savings accounts	208,418	275,496	-24%
Assets under management	1,697,871	1,952,193	-13%

Company profit and loss account

Net interest income	20,592	22,998	-10%
Net fee and commission income	106,871	103,236	4%
Transaction-related	77,217	74,463	4%
Asset management fees	16,766	17,903	-6%
Other	12,888	10,870	19%
Other income	2,040	2,051	-1%
Result from financial instruments	2,045	501	308%
Impairment of financial assets	10	(123)	-108%
Total income from operating activities	131,558	128,663	2%
Employee expenses	9,261	11,097	-17%
Depreciation and amortisation	21,828	21,728	0%
Other operating expenses	16,140	25,098	-36%
Total operating expenses	47,229	57,923	-18%
Result from operating activities	84,329	70,740	19%
Internal Cost Allocation	(45,563)	(43,408)	5%
Result from operating activities after Internal Cost Allocation	38,766	27,332	42%

From an operating perspective BinckBank Nederland posted strong results in 2015 in a competitive environment. The operating result rose by 19%, due to a rise of € 2.9 million in income from operating activities and a decrease in operating expenses of € 10.7 million. The decrease in other operating expenses was due to the reassessment of provisions and the SNS resolution levy paid in 2014. The number of customer accounts and assets under administration rose again in 2015.

Developments and results of the Belgium business unit

Over the past year BinckBank Belgium concentrated on further growth with a strong focus on customer service and expanding the product offering.

In mid-2015 BinckBank Belgium highlighted its position as a market leader with the 'Is BinckBank the right bank for you? – Decide for yourself' campaign. The independent aspect of this proposition was emphasised in advertisements and national radio campaigns in both the French- and Dutch-speaking regions. This campaign was well received by the public and resulted in a 40% rise in the number of leads compared to the same quarter in 2014.

In the third quarter of 2015 BinckBank Belgium added the Fund Finder to its website. This tool enables customers to obtain detailed information on investment funds. BinckBank Belgium is thereby endeavouring to further expand its position in the fund segment.

Following the example of the Netherlands and Italy, BinckBank Belgium rolled out the new mobile app for iOS and Android in November 2015. Investors can use this app to invest at any time and any place in shares, options, turbos and futures. The Binck turbo was added to the product offering in November to further expand the investment possibilities available to customers.

BinckBank Belgium actively approached customers in 2015 and attended the two largest financial trade fairs in the country: VFB Happening (25 April) and Finance Avenue (14 November). It showcased the new mobile app and organised a well-attended signing session with stock market expert Gert Bakelants and Pascal Paepen. This followed the launch of 'De Beursbijbel 2016', a book published partly with the support of BinckBank.

Education is an important component for BinckBank. In addition to the support for 'De Beursbijbel 2016', the BinckBank Academy highlighted this objective through an extensive and updated offering of live webinars. BinckBank Belgium also obtains information and conducts enquiries among all customers using updated online questionnaires to determine the suitability of a product.

The speculation tax introduced on 1 January 2016 represents a major challenge for private investors in Belgium. It is a 33% tax on profits realised on shares, options and warrants held in a portfolio for less than six months. The speculation tax was approved by the Belgian government in October 2015. Barely three months elapsed between its approval and introduction. BinckBank considers it has a duty to inform customers as fully as possible about the speculation tax and will do its utmost to support customers by providing transparent information and alerts on the trading platform.

Financial results

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

	2015	2014	Δ
Customer figures			
Number of customer accounts	64,162	61,245	5%
Number of brokerage accounts	64,162	61,245	5%
Number of transactions	945,199	850,826	11%
Net fee and commission income per transaction	€ 12.51	€ 13.19	-5%
Assets under administration	2,678,812	2,307,921	16%
Brokerage accounts	2,678,812	2,307,921	16%
Company profit and loss account			
Net interest income	1,332	1,700	-22%
Net fee and commission income	12,949	12,133	7%
Transaction-related	11,820	11,223	5%
Other	1,129	910	24%
Other income	2	2	0%
Result from financial instruments	12	-	100%
Impairment of financial assets	1	(5)	-120%
Total income from operating activities	14,296	13,830	3%
Employee expenses	2,610	2,918	-11%
Depreciation and amortisation	11	31	-65%
Other operating expenses	4,243	4,549	-7%
Total operating expenses	6,864	7,498	-8%
Result from operating activities	7,432	6,332	17%
Internal Cost Allocation	(5,025)	(4,032)	25%
Result from operating activities after Internal Cost Allocation	2,407	2,300	5%

BinckBank Belgium's operating result rose 17% to € 7.4 million. The rise was primarily due to the fact that 11% more transactions were processed than in 2014. Good cost control also contributed to the higher result. Total operating expenses declined across the board by 8% to € 6.9 million.

Developments and results of the France business unit

BinckBank France had a challenging year in 2015. The French market is particularly competitive, so BinckBank carves out a distinctive position by not only offering competitive rates but also by providing financial services that offer added value to the customer. In this context ProRealTime was introduced for the most active customers midway through the year. This program developed by an external partner offers high-quality technical analysis tools. The use of external partners to provide additional functionality for our customers fits in with the 'navigator' role described in our strategy. Improving customer satisfaction was also a focal point in 2015. In order to achieve this, BinckBank further expanded its services and the market information provided. Our efforts were rewarded with the winning of the 'Label d'Excellence' award from the independent Les Dossiers de l'Épargne with an exceptionally high score of 4.9 on a scale of one to five.

In 2015 BinckBank France began preparations for its migration to the European base platform as part of the operational excellence objective. BinckBank expects to be able to migrate its French private customers in 2016. Once the migration to the European base platform has been completed, all European Retail customers will be using the same platform, which means that all product developments will directly benefit all our customers.

Financial results

(figures in EUR 1,000's, unless otherwise stated)	2015	2014	Δ
Customer figures			
Number of customer accounts	62,447	60,474	3%
Number of brokerage accounts	52,142	50,002	4%
Number of savings accounts	10,305	10,472	-2%
Number of transactions	1,231,389	1,268,595	-3%
Net fee and commission income per transaction	€ 6.02	€ 5.99	1%
Assets under administration			
Brokerage accounts	752,559	686,141	10%
Savings accounts	12,803	14,888	-14%
Company profit and loss account			
Net interest income	2,546	3,243	-21%
Net fee and commission income	7,739	7,979	-3%
Transaction-related	7,409	7,600	-3%
Other	330	379	-13%
Other income	24	23	4%
Impairment of financial assets	3	(36)	-108%
Total income from operating activities	10,312	11,209	-8%
Employee expenses	2,695	2,852	-6%
Depreciation and amortisation	5	7	-29%
Other operating expenses	3,502	4,491	-22%
Total operating expenses	6,202	7,350	-16%
Result from operating activities	4,110	3,859	7%
Internal Cost Allocation	(5,405)	(3,277)	65%
Result from operating activities after Internal Cost Allocation	(1,295)	582	-323%

BinckBank France's operating result in 2015 amounted to € 4.1 million. This represents an increase of 7% compared to 2014. The increase can be attributed particularly to good cost control. Total costs in 2015 amounted to € 6.2 million, € 1.1 million less than in 2014. The number of transactions decreased by 3%, while the number of customer accounts rose by 3% to 62,447. BinckBank France's internal cost allocation in 2015 was substantially higher than in 2014. This was due to the preparations made for the migration to the European base platform in the first quarter of 2016.

Developments and results of the Italy business unit

In terms of transaction volumes, BinckBank Italy had the best year since it started operating in 2012. A number of milestones were reached in the third quarter, such as the 5,000th customer and a record number of transactions on a single day (4,315 on 24 August 2015). BinckBank Italy has an active, high-quality customer base. Customers conducted a total of 486,128 transactions in 2015, entrusting an average of € 115,897 per customer to BinckBank. This high amount is mainly due to the popularity of bond trading in Italy.

In line with the strategic objectives, BinckBank Italy also focused on customer intimacy and high customer satisfaction. Periodic measurements have revealed that customer satisfaction with our customer service is rated above 8. The introduction of the mobile app also made an important contribution to satisfaction, thereby fulfilling a frequently voiced wish among BinckBank's Italian customers. The short time to market of the app, which was already available in the Netherlands, demonstrates that the central IT platform has enabled BinckBank to roll out services increasingly rapidly across the various countries. The product offering has also been expanded, for example with the 'Italian week option' and various new Eurex futures. A new version of Binck360 (Scalper) is being launched in the first quarter of 2016.

BinckBank Italy offered its customers a wide range of education in 2015. A series of educational videos was produced for both experienced and novice investors. Another new initiative is Binck TV, an Internet channel on which BinckBank provides weekly commentaries on developments and events in the financial markets. BinckBank Italy aims to use Binck TV as a means of increasing its brand recognition as an investment specialist in Italy.

Financial results

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

	2015	2014	Δ
Customer figures			
Number of customer accounts	5,239	4,206	25%
Number of brokerage accounts	5,239	4,206	25%
Number of transactions	486,128	397,342	22%
Net fee and commission income per transaction	€ 4.37	€ 3.67	19%
Assets under administration	607,090	452,589	34%
Brokerage accounts	607,090	452,589	34%
Company profit and loss account			
Net interest income	1,094	532	106%
Net fee and commission income	1,577	966	63%
Transaction-related	2,125	1,458	46%
Other	(548)	(492)	11%
Impairment of financial assets	1	(4)	-125%
Total income from operating activities	2,672	1,494	79%
Employee expenses	1,288	1,202	7%
Depreciation and amortisation	75	81	-7%
Other operating expenses	1,956	2,778	-30%
Total operating expenses	3,319	4,061	-18%
Result from operating activities	(647)	(2,567)	-75%
Internal Cost Allocation	(3,396)	(3,089)	10%
Result from operating activities after Internal Cost Allocation	(4,043)	(5,656)	-29%

BinckBank Italy is the business unit that achieved the highest level of growth in 2015. Compared to 2014, the number of accounts grew by 25%, the number of transactions by 22% and assets under administration by 34%. The operating result in 2015 was a loss of € 647,000, whereas the loss in 2014 was four times higher. The net fee and commission income per transaction rose from € 3.67 to € 4.37.

Developments in group activities

In January 2015 BinckBank blocked the account of the Fibonacci investment association and closed positions after determining that Fibonacci had contravened the licensing requirements under the Act on Financial Supervision (Wft). BinckBank also strongly suspected that Fibonacci was misleading its members by holding out the prospect of returns that had not been achieved and paying out returns that could only be funded from amounts paid in by new and existing members. In the ruling of 6 March 2015 in the preliminary relief proceedings which Fibonacci had brought against BinckBank concerning BinckBank's actions, the judge found that BinckBank had no authority to close the positions in the way it did. BinckBank was required to release the account and restore Fibonacci's financial position. In the appeal which BinckBank lodged against this ruling, BinckBank argued among other things that the judge was wrong in considering that Fibonacci was compliant with the Financial Supervision Act and had not misled its members. It further maintained that there was a failure to appreciate that under certain circumstances BinckBank had a social duty to take account of the interests of third parties, i.e. the members of Fibonacci. However, in its judgement of 17 November 2015, the Amsterdam Court of Appeal dismissed all of BinckBank's complaints.

On 22 July 2015 the court in The Hague rendered judgement in the case brought by Euronext N.V. and Euronext Amsterdam N.V. (Euronext) against TOM Holding N.V., TOM Broker B.V., TOM B.V. and BinckBank N.V. (BinckBank). The court upheld a number of Euronext's claims. BinckBank was required to cease certain practices, namely infringement of Euronext's database rights with regard to option series, certain statements about Smart Execution and the use of some of Euronext's ticker symbols and data. Finally, BinckBank was ordered to place a text specified by the court on some of its websites. BinckBank was further ordered to pay compensation for damages suffered by Euronext at a level to be set in a damages assessment procedure. BinckBank has decided to appeal against the judgement. The executive board is of the opinion – based on information currently available and after taking legal counsel – that the amount of these damages cannot be reliably established at this time.

The Netherlands Authority for the Financial Markets (AFM) notified BinckBank on 30 October 2015 of its intention to impose a fine for late transaction reporting to the AFM with regard to transactions in financial instruments. The AFM considers that the transactions conducted in the period from 2 March 2010 to 28 October 2014 on the over-the-counter (OTC) market in Luxembourg and from 3 February 2011 to 1 October 2014 on the XMON (derivatives exchange in Paris) and the XRBD (derivatives exchange in Brussels) were not reported on time. If a fine is imposed, the AFM will announce this in a fine decision.

On 30 October 2015, the AFM notified BinckBank of its intention to impose a fine in respect of advertising placed by Alex Vermogensbeheer. The AFM considers that in the period from 8 September 2012 to 26 August 2014 advertisements for Alex Vermogensbeheer contained unclear information. Since this is an intention on the part of the AFM, it is not yet clear whether a fine will be imposed. The amount of any fine will not be made known until the fine decision is published by the AFM.

Information for shareholders



BinckBank sets great store by good relations with investors and analysts and is committed to the highest standards of integrity and providing honest information.



BinckBank considers it essential to maintain a transparent and consistent policy with regard to information. BinckBank actively seeks a dialogue with its shareholders. It communicates openly with investors and others with a financial or other interest in the company in order to keep them as fully and promptly informed as possible with regard to the company's policy, developments and outlook, so that they can take well-founded investment decisions.

All relevant information, such as the annual report, half-yearly reports, quarterly statements, analyst presentations and background information is available on the corporate website at www.binck.com.

Share price and total investment return on the BinckBank share in 2015

BinckBank shares are listed on Euronext Amsterdam and since 2 March 2007 have formed part of the Amsterdam Midkap Index (AMX), with a weighting factor of 1.44% in this index on 31 December 2015 (2014: 1.50%). The share price rose by 12.8% in 2015.

ISIN code: NL0000335578

Reuters: BINCK.AS

Bloomberg: BINCK.NA

The average number of shares traded daily in 2015 was 392,355 (2014: 237,609).

BinckBank shares are currently followed by seven analysts, whose recommendations to institutional and private investors regarding BinckBank shares are shown below.

Coverage of BinckBank shares*

Company	Analyst	Advice	Price target
ABN Amro	Michiel de Jonghe	Buy	€ 8.00
ING	Albert Ploegh	Hold	€ 9.50
KBC	Matthias de Wit	Buy	€ 9.50
Kepler Capital Markets	Benoit Pétrarque	Hold	€ 7.50
Rabobank	Cor Kluis	Buy	€ 10.00
SNS Securities	Marcell Houben	Buy	€ 10.50
Theodoor Gilissen	Jos Versteeg	Buy	€ 9.00

* As at 29 February 2016

Key figures for BinckBank shares*

	2015	2014	2013
Earnings per share	€ 0.42	€ 0.45	€ 0.27
Adjusted earnings per share	€ 0.79	€ 0.82	€ 0.78
Dividend per share**	€ 0.39	€ 0.41	€ 0.39
Dividend yield in % (based on year-end closing quote)	4.90%	5.80%	5.10%
Net asset value	€ 6.16	€ 6.20	€ 5.79
Year-end share price BinckBank N.V.	€ 7.95	€ 7.05	€ 7.71
AMX index	698	636	629
P/E ratio	10.06	8.60	9.88

* As at 31 December 2015

** 2015 figures are subject to approval of the General Meeting

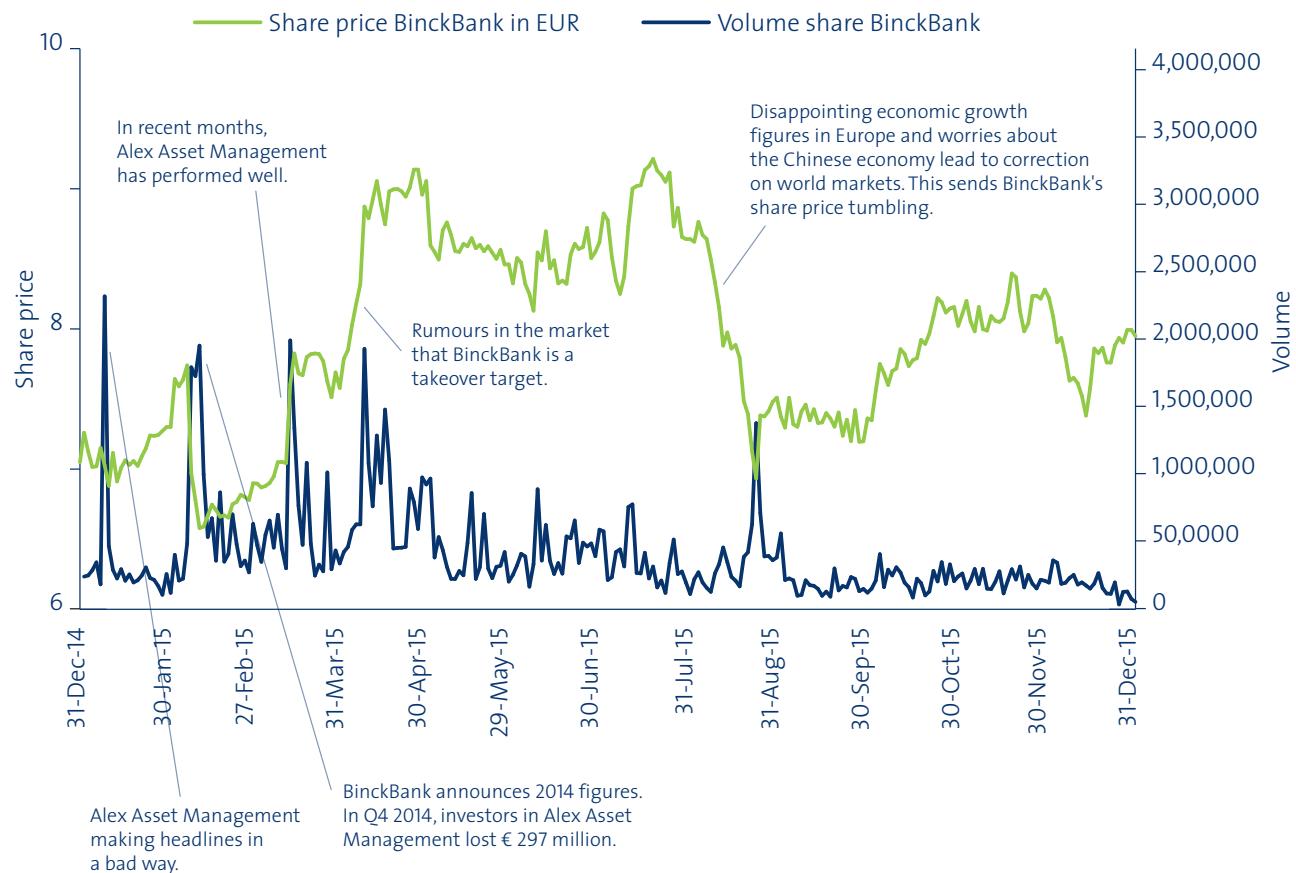
Share capital

	2015	2014	2013
Authorised ordinary shares	100,000,000	100,000,000	100,000,000
Issued shares at previous year-end	71,000,000	74,500,000	74,500,000
Number of shares cancelled during the year	-	3,500,000	-
Issued shares at year-end	71,000,000	71,000,000	74,500,000
Treasury shares held at year-end	719,277	804,674	4,383,380
Number of priority shares	50	50	50
Average number of shares outstanding during the year	70,251,842	70,171,109	70,432,579
Market capitalisation year-end	€ 564,379,000	€ 500,479,000	€ 574,395,000

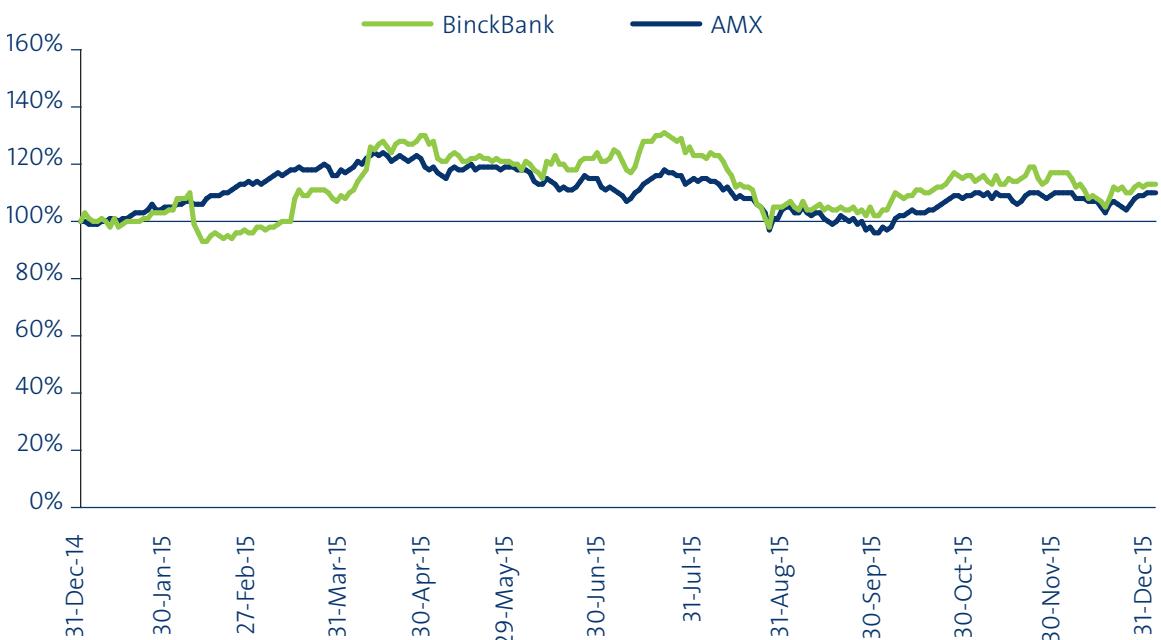
Share price & volumes

	2015	2014	2013
Closing price	€ 7.95	€ 7.05	€ 7.71
Highest price	€ 9.33	€ 9.66	€ 8.30
Lowest price	€ 6.50	€ 6.70	€ 5.69
Share turnover	100,442,801	60,590,301	79,298,786
Turnover - high (amount)	2,317,382	3,223,889	4,318,415
Turnover - low (amount)	27,727	29,780	41,544
Average daily turnover (amount)	392,355	237,609	310,976

BinckBank share movements and volumes



BinckBank vs AMX



The AMX Index started the year at 636 points and ended at 698 points, a rise of 9.7%. The BinckBank share ended 2014 at € 7.05 and ended 2015 at € 7.95, representing a rise of 12.8%.

Dividend policy

BinckBank's authorised share capital consists of ordinary shares and (50) priority shares, each of a nominal value of € 0.10. The priority shares are registered, unlisted and held by Stichting Prioriteit Binck ('the Stichting Prioriteit'). BinckBank's articles of association state that – if and to the extent that profit permits – a sum of six percent (6%) of the nominal value of the priority shares will be distributed in respect of these shares ($50 \times € 0.10 \times 6\%$). The Stichting Prioriteit then determines the portion of the remaining profit which will be transferred to the reserves. The profit remaining after this addition to the reserves is at the disposal of the General Meeting. Any amounts not distributed to shareholders will be added to BinckBank's reserves. The executive board of BinckBank is authorised to resolve that BinckBank will pay an interim dividend subject to the prior approval of the Stichting Prioriteit.

BinckBank applies the following principles when making dividend distributions.

- Sustainability and prudence are preconditions for making dividend distributions and for determining the level and form of such distributions.
- Dividend distributions must comply with the applicable laws and regulations (including the requirements of the European Central Bank ('ECB') and De Nederlandsche Bank ('DNB')).
- Dividend distributions must be responsible – from the perspective of sustainability and prudence – in the judgement of BinckBank based on the solvency position and economic outlook.
- If a dividend distribution is proposed to the general meeting, BinckBank will aim for a payout ratio of 50% of the adjusted net profit.
- Dividend distributions take place in cash and are declared payable no later than 14 days after the resolution is adopted.
- Interim dividends are paid from profit in the current financial year.

BinckBank continually assesses its reserves and dividend policy and discusses it annually as a separate agenda item at the General Meeting.

Dividend proposal for 2015

It will be proposed to the shareholders that a total cash dividend of € 0.39 per share be paid for the 2015 financial year with a deduction of 15% dividend tax. An interim cash dividend of € 0.14 per share was distributed on 3 August 2015, so the proposed final cash dividend is € 0.25 per share. With regard to the distribution of dividend, European banks must observe the recommendations (ECB/2015/2 and ECB/2015/49) of the European Central Bank published on 28 January 2015 and 17 December 2015 respectively. BinckBank meets the criteria stated in the recommendations. Subject to approval by the General Meeting on 25 April 2016, the share will be quoted ex-dividend on 27 April 2016. Payment of the final dividend will be made on 2 May 2016.

Shareholdings

The following shareholders have interests of 3% or more in BinckBank (as at 31 December 2015):

- Boron Investments N.V. (>5%)
- Delta Lloyd Deelnemingenfonds N.V. (>5%)
- Navitas B.V. (>5%)
- Farringdon Capital Management (>3%)
- Old Mutual plc (>5%)
- Dimensional Fund Advisors LP (>3%)
- Invesco Limited (>5%)

The shareholdings of the members of the executive board of BinckBank at the end of 2015 were as follows:

- Vincent Germyns: 27.630 shares
- Evert-Jan Kooistra: 62.506 shares
- Steven Clausing (appointed with effect from 30 October 2015): no shares

Investor Relations

BinckBank maintains contacts with existing and potential investors through one-on-one meetings (roadshows/calls) and conferences. Members of the executive board and the manager of the Investor Relations department held 36 meetings with investors and potential investors from Europe and the United States in 2015.

BinckBank applies a moratorium of three weeks prior to the publication of its quarterly figures and four weeks prior to publication of its annual figures. BinckBank does not hold meetings or engage in active dialogue with investors or analysts during these periods. Following publication of the quarterly and annual results, BinckBank organises a conference call for analysts and shareholders in which the chairman of the executive board and the CFRO give an explanation of BinckBank's results. Other interested parties can follow the conference call via a link on BinckBank's corporate website. The material presented is published together with the press release on www.binck.com. All the results and key figures are available in spreadsheet form and the transcript of the conference call is available in English on the corporate website a few days after the call. BinckBank also gives journalists an opportunity each quarter to receive an explanation of the results by telephone.

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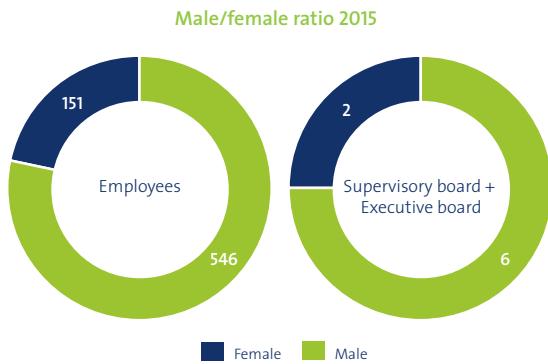
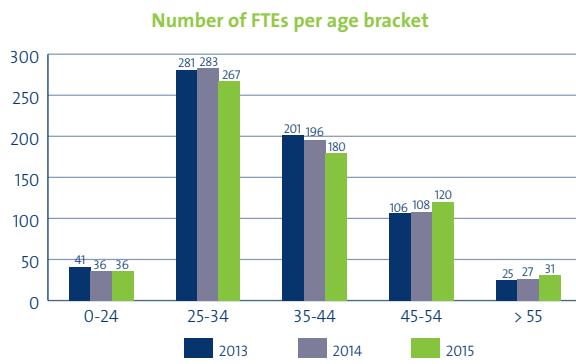
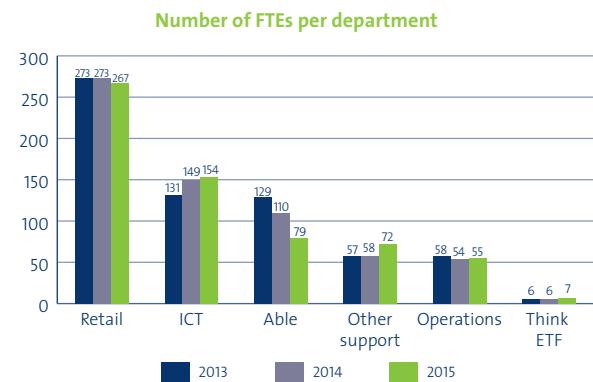
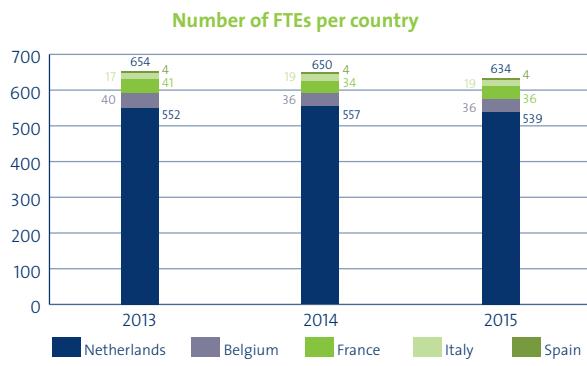
Twitter: twitter.com/BinckBank

Human Resources

Introduction

BinckBank is a successful international company brimming with new initiatives and providing a pleasant, informal atmosphere. BinckBank employs a large number of young, ambitious people who wish to grow in their career. It is our employees who determine the success of BinckBank. Their average age at the end of 2015 was 37.

Over the past years BinckBank has grown into a company with 633.8 FTEs across the Netherlands, Belgium, France, Italy and Spain. When hiring new employees BinckBank sets great store by having employees who fit in with the organisation and help to maintain its culture.



Review of our core values

In connection with the 'New Binck' growth strategy, a project was launched in the second half of 2015 to review the core values. By means of various information sessions with the executive board, management and employees from all countries, BinckBank aims to develop a set of broadly supported core values. This project was still ongoing at the end of 2015.

Banker's oath

Dutch banks believe it important that all employees in the Dutch banking sector perform their duties in an honest and prudent manner. With a view to restoring trust in the financial sector, all banks in the Netherlands took the initiative of introducing the 'Future-oriented banking' package. This consists of the Social Charter, the updated Banking Code and Rules of Conduct.

The banker's oath is a 'moral and ethical conduct declaration'. By taking the oath, employees working in the Netherlands state that they will comply with the rules of conduct and that they will be subject to the associated disciplinary law.

The rules of conduct as stated in the banker's oath concern:

- Integrity and prudence
- Careful consideration of interests, centred on the customer
- Compliance with laws and regulations and the code of conduct
- Protection of confidential information
- Transparency and responsibility
- Maintaining of trust in the financial sector

In 2015 new employees in the Netherlands, members of the Identified Staff and a large proportion of the external employees (hired personnel and purchased external services) of BinckBank took the banker's oath. All other employees working in the Netherlands took the oath in February 2016. BinckBank's supervisory board and the executive board took the banker's oath in or before 2015.

Recruitment

BinckBank is an attractive employer and endeavours to remain so. Many employees choose BinckBank on the basis of the ambitions and challenges. The ambitions offer opportunities in terms of development and career prospects as well as enormous scope for individual contributions and ideas.

The recruitment of the right employees is supported not only by the involvement of the business and our HR advisers in the selection process, but also by the 'Werken bij Binck' website. This website enables us to recruit new personnel efficiently and independently for BinckBank Netherlands, Belgium, France, Italy and Spain. BinckBank also conducted the recruitment activities for Think ETF Asset Management B.V.

The 'Werken bij Binck' website was updated with the addition of visual material reflecting the atmosphere in the organisation. A great deal of attention was also focused on making vacancies easy to find. Over the past year the website attracted 111,190 visitors, from whom 6,059 responses were received. These responses ultimately led to the filling of 171 vacancies. The average time taken to fill a vacancy was seven weeks and 92% of all vacancies were filled through our own recruitment activities.

The shortage in the labour market for specific jobs is expected to increase in the years ahead. In anticipation of this, BinckBank began the further professionalisation of recruitment and selection in 2015 by deploying additional manpower on recruitment and targeting it better through the use of new technologies. Various initiatives were also undertaken to educate and train employees. BinckBank trained an IT class again in 2015 with new IT professionals taking the basic training course. After completion of the course they were offered a permanent post in the organisation.

Training and Development

In order to prevent an outflow of talented employees to other companies, BinckBank has a strong focus on ‘the right person in the right place’. BinckBank believes it is important for the company’s culture to allow talent to develop within the organisation. With this objective in mind 81 employees were promoted to new jobs in BinckBank in 2015. BinckBank will continue to promote internal mobility in the years ahead, through implementing a talent programme.

BinckBank invests constantly in employee knowledge, skills and professionalism because competent, motivated and satisfied employees are crucial for BinckBank’s success. The performance management cycle forms the basis of the individual development plans and annual salary revision and also contributes to internal advancement.

In 2015 all employees were offered (online) training to improve knowledge and/or skills. Aside from the internal training, more than half of employees attended an external or online training course supporting them in their development.

The executive board held various strategy sessions in the Netherlands, Belgium, France and Italy in 2015 in order to bring the organisation’s strategy to the attention of all employees.

The ‘Help talent in the saddle’ mentoring programme set up by BinckBank in 2014 was successfully continued in 2015. BinckBank’s mentors completed their training with a certificate in 2015. The mentors were officially tasked with applying their coaching skills as well as sharing their professional knowledge. They support their own colleagues in the optimum deployment of their talent, broadening the base for their career within BinckBank. The YFINN network organisation, which BinckBank joined in 2014, also helps our employees to develop their knowledge and skills by organising themed activities.

BinckBank developed a ‘Learning & Development’ intranet page in 2015 to increase and centralise the information on training possibilities in the organisation. This channel gives employees fast and easy access to information on various individual training options and in-house training courses. In the years ahead BinckBank will continue to focus on the development and advancement of talented employees.

Employee satisfaction survey ('FABBS')

The preparations for the new employee satisfaction survey were completed at the end of 2014. The name of the survey was changed to FABBS (For A Better Binck Survey). It is a contemporary, transparent survey geared to the plans and ambitions of BinckBank. The survey was conducted among personnel in all countries at the beginning of 2015. It focuses among other things on important themes, plans, ambitions and the corporate culture. 80% of employees completed the survey. Although differences in results were evident between countries and on different subjects, the results in general showed high satisfaction scores.

Responses to the results of FABBS from the whole organisation were positive and all business units and countries produced follow-up plans. These plans will continue to be monitored in the years ahead. Internal communication will also play a major role to maintain support for FABBS and guarantee the focus on satisfaction. The survey will be repeated at the beginning of 2016.

Vitality

Absenteeism due to illness was 3.28% in 2015. This percentage was almost unchanged compared to a year earlier (3.22% in 2014). In order to help managers support employees with long-term illness, a number of sessions were arranged with the occupational health & safety service.

In addition to support for management, additional attention was devoted to health in the form of sports activities and healthy nutrition during the year. In January 2015 BinckBank entered into a cooperation agreement with the Bootcamp Club. Training sessions are organised at different times on two days a week. Many employees (including the executive board) have participated in the courses. A group of sportive employees took part in the Mudmaster programme in 2015, but the vitality programme also included marathons and football tournaments in 2015.

There was also additional focus on the good nutrition component by means of workshops on healthy nutrition and a healthier menu in the company restaurant was also addressed. This programme is being expanded in 2016 as part of the occupational health & safety policy, with changes also being made to the catering concept. Fit and healthy employees are essential for a business with a lot of ambition.

In addition to fit and healthy employees, BinckBank's health programme also promotes team spirit, collaboration and enjoyment. These are important focal points of the agenda for the years ahead. From this perspective BinckBank also focused attention on organising informal events in 2015, such as Friday afternoon drinks in the bar. BinckBank celebrated its 15th anniversary in 2015 and the Employee Events Committee organised an anniversary celebration for employees from all countries. This was a successful and pleasant gathering of all BinckBank employees.

Cooperation with the works council

The composition of the works council changed in 2015 as a result of the works council elections. The works council consists of nine members. The executive board, HR and the works council conducted formal and informal consultations on a regular basis. The consultations are pleasant and informative, and transparent in nature.

The following projects were jointly initiated and in some cases completed in 2015:

- The integration of the BPO activities within the activities of the NL Business Unit was supported and completed by HR. All the HR services which BinckBank provided for Able will be performed internally by Able as from January 2016.
- Introduction of a transparent remuneration system for salaries (Relative Salary Positions)
- BinckBank started preparations for flexible employment benefits. During 2016 several options will be offered for the exchange of employee benefits. The new HR system supports the exchange of employment benefits.

The executive board looks forward to continued constructive cooperation with the works council in 2016.

Legislation

In 2015 BinckBank made the necessary preparations to bring its remuneration policy into line with Regulation on Sound Remuneration Policies under the Wft 2014 (enacted on 1 August 2014) and the Financial Undertakings (Remuneration Policy) Act, which came into force on 7 February 2015. This sub-committee of the Supervisory Board advises the Supervisory Board in its responsibility in determining the remuneration policy of BinckBank and monitoring the implementation thereof. The remuneration committee receives information and advice from the control committee, which includes the HR and Legal managers in addition to the head of Risk Management and the head of Ethics & Compliance.

Corporate social responsibility

Introduction

BinckBank's business activities revolve primarily around building and maintaining customer confidence and achieving added value for customers in the field of Saving, Investing and Trading. An implicit feature of the services is that BinckBank continually takes account of the impact its business operations have on the wider environment. This includes customers, employees, shareholders, regulators, financial markets and the environment. BinckBank endorses the guidelines of the Dutch Banking Association (NVB) with regard to corporate social responsibility. BinckBank applies the guidelines in accordance with the nature of the company.

Analysis of materiality and definition of scope

BinckBank occupies a clear position in the financial chain and BinckBank's geographic footprint in four countries in the European Union limits complexity in terms of CSR. International issues in the field of human rights, income distribution, employment conditions and raw material shortages therefore have little or no relevance to BinckBank's business operations. In view of its social position as a bank, issues relating to customers' interests in the framework of its duty of care, risk management, governance and reward play an important role. These factors play a part in determining the scope of the reporting.

BinckBank divided the CSR issues into three categories, namely: customer value and dialogue, business operations and sustainable products and services.

Customer value & dialogue	Business operations	Sustainable products & services
1 Customer satisfaction	6 Risk report (page 58)	13 Responsible credit policy
2 Financial education	7 Corporate Governance (page 106)	14 Management of customer funds (asset management)
3 Customer service and complaint management	8 Tax policy (page 54)	15 Conservative investment policy
4 Privacy & security	9 Compliance and observance of legislation and regulation (page 127)	16 Transparency on costs and conditions
5 Platform stability	10 Human Resources (page 46)	17 CSR projects and donations
	11 Environmental care	
	12 Human rights and working conditions	

Customer value & dialogue

1 Customer satisfaction

BinckBank has embedded customer satisfaction in its strategic medium-term objectives. BinckBank strives continuously to surpass customers' expectations by means of innovation and aims to be the bank with the highest customer satisfaction. BinckBank surveys its customers' satisfaction each quarter by means of questionnaires sent on each occasion to a different part of the customer base.

2 Financial education

BinckBank seeks to enable its customers to invest as successfully as possible to achieve their financial ambitions. It therefore endeavours to ensure that consumers – and hence investors – can take better, independent financial decisions with regard to the management of their assets. Education plays a key role in this regard. BinckBank offers its customers education in the form of events such as the Binck Investors Day, online seminars, online training modules and masterclasses, but also by issuing a financial driving licence for complex and non-complex products. In 2015 BinckBank gave 80 online seminars, with a total of over 20,000 participants giving them an average rating of 8. Our investor trainers provide the above-mentioned education. In addition, fellow professionals and specialists are used for themes such as tax aspects of investing.

3 Customer service and complaint management

Right from the time BinckBank was formed we have always strived to deliver high-quality customer service. That starts with the quality of our customer service department, which secured a place on the podium for the 'Gouden Oor Award', and continues through our product development, which draws on the input from customer panels. Thanks to the expansion of the departments and investments in quality, customer service improved greatly in 2015, resulting among other things in a reduction of telephone waiting times to 10 seconds.

4 Privacy and security

Privacy and online security are inextricably connected to BinckBank's services. The subject of safe internet use is receiving increasing attention in society, including measures which consumers themselves should take on their desktop computers and mobile phones. In this regard BinckBank aims to draw customers' attention to the [www.veiligbankieren.nl](#) initiative. Visitors to this site can find background information and detailed instructions on securing their PC environment and mobile phone.

BinckBank took additional measures in this field over the past year. The introduction of two-factor authentication was completed to provide an additional level of security. After logging in with a username and password, BinckBank also requests the user to enter an authentication code which BinckBank sends by SMS to the user's mobile phone. This builds in additional security for the placing of orders.

5 Platform stability

BinckBank continuously invests in the stability of its trading platform. In 2015 the platform demonstrated its ability to cope with peak loads without appreciable problems. BinckBank has also set up a fully equipped back-up environment. A back-up test of the production environment to the back-up environment is carried out at least twice a year. The uptime KPIs are defined on an annual basis, with a distinction being drawn between availability during market hours and outside market hours. Planned maintenance always takes place outside market hours. The availability of systems within trading hours in 2015 was 99.05%, so the specified standard of 99.90% was not attained. Internal systems had 99.76% uptime as a result of 11 disruptions. The uptime of external systems was 99.29% as a result of 16 disruptions.

Business operations

6 to 10

See page reference in the table on page 50.

11 Environmental care

The ecological footprint of BinckBank limited to headquarters and four foreign branches. The data center has the largest CO₂ consumption. Equinix is the provider of the data center, Equinix is the first data center in Europe and the first company in the Netherlands with an ISO 50001 certification, the new global standard for energy management. BinckBank uses green electricity in her head office on Barbara Strozilaan.

12 Human rights and working conditions

The geographic footprint of BinckBank limited to headquarters and four foreign branches, in Belgium, France, Italy and Spain. At these sites there are no particular issues in the field of human rights and working conditions.

Sustainable products & services

13 Responsible lending policy

The only form of lending which BinckBank provides for customers is collateralised lending. Collateralised lending is revolving credit against securities collateral which can only be used to purchase securities. Customers can only use this credit facility by entering into a separate contract. BinckBank has capped the collateral haircut percentages to prevent its customers becoming overindebted. The maximum level of the collateralised lending is determined by the risk appetite of BinckBank's customers and BinckBank's readiness to lend against securities collateral. BinckBank's readiness to lend depends on the customer's investment portfolio and changes constantly in line with price movements or changes in the portfolio. The setting of the maximum level means BinckBank customers cannot build up irresponsibly high debts.

14 Asset management

In its investment policy for Alex Vermogensbeheer, BinckBank applies exclusion criteria to companies which do not comply with the UN Global Compact guidelines. In collaboration with Sustainalytics, Alex Vermogensbeheer carries out quarterly screening of the universe of stocks in which the model invests. An additional screening was carried out initially when the universe was expanded to include the Scandinavian and Swiss markets. By means of this screening, Alex Vermogensbeheer aims to avoid investing in companies which contravene the principles of the UN Global Compact. Moreover, Alex Vermogensbeheer does not invest in companies involved in the arms trade. The results of the screening by Sustainalytics for Alex Vermogensbeheer led to three companies in Europe and eleven companies in America being excluded as potential investments. Alex Vermogensbeheer did not have positions in the companies concerned in Europe, although it did hold a position in one of the excluded companies in America. This position was wound down before the results of the screening were known.

15 Conservative investment policy

BinckBank conducts a conservative financial policy and is prudent in the investment of funds entrusted to it by its customers. The entrusted funds that are not used for collateralised lending are held partly in cash, with the remainder being invested through the investment portfolio. Lending is conducted in a responsible manner in accordance with the established risk appetite. Detailed information can be found in the risk management section (p. 61).

16 Transparent cost and conditions

BinckBank strives for transparency in its charging structure for its customers, so that they know in advance exactly what the BinckBank services cost and can subsequently establish what they have received for their money.

Social projects and donations

With regard to social projects and donations, BinckBank is participating in the introduction of the Money Exam in primary schools in Amsterdam, in collaboration with Nibud and Deloitte. In secondary schools BinckBank supports 'IEX Scholenstrijd', an investment competition that forms part of the economics lessons in the higher years of senior general secondary education and pre-university education.

Reporting and the Global Reporting Initiative (GRI)

The GRI guidelines stand for the Global Reporting Initiative guidelines. The United Nations has issued these guidelines to assist businesses in their reporting in the area of sustainability. BinckBank does not publish a separate sustainability report but prefers to include a separate section on corporate social responsibility (CSR) in its annual report. The publication of a separate sustainability report revealed an extensive overlap between the annual report and the GRI guidelines relevant to BinckBank, such as the description of strategy, the section on risk and the HR policy. Furthermore, a large number of GRI indicators defined specifically for financial service providers have little or no relevance in BinckBank's case. For instance, our geographic area of operation concerns countries within the European Union, where issues relating to human rights, poor working conditions and other social matters do not play a role. In addition, BinckBank does not face ethical or social issues with regard to collateralised lending, due to the measures taken to avoid over-indebtedness.

Tax policy

Introduction

BinckBank takes the view that an approach to taxation is an integral part of CSR within society. BinckBank therefore regards compliance with its tax obligations as part of the process of long-term value creation for all stakeholders. Transparency is one of the key elements in the current social discussion on CSR. BinckBank concurs with this discussion and thus explains its tax policy in this part of the report. The income tax paid by BinckBank for each geographic segment is also demonstrated by means of the country-by-country overview in the financial statements.

Tax policy

BinckBank's customers are primarily looking for a secure, reliable and operationally efficient banking and broker institution. BinckBank's positioning as a provider of financial services is therefore geared towards a low risk appetite in its policy and operational decisions relating to tax affairs. BinckBank aims to avoid any risks by adopting tax stances that could adversely affect the tax position or reputation of BinckBank and/or its customers.

BinckBank strives to comply with all relevant national and international tax rules and legislation, taking account of the intention of the legislature and best-practice guidelines, such as the OECD Guidelines for Multinational Enterprises, in order to adequately monitor the tax position and pay taxes on time. BinckBank is assisted by accredited tax consultants in all countries where it operates. It is BinckBank's position that a reasonable application of the law does not involve aiming for an artificial reduction of the effective tax burden, for instance by means of tax avoidance through tax havens. At the same time, it is in the interest of the continuity and value of the business to optimise the tax position in this context. BinckBank also has a responsibility in this regard towards shareholders to improve shareholder value, bearing in mind that taxation should follow business operations and not be the defining element of business operations. If BinckBank believes that it can utilise a tax facility, this will be agreed in advance with the Dutch Tax and Customs Administration. One example of this is the advance tax ruling that BinckBank has obtained from the Dutch Tax and Customs Administration on the application of the innovation box to the income attributable to the innovative trading platform that BinckBank has developed for private investors.

BinckBank's tax position is in keeping with its business operations and reflects its business strategy and the geographic distribution of its activities. BinckBank has considered the OECD's definitive action reports on the 'Action Plan on Base Erosion and Profit Shifting' (BEPS) project. Given that BinckBank's tax position is in keeping with its business operations in various countries and that it does not use any aggressive and socially criticised tax structures and tax havens, BinckBank believes that the BEPS action report will have a limited impact on it.

For the purpose of transfer pricing, BinckBank uses the Master/Local File principles, which have been coordinated with the Dutch Tax and Customs Administration by means of a bilateral Advance Pricing Agreement (APA) and unilateral APA's. An agreement has been reached by which the Transactional Net Margin Method (TNMM) is used to calculate transfer pricing, with gross operating revenue as the profit indicator. The profit margin of the foreign branch is established as a fixed percentage of the 'net fee and commission income' and all other income and expenses will be borne by the head office in the Netherlands. For branch offices that do not generate local income, it has been agreed with the Dutch Tax and Customs Administration that under the unilateral APA the cost-plus basis is the most suitable method for transfer pricing.

BinckBank practises transparency towards the tax authorities in all countries where it operates. This means that BinckBank provides all relevant and requested information on tax affairs in order to facilitate a reasonable

assessment of its tax position. If necessary, and where practical discussion items are agreed in advance with the Dutch Tax and Customs Administration, in as much as this is possible. This limits subsequent differences in opinion and any later adjustments. Ultimately this gives BinckBank more clarity and certainty about tax positions. In the context of horizontal monitoring, BinckBank has entered into a covenant in the Netherlands with the Dutch Tax and Customs Administration. The Dutch Tax and Customs Administration wishes to use horizontal monitoring to place even greater emphasis on cooperation between equals in monitoring. This means that when a need arises for coordination between BinckBank and the Dutch Tax and Customs Administration, this happens beforehand instead of during subsequent audits. When it enters into a covenant, the Dutch Tax and Customs Administration's assumption is the taxpayer has a well-functioning tax control framework, which means that the Administration makes use of the quality that exists within BinckBank and makes arrangements regarding quality.

Taxation and customers

BinckBank provides investment services to many customers in various countries that are subject to different local tax regimes. In its role as broker, BinckBank assumes an active role in certain tax payments. BinckBank has set up adequate processes in this role for prompt and correct payments to be made in the various countries. Customers are personally responsible in the first instance for their tax obligations and BinckBank also expects them to be honest in this regard. BinckBank does not provide any tax advice to its customers.

Current tax

The tax burden shown in the financial statements relates only to corporate tax. The effective tax burden is the reported tax expense as a percentage of the result before tax. The differences between accounting and tax rules give rise to an effective tax burden that differs from the nominal tax rate. On a consolidated basis, BinckBank's effective tax burden in 2015 was 21.4% of the operating result (2014: 15.0%), which is lower than the nominal tax rate. The lower tax burden in relation to the nominal tax rate can be explained as follows:

- Holding exemptions ensure there is no double taxation on the results of substantial holding.
- Application of the innovation box that BinckBank has agreed with the Dutch Tax and Customs Authority in the Netherlands. The innovation box is a tax facility for Dutch corporation tax by which gains generated by certain intangible assets are taxed at an effective rate of 5% instead of at the maximum rate of 25%.
- Any deferred tax assets or liabilities.
- Other tax facilities.

Other tax effects that can cause differences are adjustments in respect of prior financial years, expenses that are not tax deductible, such as the Dutch resolution levy, and shares issued to staff under the remuneration policy.

Outlook for 2016

Internal system migration of BinckBank France

In 2015, BinckBank France started with the migration of its internal system to the European base platform. This migration is progressing well and is expected to be completed in the first quarter of 2016. After its completion, the Retail activities of all countries will be connected to the same ICT platform, a major operation that is in line with the strategic goal of operation excellence.

Dutch residential mortgage loans

On 16 November 2015, BinckBank signed an agreement to offer a financing mandate for Dutch home residential mortgage loans in a collective structure. BinckBank has made € 500 million available through this transaction. The collaborating service provider is AFM-licensed (i.e. by the Netherlands Authority for the Financial Markets) and offers competitive mortgage loans to Dutch home owners through national mortgage groups. The provider bears full responsibility for marketing, sales, administration and the duty of care. BinckBank acts as the financier. Dutch residential mortgage loans are an attractive investment for BinckBank due to the favourable return and limited risk.

Rising costs of the banking sector and bank supervision

BinckBank will be faced with rising costs of the banking sector and bank supervision in future. This includes the increasing costs of the continuous supervision by De Nederlandsche Bank (DNB) and the costs of supervision by the European Central Bank (ECB). The first contribution for the European Single Resolution Fund (SRF) was levied in the last quarter of 2015, while the contribution for the ex-ante financing of the Deposit Guarantee Scheme (DGS) will commence in the first quarter of 2016. The SRF largely replaces the National Resolution Fund (NRF). BinckBank is expecting a total increase of around € 2 million in costs on an annual basis.

Share buyback programme

In line with its previously communicated capital policy, BinckBank is launching a share buyback programme. The current capital and liquidity position and commercial prospects offer a good basis for this purpose. BinckBank is launching the share buyback programme while maintaining a robust capital position and an attractive dividend yield. In the period until July 2017, BinckBank will repurchase shares up to a total amount of € 25 million. Every Friday after Euronext Amsterdam closes, BinckBank will issue a press release announcing how many shares have been repurchased in that week. Authorisation for the share buyback programme was granted at the General Meeting of 30 April 2015.

Forecast for 2016

BinckBank's result depends heavily on investor sentiment, which, in turn, depends to a great degree on the volatility and direction (rise or fall) of financial markets. As it is not possible to predict the volatility and direction of the stock exchange, BinckBank does not make any specific projections. BinckBank has had a slow start to 2016, with a sharp decrease in the number of transactions for January compared with January 2015.

Risk report

BING!

Introduction

The sections on risk management, capital management and liquidity management contain background information and explain how BinckBank has structured and controls its organisation. The tables also provide insight into the identified risks and the capital maintained for this purpose. The disclosures on risk management, capital management and liquidity management are divided as follows:

- Risk management describes risk governance, risk appetite, the management of the risk profile and developments during 2015 in the various risk categories.
- Capital management describes the capital structure, capital adequacy and stress tests from a quantitative perspective.
- Liquidity management describes the liquidity risk management framework, the liquidity profile, stress tests and contingency funding.

Relationship with IFRS 7 and Pillar 3

This chapter also contains mandatory disclosures pursuant to the Financial Supervision Act (Wft, Wet op het financieel toezicht), the Dutch Civil Code (BW, Burgerlijk Wetboek) Book 2 Title 9, IFRS 7 and IAS 1. This information is part of the audit of the financial statements. The Pillar 3 report includes additional information on the risks, risk management and capital adequacy of BinckBank. This information is required on the basis of the Capital Requirements Directive (CRD IV) and the Capital Requirements Regulation (CRR) but does not form part of the audit. Due to the requirements of CRD IV and CRR, parts of other required tables are included and more exposure classes are also identified in the tables. The comparative figures have been adjusted in line with these changes. Parts of this chapter have been audited by the external auditor for correspondence with IFRS requirements. These parts are specifically designated as having been audited.

Insofar as applicable, BinckBank has moreover followed the recommendations from the Enhanced Disclosure Task Force (EDTF) in drafting these disclosures. The Enhanced Disclosure Task Force (EDTF) is an initiative of the Financial Stability Board. This international task force consists of the users and authors of financial institutions' annual reports and has made 32 recommendations for banks' disclosures.

Risk management

Risk governance

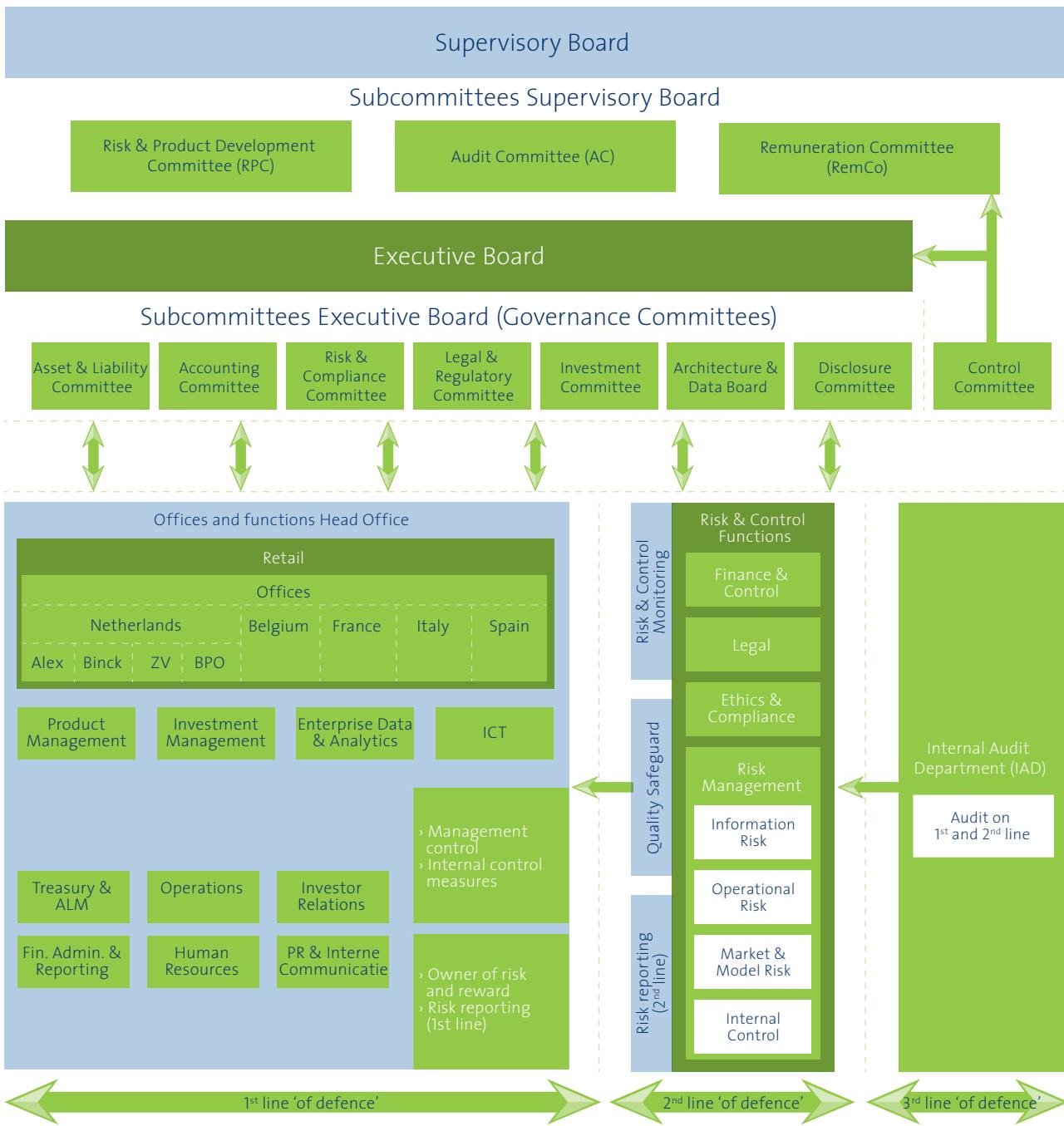
The new strategic axes were formulated in 2014; one of these pillars is operational excellence. In order to achieve this objective, efficient and effective risk management is essential. The risk management framework with its accompanying policy and systems was improved in 2014. BinckBank has progressed with the implementation of these improvements and reaped the first benefits in 2015. Identified risks are now followed up quicker and more attention is paid to determining the cause of incidents or problems (root cause analyses). This will contribute towards the improvement of operational excellence. Considerable attention was also paid in 2015 to the further development of the internal control framework. Operational control measures have been more precisely described and the effectiveness of these measures has been assessed.

This section describes the risk management of the organisation. The governance of risk management is discussed first, including a summary of the changes introduced in 2015. This is followed by an explanation of risk appetite and the developments in that regard. Lastly, the management of the risk profile and the main developments during 2015 in the various risk categories are discussed.

audited

Governance Structure & 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 answerable for the evaluation, management and mitigation of risks. The first-line departments are advised and monitored by second-line specialised departments: Risk Management, Finance & Control, Legal and Ethics & Compliance. 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. This additional security includes all elements of the risk management framework of an organisation. 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, the risk and product development committee and the remuneration committee) together with the external auditor form the last link in the governance risk compliance framework.



Executive Board

The executive board, and within the executive board primarily the chairman of the executive board, is responsible for establishing, implementing and, if necessary, adjusting the Company's risk policy. The risk appetite is proposed by the executive board and submitted to the supervisory board for approval at least once a year. Significant interim changes to the risk appetite are also submitted to the supervisory board for approval. Within the executive board, the Chief Financial & Risk Officer (CFRO) is responsible for monitoring risk appetite and preparing board resolutions with regard to risk management. The CFRO is involved in a timely manner in the preparation of resolutions that are of material significance for the risk profile of the company, in particular where these resolutions may lead to a deviation from the risk appetite approved by the supervisory board. On 30 October 2015, a third director was appointed to the role of Chief Operating Officer (COO). Since the appointment of the COO, the chairman of the executive board has transferred the first-line primary risk management responsibilities for product development and ICT to the COO and the CFRO has transferred

primary responsibility for the subsidiary Able to the COO. The executive board ensures that risk management is adequately structured so it is aware of material risks to which the company is exposed in sufficiently good time for these risks to be controlled. Decisions that could materially affect the risk profile, capital allocation or liquidity requirement are taken by the executive board.

Executive Board Subcommittees - Governance Committees

There are a number of governance committees (executive board subcommittees) whose members include representatives of the executive board and the first and second lines who are closely involved in the management of certain risks. The governance committees have an advisory role towards the executive board and operate under a charter that is approved by the executive board. The governance committees can issue mandates for individual departments within the charter. Monitoring of the risk appetite is carried out within the relevant governance committees. The following governance committees were established in 2015.

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. This concerns matters such as the allocation of freely available funds across the investment portfolio and extent of the cash position to be held, approval of counterparties and policy in relation to advance funding for customer portfolios. Regarding the funds to be held in cash, the items dealt with include the placement of call loans, the ratings to be observed in this respect and the maximum exposure for each counterparty and sector.

Accounting Committee (AcC)

Financial reporting and disclosure risk are monitored by the Accounting Committee. This body focuses on the management of risks associated with accounting processes, manuals, policies, provisions and the application of new accounting standards (IFRS). The timeliness, interpretation of and compliance with the rules on external reporting and reporting to regulators are also monitored. One of its main duties, for example, is establishing the accounting principles.

Risk & Compliance Committee (RCC)

The Risk and Compliance Committee monitors the operational risks of the organisation. The primary duties of the RCC are advising in the area of ethical and controlled business operations, coordinating and promoting operational and compliance risk management, and designing the main business processes. The RCC also advises the executive board on approving the introduction of new products.

Legal & Regulatory Committee (LRC)

The purpose of the Legal & Compliance Committee is to monitor and manage the legal risks for BinckBank. To this end, it discusses matters such as developments in new legislation and regulations and their impact on BinckBank, amendments to the terms and conditions, policy documents and manuals, and newly received and pending claims.

Investment Committee (IC)

The Investment Committee supervises the implementation of the investment policy for Alex Asset Management. The Investment Committee assesses changes to the investment policy and approves these where necessary.

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. This is achieved by preparing the data management strategy, providing guidelines for data management policy, standards and procedures and tailoring these to the strategy.

Disclosure Committee

The Disclosure Committee supervises the disclosure of price-sensitive information. This committee also supervises the measures that are adopted within the organisation to deal confidentially with potentially price-sensitive information.

Advisory committee

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. The Control Committee consists of the head of Human Resources (chairman), head of Risk Management, head of Ethics & Compliance and a legal expert.

First line of defence

The first line of defence consists of the management of the head office and branches, Product Management, ICT and the support units, Treasury & ALM, Financial Administration & Reporting, Operations (Back Office), Human Resources, Investor Relations & Public Relations. The management of the business units and support units is primarily responsible for the implementation of the risk management activities and reports on this to the governance committees and the executive board. The first-line is supported, advised and monitored by second-line specialised departments.

Second line of defence

Each second-line department has its own charter that sets out its duties and responsibilities in relation to risk management. These charters are aligned with each other to avoid duplications and lacunas in the composition of the risk management mechanisms. These charters also safeguard the independence of the various functions and departments.

Risk Management

Risk Management is part of the second line of defence and monitors the correct application of policy. It also verifies the existence and operation of the risk control measures. The department has four different disciplines: information risk, operational risk, model and market risk and internal control. As part of managing operational risk, Risk Management carries out regular internal audits of the operational processes and reports its findings to the governance committees. On behalf of the CFRO and the ALCO, it also monitors compliance with the mandates given to Treasury & ALM. Among other things, Risk Management formulates BinckBank's information security policy and reports on compliance with the policy to the CFRO. Risk Management also maintains BinckBank's governance structure and is responsible for its documentation. This department is ultimately the responsibility of the CFRO. Belgium, France and Italy have their own first-line internal control function that has a functional reporting line to the internal control department (part of the risk management department) in the Netherlands and a hierarchical line to their country manager.

Finance & Control

Finance & Control's duties include the controlling and timely reporting of financial data to internal and external stakeholders. This includes mandatory reporting to both national and international supervisory authorities. Finance & Control reports directly to the CFRO.

Legal

Legal reports to the CFRO and draws attention to and advises on the application of relevant legislation and regulations. Legal is further involved in dispute resolution, as well as the preparation and assessment of legal documentation. In the performance of its duties, Legal also focuses on the management of legal risks, for example liability risks. The manager of Legal also performs the role of Corporate Secretary. The Corporate Secretary has the option of escalating matters to the chairman of the supervisory board.

Ethics & Compliance

Ethics & Compliance is represented in all branches of BinckBank. The task of the department is two-fold: to supervise compliance with rules and policy on the integrity of the organisation, customers, employees and products, and to promote an ethical awareness and decision-making among all employees, including management. The head of Ethics & Compliance reports directly to the chairman of the executive board and has the option of escalating matters to the chairman of the audit committee.

Third line of defence

In line with the definition of internal auditing by the Institute of Internal Auditors, the mission of IAD is to provide independent and objective certainty. The purpose of the IAD is to perform assurance tasks in order to add value to and improve the functioning of the internal organisation. The IAD's activities focus on achieving organisational targets by means of a systematic approach to evaluating and improving the effectiveness of risk management in the first and second lines, control and governance processes. The IAD provides additional assurance with respect to:

- the effective operation of the control mechanisms in the first and second lines;
- the reliability and integrity of financial and operational information and reporting;
- the safeguarding of assets;
- compliance with relevant legislation and regulations.

In addition to scheduled audits, audits may be conducted at the request of the management and/or the audit committee. The operating area of the IAD includes all activities carried out under the responsibility of BinckBank. Joint ventures and associates are independent entities with their own licence and fall outside the direct area of operation of the IAD. The IAD reports to the executive board of BinckBank; within the executive board, the IAD portfolio is the responsibility of the chairman of the executive board. Its formal reporting line is directly to the chairman of BinckBank's audit committee. The IAD's independence is safeguarded by this double reporting line, and the fact that it is separate from the first and second lines and the daily internal control. The Quality Review Regulations of the Dutch Institute of Internal Auditors (IIA) prescribe that an internal audit department must have an external review of the existing quality control system conducted at least once every five years. The most recent quality review was conducted at the end of 2014. The result of the quality review was that BinckBank's IAD meets the generally accepted professional standards of the IIA, the Dutch Institute of Chartered Accountants (NBA) and the Dutch Association of Registered IT Auditors (Noreia).

Supervisory board

The supervisory board discusses the strategy and the risks associated with the business each year, and, on the basis of reports, assesses the structure and operation of the internal risk management and control systems. Supervision of the provision of financial information by the company is the responsibility of the supervisory board. The executive board submits the risk appetite to the supervisory board for approval each year. The supervisory board has three subcommittees: the risk and product development committee, the audit committee and the remuneration committee.

Risk and product development committee (RPC)

The risk and product development committee 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 duty of care towards the customer. It also monitors liquidity and capital adequacy. The risk and product development committee is moreover responsible for identifying, analysing and advising on all other material risks of BinckBank.

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.

Remuneration committee (RemCo)

The remuneration committee 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. The remuneration committee takes BinckBank's risk appetite and the long-term interests of the shareholders, investors and all other stakeholders of BinckBank into consideration for the resolutions to be adopted.

Risk appetite

Introduction

BinckBank conducts its business on the basis of an appropriate balance between risk and return, and strives to accept risks in a conscious and responsible way. It also strives for a moderate risk profile. BinckBank has a governance risk and compliance (GRC) framework, by which the risk profile is managed on the basis of predetermined risk criteria. BinckBank has a fundamentally different risk profile from that of traditional Dutch banks. The typical banking operations of BinckBank are relatively simple and concern the provision of loans collateralised by portfolios of liquid securities (collateralised loans), the provision of payment services to fixed contra-accounts at other banking institutions, automated asset management and the interest-rate business relating to the assets entrusted by our customers. One of BinckBank's core activities, the execution of securities transactions, is however a complex process. Each year, BinckBank processes millions of transactions for numerous accounts in a very large number of financial products on several trading platforms through brokers and stock exchange memberships. Coupled with the high level of dependence on ICT, this forms a high inherent operational risk. BinckBank therefore devotes extensive attention to operational risk management. One of the core activities, automated asset management, depends heavily on market developments and the way in which the asset management models react to these developments. A special governance committee (Investment Committee), whose task is to manage the accompanying risks, has been set up for this core activity.

Adequate control measures, analysis, reporting and information systems form part of the risk management process. The developments during 2015 and the control framework for this risk profile are also described on the next page.

Monitoring the risk appetite

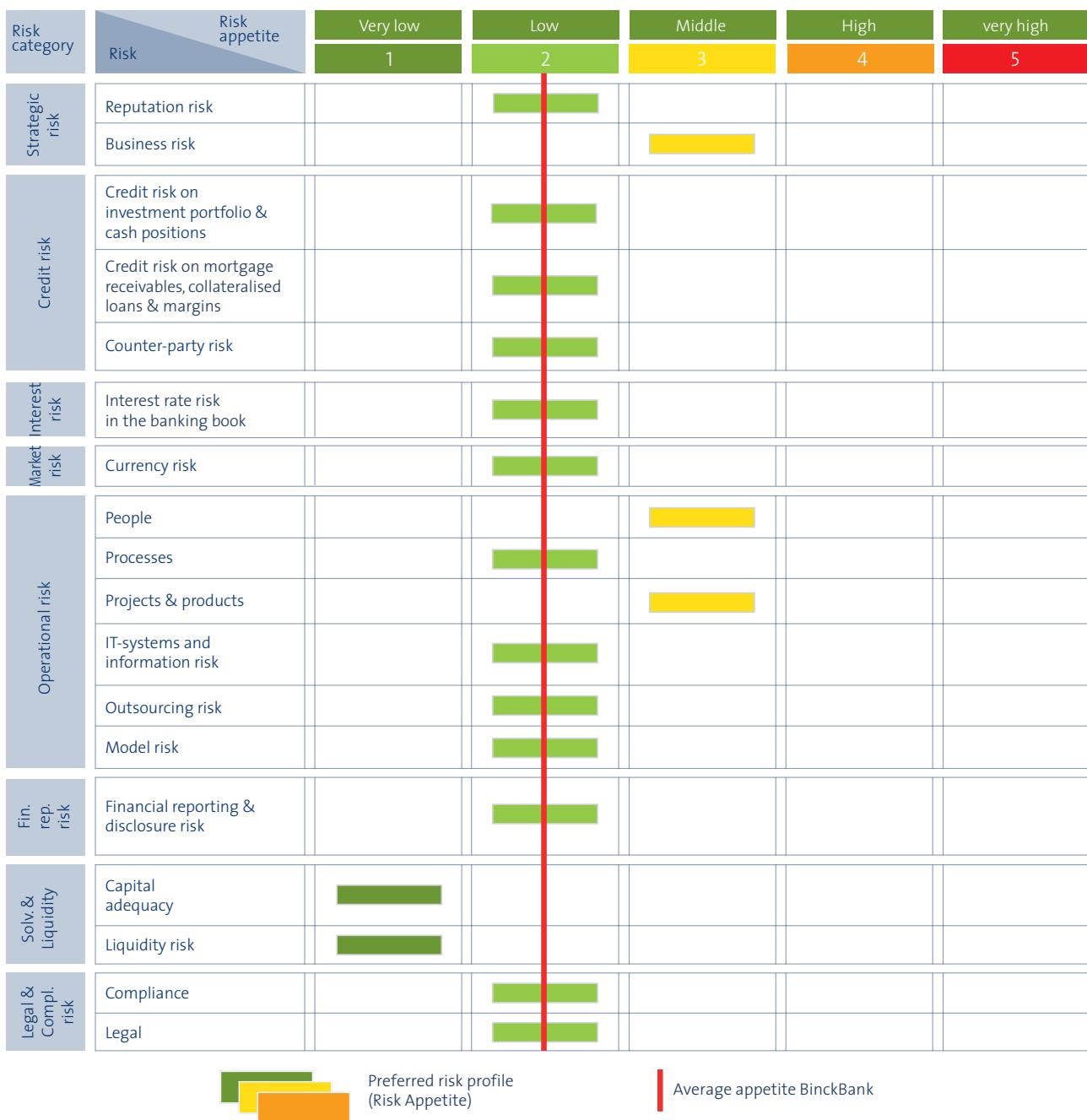
Risk appetite is the degree to which BinckBank is prepared to accept risk in its business operations in order to achieve its objectives. Risk appetite involves a balance between risk and return and is a core element of BinckBank's business operations. Commercial interests and returns are weighed up against the risks involved. The executive board also considers external perceptions when determining risk appetite. In other words, how does BinckBank want to be seen by key stakeholders, such as customers, shareholders, employees and regulators? Their expectations with respect to the risk profile, the risk appetite and the return are also taken into account. The executive board of BinckBank forms an impression of this by combining various information sources and during numerous discussions with its stakeholders.

The annual determination of the risk appetite, the identification of risks and the introduction and adaptation of relevant control measures is a dynamic process with BinckBank. Risk appetite is the main parameter within BinckBank's risk management system and thus constitutes the starting point for risk management. The executive board determines the risk appetite at least once a year, and, if necessary, makes interim adjustments to this in light of any significant changes. In December of each year, the supervisory board approves the executive board's risk appetite for the purpose of implementing the plans for the next financial year. The risk appetite is then monitored by means of a risk dashboard. This sets quantitative standards in order to assess 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. Where possible, BinckBank has opted for simple and measurable indicators. The risk dashboard is continually improved on the basis of new information. Breaches of the established risk appetite and of the underlying limits and sub-limits are discussed at governance committee meetings. Significant changes to internal and external circumstances are also monitored in the different governance committees. Risk management is moreover affected by changing market conditions and the increasing complexity of legislation and regulations. As risk monitoring is a permanent agenda item for the monthly meetings of the various governance committees, timely adjustments can be made, where necessary, to keep the current risk profile within accepted risk appetite limits. The duties and responsibilities of the various governance committees are described in more detail in the section 'Executive Board Subcommittees - Governance Committees'.

BinckBank's risk appetite in 2015

This section describes the desired risk profile for each risk category. The actual risk profile varies from the desired risk profile for certain risk categories. In cases where the actual risk profile is higher than the desired risk profile, BinckBank has taken measures to return the profile to within the desired risk appetite. Since BinckBank is a continually developing organisation that operates in a dynamic and complex environment, the desired risk profile and the actual risk profile are almost never completely aligned. The strength of the current system therefore lies more in its use as a management tool than in the absolute (sometimes discretionary) score on the conceptual dashboard. The desired risk profile should be seen as a certain quality level that BinckBank wishes to achieve in its risk management.

Overview of the desired risk profile



Strategic risk

Strategic risk within BinckBank is defined as exposure to a strategy that proves to be ineffective or is inappropriate for the continuity of the business, the earnings model and the duty of care towards customers. Strategic risk is broken down into reputational risk and business risk.

The good reputation of the 'Alex' brand suffered in 2014 as a result of developments within Alex Asset Management. Consequently, by the end of 2014, the actual risk profile varied negatively from the desired risk profile for reputational risk. The desired risk profile for reputational risk is 'low'. Although customer satisfaction increased in 2015, customer satisfaction in respect of the 'Alex' brand has not yet returned to its old level. BinckBank also had a lot of problems with negative media coverage in 2015 and, by the end of the year, the actual risk profile for reputational risk was therefore still outside the desired risk profile for reputational risk. This is an important priority for 2016.

BinckBank feels that the risk profile of the business risk (earnings volatility) is too high, since BinckBank is still too dependent on income from securities transactions. In the long term, therefore, BinckBank wishes to create a more stable earnings flow and to become less dependent on transaction-related income. To this end, the executive board has included strategic objectives to create a more balanced earnings flow. This objective was shaped further in 2015 through the growth strategy 'The New Binck', which will reduce the volatility of the adjusted net profit in future.

Credit risk

Credit risk within BinckBank is broken down into risks on investments and cash, mortgage receivables, collateralised loans, margin and counterparty risk.

- BinckBank has a low desired risk profile for credit risk in the investment portfolio. Investment portfolio purchases must have a long-term credit rating of at least single A (Fitch or equivalent). BinckBank limits the credit risk in its own portfolio by aiming for adequate diversification in its investments through limits on each individual investment.
- The desired risk profile for mortgage receivables, collateralised loans and margin risk is also low. BinckBank wishes to avoid a situation in which it has an uncovered credit exposure to its customers and thus runs a credit risk in respect of its customers. BinckBank can limit the credit risk in respect of its customers by continuously monitoring lending and the collateral for the loans it provides.
- For BinckBank, counterparty risk is the risk it incurs on counterparties in financial transactions itself, after a price has been agreed but the transaction has not yet actually been settled. If the counterparty defaults, BinckBank is exposed to the risk that a similar transaction can be effected only on less favourable terms. The risk profile for the credit risk is 'low' and BinckBank has remained within the limits of the desired risk profile for the past year.

Interest-rate risk

Interest-rate risk is the risk relating to interest rate changes and their effect on BinckBank's capital and/or result. BinckBank is exposed to an interest-rate risk because the maturity of assets and liabilities are not matched. The desired risk profile for the interest-rate risk is set at 'low'. BinckBank remained within the desired risk profile in 2015.

Market risk

The market risk at BinckBank is expressed in the currency risk. This is caused by the exposure to foreign currency as a result of its operational activities. BinckBank does not take active trading positions in foreign currencies. BinckBank remained within the desired risk profile in 2015.

Operational risk

Due to the nature of its business activities, BinckBank has a high inherent operational risk. Operational risk is determined by various factors including the large number of complex administrative entries that must be processed on a daily basis. Unexpected events may also occur in BinckBank's operational processes that result in losses or prevent achieving targets. Processes, systems, models and people may fail to perform, there may be instances of fraud, and day-to-day processes may be disrupted. 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 depends 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 operational risk is the fact that BinckBank is committed to innovating and improving its services, which results in the regular implementation of system adjustments and improvements. However, errors can arise and directly affect the operational risk profile. The desired risk profile for operational risk is 'low'. Certain parts of the actual operational risk profile (after risk mitigation) for 2015 still lay outside the desired risk profile for operational risks. However, there were no major operational distortions in 2015. Continually striving towards operational excellence will give rise to a structural improvement of the operational risk profile. A large number of projects have also been planned for 2016 in order to bring the operational risk profile further into line with the desired risk profile for operational risks.

Financial reporting and disclosure risk

The financial reporting and disclosure risk is the risk that BinckBank does not comply with legislation and regulations on reports in the context of financial reporting and the disclosure of information to the market, government and regulators. The large number of reports and their increasing complexity and level of detail means that reports are susceptible to errors. BinckBank endorses the importance of accurate, timely and complete reporting and sets the risk appetite for the financial reporting and provision of information risk at 'low'. BinckBank expects the burden and complexity of reporting to increase over the coming years. BinckBank remained within the desired risk profile in 2015.

Capital adequacy and liquidity risk

The minimum amount of capital to be held is calculated using standardised and proprietary models. The available capital at BinckBank exceeds the minimum that required in accordance with these models. This capital buffer protects the bank against insolvency and keeps it competitive. BinckBank assesses whether the available capital is adequate to withstand a period of stress by means of monthly stress tests. BinckBank translates the low risk appetite in the area of capital adequacy into a minimum internal Pillar I capital ratio of 15%. As at 31 December 2015, BinckBank had a comfortable capital ratio of 40.2% (2014: 37.1%) and thus easily complies with the desired risk profile.

Liquidity risk is the risk that a demand will be made for the payment of liabilities at a time when assets cannot be converted into cash at prevailing market conditions. BinckBank has a low risk appetite in the area of liquidity risk and, in order to achieve this, its portfolio investments are held mainly in liquid assets in the form of bonds that can be traded on a daily basis.

BinckBank reassessed the adequacy of its capital and liquidity position at the end of December 2015 and concluded that its total available capital of € 253.6 million and available liquidity were sufficient at that time to cover the risks associated with its business operations. BinckBank remained within its desired risk profile for capital adequacy and liquidity risks in 2015.

Legal and compliance risk

Increasing and extensive changes to legislation and regulations for financial institutions constitute a challenge for banks. BinckBank strives to comply with all existing, changing and new legislation and regulations in a commercially responsible manner. During 2015, BinckBank identified relevant new developments in legislation and regulations in good time.

The legal and compliance risk is the risk that BinckBank will fail to comply with applicable legislation and regulations, which may lead to damage being suffered. This is expressed in a 'low' desired risk profile. Various actions were taken to improve the compliance control framework in 2015. Existing control measures were reassessed and tightened and implemented systems were improved further. Each year attention is paid to increasing compliance awareness within the organisation. Although the compliance risk profile improved further during 2015, not all compliance themes are as yet within the desired risk profile limits.

Management of the risk profile and developments in 2015

The identification, analysis and assessment of risks and the design and implementation of relevant control measures form a continuous process at BinckBank. This chapter deals with the management of and developments concerning the various risks and their influence on BinckBank's risk profile. Internal developments and improvements to control measures that have been implemented in 2015 are also discussed.

Management and development of strategic risk

For BinckBank, the trust of the customer and other stakeholders is essential and BinckBank therefore strives to minimise risks that could damage its reputation as far as possible. Like other banking institutions, BinckBank depends on the trust that private customers and other stakeholders place in it. BinckBank strives to communicate clearly and unambiguously with stakeholders. If matters nevertheless surface and damage confidence in the organisation, these will be dealt with in clear communication. BinckBank follows the development of its share price closely because large price fluctuations may be an indication of, or lead to, negative publicity. In the event of large price fluctuations or negative publicity, an investigation is carried out to establish the cause and, if necessary, a representative is designated to explain the cause or potential cause in a press release in order to pre-empt any unfavourable speculation. BinckBank conducts various customer surveys each year in order to measure customer satisfaction and brand recognition. The results of these surveys are drivers for continuous efforts to provide added value to customers through high-quality services. The outcomes of the customer surveys are also important indicators of the reputational risk and are therefore followed closely within the executive board and the relevant risk committees.

The reputational risk was adversely affected in 2015 by negative reports about Alex Asset Management. Although it is not always required to issue communications on current investigations by regulators, BinckBank wanted to be transparent about this at regular intervals. For example, on 30 October 2015, stakeholders were informed by means of a press release that the AFM intended to impose a penalty for advertisements relating to Alex Asset Management in the period September 2012 to August 2014. While this communication might have had an adverse effect on reputation in the short term, BinckBank feels that transparency in the longer term benefits the reliability and reputation of the organisation.

BinckBank's business risk is mainly expressed in its dependence on the transaction volume in the financial markets. When sentiment and volatility in the stock exchange increase, BinckBank's transaction volume also increases. This makes BinckBank's profitability heavily reliant on the sentiment and volatility of the stock exchange. In comparison to 2014, sentiment was good for a large part of the year and the financial markets were more volatile in 2015. BinckBank faced stiff price competition, especially in the Dutch market. Due to the stimulation measures of the European Central Bank, net interest income is still under pressure due to the low level of interest rates in the money and capital markets. In addition, there are various factors such as loss of customers, fluctuating trading volumes and order values, and price pressure due to competition that could result in a fall in income for BinckBank. BinckBank operates in a highly competitive environment with various types of competitors. On the one hand, there are large financial institutions with greater brand recognition and more financial resources. But BinckBank is also seeing competition from smaller online brokers that compete aggressively on price.

In order to reduce business risk, the strategic axes of 'more balanced earnings flow' and 'customer intimacy & operational excellence' have been included in the new strategy. 'More balanced earnings flow' includes the launch of the Binck turbo in Belgium, the expansion of the asset management activities and investment in the Dutch mortgage market. 'Customer intimacy & operational excellence' includes continuously working on improving products, services and the ICT platform to attract new customers and retain existing ones. Reducing dependency on transaction-related income will result over time in a more stable earnings flow and an accompanying reduction of the business risk.

If circumstances in the areas of sustainability, regulation, funding and market development change, the strategic objectives of BinckBank, including the underlying principles and assumptions, will be reviewed and updated, as needed. The criterion for this will be BinckBank's risk appetite. Decisions with regard to strategic objectives or changes thereto are taken by the executive board and submitted for approval by the supervisory board.

Management and development of credit risk

audited

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. It relates to balance sheet items under cash, banks, financial assets, loans and receivables. These items mainly concern the assessment of the counterparty's creditworthiness. BinckBank's credit risk can be subdivided into three categories:

- credit risk on cash and investments,
- credit risk on outstanding collateralised loans/margin obligations/deferred settlement service (SRD) obligations and
- counterparty risk.

How BinckBank manages these risks and developments in this regard are explained below.

Management and development of credit risk on cash and investments

BinckBank deals prudently with the funds entrusted to it by its customers. Funds entrusted, which are not used for collateralised loans, are partly held in cash with the remainder being invested in the investment portfolio. Lending is conducted in a responsible manner in accordance with the established risk appetite. BinckBank's objective with its investment portfolio, within the issued mandate, is to place surplus liquidity in the market in such a way as to optimise the interest margin between the cost of raising and lending funds.

Credit risk on cash and investments is monitored by the Treasury department on a daily basis. It reports daily to the CFRO and periodically to the 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. Money market loans have terms varying from one day to one month. Capital market loans have terms of up to three-and-a-half years. Agreements and limits with regard to placing funds in the money and capital markets are established in a limits system established by the ALCO. Lending to counterparties by the Treasury department is governed by strict rules. Internally set limits on both the amount and terms of loans to approved counterparties are observed. The resultant credit risk is monitored by periodic credit reviews. BinckBank's relatively low risk appetite with regard to credit risk is demonstrated by the policy of investing only in relatively safe and liquid instruments, most of which are eligible as collateral at the European Central Bank (ECB).

Assessment of the creditworthiness of financial assets and liabilities is based on credit ratings provided by rating agencies. Cash and loans to banks are classified based on the short-term credit ratings of rating agencies. The long-term rating is used for the investment portfolio.

Management and development of credit risk on outstanding collateralised loans and margin obligations

BinckBank offers customers various forms of lending against securities collateral. This advance funding can be used to cover margin requirements or for the purchase of securities. BinckBank has a potential or actual credit risk in respect of the customer in both cases.

Due to the nature of the collateralised loans and the surplus collateral received, the credit risk is limited. In the case of lending against the collateral of financial instruments, the amount of credit advanced depends partly on the liquidity and price of the securities received as collateral. Collateralised loans are assessed on an automated basis at the time they are advanced, taking account of the funding percentages for the collateral that qualifies for that purpose. This is all done in accordance with the guidelines set by the ALCO, subject to the limits set in Section 152 of the Market Conduct Supervision (Financial Institutions) Decree (BGfo, Besluit gedragstoezicht financiële ondernemingen). BinckBank applies a minimum haircut of 30% on equities and 20% on bonds. The advance funding on the available collateral can be translated into a maximum available spending limit (ASL). The ASL is expressed as a cover ratio in which the minimum requirement is a cover ratio of '1'. The degree to which the customer exceeds '1' expresses the relative surplus cover in relation to the minimum requirement. Additional cover can be obtained by providing bank guarantees, collateral in the form of securities or by increasing the cash balance. If the cover ratio falls below 1, the customer enters the deficit procedure. If there is no cover ratio (cover is nil), the customer enters the collection procedure. Collateralised lending increased by 39.1% from € 361 million at the end of 2014 to € 502 million at the end of 2015. Provisions for non-performing collateralised loans are determined individually. There are no collective provisions. The amount of the provision depends on the repayment terms agreed with the customer. The total provision as at 31 December 2015 is € 0.5 million (2014: € 0.5 million).

Margin is a financial sum that the writer (seller) of an uncovered option or future is required to deposit as collateral for the risk in the position. It is a form of guarantee for potential losses arising from the liabilities incurred by the investor. This does not mean the financial risks are limited to the size of these liabilities.

There is a risk that the margin deposited by the customer will be inadequate in relation to the liability incurred. The Credit Risk Management department analyses the market movements daily and updates the margin percentages for all stocks at least once a month. In the event of extreme price movements, it may adjust the margin percentage immediately. The Risk Management department monitors these adjustments. Each month, BinckBank assesses the impact of the credit risk among customers based on a direct fall in the markets in which these customers trade.

Both the outstanding collateralised loan and the margin obligation are monitored within the first-line Credit Risk Management department. Customers with a loan and/or margin agreement are monitored by the Credit Risk Management department in respect of their ASL. The ASL is the weighted value of the collateral received from the customer less the customer's liabilities in respect of collateralised loan and margin obligations. A deficit in the ASL means that the collateral in the customer's portfolio is no longer sufficient to cover his liabilities. The second-line Risk Management department supervises the Credit Risk Management department.

This department uses automated systems to monitor the loans provided on the basis of real-time prices. The credit risk lies in movements in value of the collateral received. The department looks specifically for undesirable concentrations in customer portfolios. This is known as concentration risk. Concentration risk is a form of credit risk and occurs in the case of customers with collateralised loans and customers with margin obligations on derivatives positions. The Credit Risk Management department monitors for excessive concentrations in customer portfolios on a daily basis. Measures are taken in line with policy, if necessary, to limit excessive concentrations. If there is excessive concentration, a decision may be taken to reduce the customer's loan facility. The ALCO may also decide to limit the concentration risk associated with a specific stock by reducing the advance provided against the stock in question.

Customers' margin risks are also continuously monitored with the help of a model that takes account of historical volatility and expectations in relation to future price fluctuations. Both positive and negative price fluctuations can have an impact on the margin risk. The model also takes the quality of the collateral for collateralised loans and margins into consideration.

BinckBank checks each customer's position daily to ascertain whether the collateral is sufficient to cover the collateralised loans and/or liabilities (margin and securities transactions). As soon as a negative ASL is identified, the deficit procedure is initiated. The use of a deficit procedure is a legal requirement. Depending on the cause of the deficit, a customer with a negative ASL must clear the deficit within one to five trading days. If the customer's ASL is still negative on the final day of the period set for the clearance of the deficit, BinckBank will start to close the customer's securities positions on its own initiative. Securities positions will be closed until the ASL in the customer's account turns positive. If the Credit Risk Management department is unable to recover the debt, the case is passed to a collection agency. Experience over the past few years shows that most customers repay the major part of any deficits within one month and this percentage is often even 100%.

Management and development of the 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, Euronext and TOM MTF, where use is made of a central counterparty (CCP). The counterparty risk for customers is therefore low.

Maximum credit risk

The table on the next page presents the maximum credit risk associated with the various financial instruments. The maximum credit risk is shown gross, without taking account of the effects of credit risk mitigation provided by set-off agreements and collateral that has been received. The maximum credit risk in derivative positions for the account and risk of customers is shown by the margin requirement as described above, and is not included in the table on the next page.

Overview per risk category

(figures in EUR 1,000's, unless otherwise stated)	2015	2014
Credit risk		
Cash and balances at central banks	178,365	72,427
Banks	178,244	156,013
Financial assets held for trading	12,297	8,209
Financial assets designated at fair value through profit and loss	15,405	15,942
Available-for-sale financial assets	1,167,121	1,389,146
Held-to maturity financial assets	813,484	545,108
Loans and receivables	502,006	498,908
	2,866,922	2,685,753
Guarantees	1,862	2,304
Total	2,868,784	2,688,057

The quality of the loans and advances and the provision for bad debts are shown in the tables below:

Not yet due	501,964	498,684
Past due	503	705
Total	502,467	499,389
Bad debt provision	(461)	(481)
Net loans and receivables	502,006	498,908

Past due items are residual items remaining after realisation of the collateral (securities and bank guarantees). The provision is formed on a case-by-case basis.

Loans and receivables by percentage covered:

Money-market loans	-	138,000
< 25% of the value of the collateral	76,558	80,905
Between 25% and 50% of the value of the collateral	227,443	111,688
Between 50% and 75% of the value of the collateral	186,036	157,527
> 75% of the value of the collateral	11,927	10,564
Past due	503	705
Total	502,467	499,389

There are no items in arrears or for which provisions have been recognised in any of the other categories of financial assets.

Loans and receivables under renewed contracts

In the case of existing loans and receivables, it is possible for renewed contracts to be concluded with customers.

The new contracts are, however, periodically assessed for compliance and to determine whether future payment is probable.

Loans and receivables under renewed contracts	87	52
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Risk concentration per economic sector

Risk concentration per economic sector as at 31 December 2015

(figures in EUR 1,000's, unless otherwise stated)	Central banks	Financial institu- tions	Government/ Government guaranteed	Private indi- viduals	Other private sector	Total
Cash and balances at central banks	178,365	-	-	-	-	178,365
Banks	27,162	151,082	-	-	-	178,244
Financial assets held for trading	-	12,138	-	-	159	12,297
Financial assets designated at fair value through profit and loss	-	-	-	-	15,405	15,405
Available-for-sale financial assets	-	849,937	317,184	-	-	1,167,121
Held-to maturity financial assets	-	348,928	464,,556	-	-	813,484
Loans and receivables	-	-	-	502,006	-	502,006
	205,527	1,362,085	781,740	502,006	15,564	2,866,922
Guarantees	-	-	-	901	961	1,862
Total	205,527	1,362,085	781,740	502,907	16,525	2,868,784

Risk concentration per economic sector as at 31 December 2014

(figures in EUR 1,000's, unless otherwise stated)	Central banks	Financial institu- tions	Government/ Government guaranteed	Private indi- viduals	Other private sector	Total
Cash and balances at central banks	72,427	-	-	-	-	72,427
Banks	25,544	130,469	-	-	-	156,013
Financial assets held for trading	-	8,110	-	-	99	8,209
Financial assets designated at fair value through profit and loss	-	-	-	-	15,942	15,942
Available-for-sale financial assets	-	915,522	473,624	-	-	1,389,146
Held-to maturity financial assets	-	213,078	332,030	-	-	545,108
Loans and receivables	-	-	138,000	360,908	-	498,908
	97,971	1,267,179	943,654	360,908	16,041	2,685,753
Guarantees	-	-	-	1,343	961	2,304
Total	97,971	1,267,179	943,654	362,251	17,002	2,688,057

Risk concentration per country

Geographic distribution as at 31 December 2015

(figures in EUR 1,000's, unless otherwise stated)	Supra-national	Nether-lands	Belgium, France, Italy	Ger- many	Other EU countries	North America	Other countries	Total
Cash and balances at central banks	-	171,607	6,758	-	-	-	-	178,365
Banks	-	120,299	17,171	-	35	40,049	690	178,244
Financial assets held for trading	-	-	159	-	-	-	12,138	12,297
Financial assets designated at fair value through profit and loss	-	-	15,405	-	-	-	-	15,405
Available-for-sale financial assets	17,425	135,785	200,629	381,090	222,874	154,028	55,290	1,167,121
Held-to maturity financial assets	-	5,000	-	771,713	-	36,771	-	813,484
Loans and receivables	-	451,997	40,298	3,672	3,064	1	2,974	502,006
Total	17,425	884,688	280,420	1,156,475	225,973	230,849	71,092	2,866,922
% distribution	1%	31%	10%	40%	8%	8%	2%	100%

Geographic distribution as at 31 December 2014

(figures in EUR 1,000's, unless otherwise stated)	Supra-national	Nether-lands	Belgium, France, Italy	Ger- many	Other EU countries	North America	Other countries	Total
Cash and balances at central banks	-	67,268	5,159	-	-	-	-	72,427
Banks	-	122,355	4,561	-	8,821	19,706	570	156,013
Financial assets held for trading	-	-	99	-	-	-	8,110	8,209
Financial assets designated at fair value through profit and loss	-	-	15,942	-	-	-	-	15,942
Available-for-sale financial assets	21,820	134,444	159,275	723,773	186,408	122,212	41,214	1,389,146
Held-to maturity financial assets	-	4,999	-	515,439	-	24,670	-	545,108
Loans and receivables	-	469,129	22,222	3,490	17	13	4,037	498,908
Total	21,820	798,195	207,258	1,242,702	195,246	166,601	53,931	2,685,753
% distribution	1%	30%	8%	46%	7%	6%	2%	100%

Risk concentration of financial assets

Risk concentration of financial assets as at 31 December 2015

(figures in EUR 1,000's, unless otherwise stated)	Short term rating		Long term rating			None rating	Total
	F1 or higher	F2 or lower	AAA	Between AA+ and AA-	Between A+ and A-		
Cash and balances at central banks	178,365	-					178,365
Banks	145,875	28,292				4,077	178,244
Financial assets held for trading			-	-	-	12,297	12,297
Financial assets designated at fair value through profit and loss			-	-	-	15,405	15,405
Available-for-sale financial assets			230,340	564,151	336,543	36,087	-
Held-to maturity financial assets			474,761	317,883	-	-	20,840
Loans and receivables						502,006	502,006
Total	324,240	28,292	705,101	882,034	336,543	36,087	554,625
							2,866,922

Risk concentration of financial assets as at 31 December 2014

(figures in EUR 1,000's, unless otherwise stated)	Short term rating		Long term rating			None rating	Total
	F1 or higher	F2 or lower	AAA	Between AA+ and AA-	Between A+ and A-		
Cash and balances at central banks	72,427	-	-	-	-	-	72,427
Banks	144,411	8,279	-	-	-	3,323	156,013
Financial assets held for trading	-	-	-	-	-	8,209	8,209
Financial assets designated at fair value through profit and loss	-	-	-	-	-	15,942	15,942
Available-for-sale financial assets	-	-	466,979	562,350	334,537	25,280	-
Held-to maturity financial assets	-	-	313,283	210,302	-	-	21,523
Loans and receivables	-	-	-	-	-	498,908	498,908
Total	216,838	8,279	780,262	772,652	334,537	25,280	547,905
							2,685,753

Management and development of interest-rate risk

Interest-rate risk exists because of the possibility that changes in market interest rates can have a negative effect on future profitability. A gradual movement in market interest rates (yield curve) has an effect on the present value of future interest income from collateralised lending and the investment portfolio, and on the interest that BinckBank pays on savings and investment accounts. BinckBank manages this risk insofar as it relates to its banking operations by actively matching and keeping the maturities of its entrusted and placed funds matched within specified limits. This means that BinckBank does not make use of financial derivatives to mitigate the remaining interest-rate risk. As at 31 December 2015, the duration of the investment portfolio was 1.22 years. The modulated duration of the customer deposits is 1.98 years. Because the duration of the assets is less than that of the liabilities, a fall in the interest rate has a negative effect, and an increase in the interest rate has a positive effect on BinckBank's capital. A sudden change in the interest rate can have a positive or negative effect on BinckBank's capital due to the adjustments in the market value of assets and liabilities. BinckBank manages the effect of interest-rate movements on its capital by means of tolerance levels and monthly interest-rate risk reporting to the ALCO.

Interest-rate maturity calendar as at 31 December 2015

(figures in EUR 1,000's, unless otherwise stated)	< 1 month	> 1 month < 1 year	> 1 year < 2 years	> 2 years < 5 years	> 5 years	Non- interest bearing	Total
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Assets

Cash and balances at central banks	178,365	-	-	-	-	-	178,365
Banks	174,167	-	-	-	-	4,077	178,244
Financial assets held for trading	-	-	-	-	-	12,297	12,297
Financial assets designated at fair value through profit and loss	-	-	-	-	-	15,405	15,405
Available-for-sale financial assets	98,351	594,385	255,308	219,077	-	-	1,167,121
Held-to maturity financial assets	-	127,350	506,314	179,820	-	-	813,484
Loans and receivables	502,006	-	-	-	-	-	502,006
Total	952,889	721,735	761,622	398,897	-	31,779	2,866,922

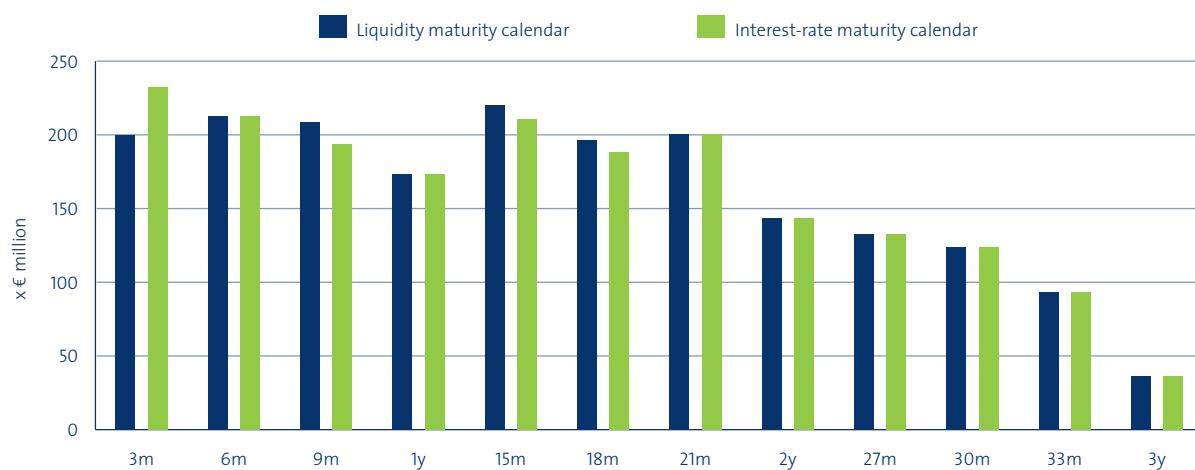
Liabilities

Banks	23,582	-	-	-	-	-	23,582
Financial liabilities held for trading	-	-	-	-	-	12,286	12,286
Financial liabilities designated at fair value through profit and loss	-	-	-	-	-	46	46
Funds entrusted	2,589,714	-	-	-	-	-	2,589,714
Total	2,613,296	-	-	-	-	12,332	2,625,628

Interest-rate maturity calendar as at 31 December 2014

(figures in EUR 1,000's, unless otherwise stated)	< 1 month	> 1 month < 1 year	> 1 year < 2 years	> 2 years < 5 years	> 5 years	Non- interest bearing	Total
Assets							
Cash and balances at central banks	72,427	-	-	-	-	-	72,427
Banks	152,690	-	-	-	-	3,323	156,013
Financial assets held for trading	-	-	-	-	-	8,209	8,209
Financial assets designated at fair value through profit and loss	-	-	-	-	-	15,942	15,942
Available-for-sale financial assets	92,337	477,572	644,146	175,091	-	-	1,389,146
Held-to maturity financial assets	-	-	127,919	417,189	-	-	545,108
Loans and receivables	498,908	-	-	-	-	-	498,908
Total	816,362	477,572	772,065	592,280	-	27,474	2,685,753
Liabilities							
Banks	25,587	-	-	-	-	-	25,587
Financial liabilities held for trading	-	-	-	-	-	8,290	8,290
Financial liabilities designated at fair value through profit and loss	-	-	-	-	-	139	139
Funds entrusted	2,545,420	-	-	-	-	-	2,545,420
Total	2,571,007	-	-	-	-	8,429	2,579,436

Interest-rate exposure is particularly evident in the composition of BinckBank's investment portfolio. A distinction is made between the interest-rate maturity calendar and the liquidity maturity calendar. The interest-rate maturity calendar shows the release maturity dates of the portfolio over time.



The above figure shows that the interest-rate maturity is nearly the same as the liquidity maturity of the investment portfolio. Any differences are due to the limited investments in variable interest bonds.

Interest-rate risk on the result

BinckBank does not operate a trading portfolio; however it is still exposed to movements in interest rates due to the loans and investments it places in the market. The effect of a gradual movement in interest rates on BinckBank's profitability is determined using an Earnings-at-Risk model. The Earnings-at-Risk model measures the impact of the interest-rate risk on the adjusted net result 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 the interest-rate exposure of BinckBank's result. The Treasury & ALM department reports the results and any breaches of the tolerance level to the ALCO on a monthly basis. The results of the Earnings-at-Risk model are shown in the table below, in which the impact is based on the result over the 2015 financial year.

Sensitivity analysis of interest-rate result

Sudden parallel yield-curve shift in basis points (figures in EUR 1,000's, unless otherwise stated)	Effect on the result	
	31 December 2015	31 December 2014
Over a period of 1 year		
+200 basis points	3,543	3,137
-200 basis points	(1,411)	(1,318)
Over a period of 2 years		
+200 basis points	20,922	17,891
-200 basis points	(3,754)	(4,106)

Interest-rate risk on capital

The interest-rate risk on capital takes account of sudden changes to the yield curve (interest-rate shocks) that could negatively affect the value of the investment portfolio. BinckBank has an investment portfolio consisting of fixed and variable interest securities that is diversified across various maturities. The investment portfolio is held in the banking book and classified as financial assets available for sale (AFS) or as held-to-maturity financial assets (HTM). The AFS part of the investment portfolio is carried at fair value. This means that changes in value due to interest-rate shocks, for instance, will affect BinckBank's equity. The HTM part of the investment portfolio is carried at amortised cost. The effect of an interest-rate shock of 200 basis points on equity is shown in the table below (before tax).

Sensitivity analysis of interest-rate result

Gradual parallel yield-curve shift in basis points (figures in EUR 1,000's, unless otherwise stated)	Effect on the capital	
	31 December 2015	31 December 2014
+200 basis points		
+200 basis points	34,924	33,012
-200 basis points		
-200 basis points	(4,045)	(33,012)

Management and development of market risk

The market risk at BinckBank is expressed in the currency risk. Currency risk is the risk presented by movements in the value of items denominated in foreign currencies due to movements in exchange rates and its effect on BinckBank's capital and/or results. The policy is not to take active foreign-exchange trading positions. Currency positions can therefore arise only as a result of the facilitation of customer transactions. Currency positions are hedged until 10 p.m. on the same day. The remaining net overnight positions are hedged on the next trading day and do not exceed € 100,000 on average. BinckBank accepts this remaining risk on currency positions.

Management and development of operational risk

The risks arising from operational activities are classed as operational risks. Losses due to operational risks are unavoidable. Losses arising from an operational risk are reported monthly within BinckBank. The internal target is for these operational losses on normal business not to exceed 1% of the total income from operational activities on an annual basis. These operational losses mainly consist of:

- the financial result of outtrades and reimbursement of customers; and
- other direct loss due to faults in ICT systems, automated information processing and the operating processes.

In 2015, these losses amounted to 0.42% of total income from operational activities (0.34% in 2014).

In 2015, BinckBank broadened the definition for operational losses. The old definition extended only to outtrades. The new definition also includes movement in the legal claims and provisions. The internal standard for the new definition is 1.6%. Losses based on the new definition amounted to 0.85% in 2015.

The operational risk is managed by a clear organisational structure with clear segregation of duties and a control framework. A clear organisational structure is achieved through:

- Unambiguous description and allocation of responsibilities;
- Clear organisation of the segregation of duties for critical tasks;
- Job descriptions for all employees and departments; and
- Clear reporting and escalation lines and periodic internal consultation.

A detailed framework of processes, systems and accompanying control measures has been established within the organisation. A number of important principles for the establishment of the control framework include:

- Placing responsibility for managing operational risk as close as possible to the processes themselves, i.e. with the line management;
- Recording the organisational structure, operating processes, risks and accompanying control measures and their interrelationship in writing;
- Embedding procedures for reporting and escalation to management;
- Introducing the 'four-eyes principle' for representation and contractual binding of the company; and
- Ensuring that reliable information and performance and risk indicators are obtained.

The above principles form the basis for establishing organisation-wide risk management processes. A number of risk management processes have been established within BinckBank and are implemented by the first-line departments. Risk management in the second line of defence has a coordinating and controlling role to safeguard the correct functioning of the first-line risk management processes.

One of the basic processes that has been established to show that controlled operations exist is the recording of the control framework. This means that the main processes of all business units are recorded, together with their accompanying risks and risk-mitigating control measures. The effectiveness of these control measures is tested periodically (monthly, quarterly or annually) and all risk categories are assessed. The first line is responsible for performing the periodic tests and the second line is responsible for monitoring these test activities. If needed, the relevant risk committees, in which both the first and second line are represented, will decide whether additional measures are needed or to reinforce the existing measures. Much time has been invested over the

last year to further improve the description of the control framework. Risk self-assessments are also performed each year. A pre-determined process or theme, such as customer due diligence, is critically examined during these assessments. The results of these assessments lead in turn to the improvement of the existing control framework. In this case, the first line is also responsible for performing these assessments and the second line monitors the quality of the assessments. A risk dashboard, which shows the key risk indicators, is also maintained for the management of the risks. This presents a picture of the development of the risks over time. The operational risk indicators are quantified in the risk dashboard and are divided into the following areas: people, processes, projects & products, ICT system & information risk, outsourcing risk and model risk.

Another important risk management tool is the risk & issue management process. The detection of potential new risks or incidents that occur are registered in a central risk log. This is followed by an assessment and risk-mitigating actions are performed, if necessary. These mitigating actions may consist of ad-hoc mitigating activities or the permanent improvement of the control framework. Once all actions have been performed and any lessons learned have been identified, the risk or incident is closed.

Despite the large number of risk-mitigating measures, it is still possible for BinckBank to be confronted with an operational loss. BinckBank is insured with third parties for many forms of foreseeable losses resulting from operational risk. This insurance includes policies for directors' and officers' liability, corporate liability, professional liability, inventory, reinstatement costs and trading loss. BinckBank has a capital reserve for operational risk as a buffer for uninsured (unforeseeable) losses. The adequacy of this capital buffer is assessed periodically by means of stress tests.

ICT risk

Since the business activities of BinckBank depend heavily on ICT, a significant proportion of the operational risk concerns ICT risk. Deficiencies in ICT can constitute a significant threat to critical business processes and customer services. ICT risks can therefore indirectly pose a threat to the results. To reduce this risk, a large number of control measures have been implemented. These include measures in the areas of organisation and policy, information risk management, incident and problem management, continuity, and testing, change and configuration management. An important element of this is a regular penetration test, in which BinckBank instructs a third party to attempt to break into its systems using the latest techniques and methods. The results can lead to a further tightening of policy and/or controls. Policy principles have been formulated for all significant ICT risk control measures such as system availability, incident handling, problems and system changes, which are measured and reported monthly to the various risk committees using key performance indicators. Information security is seen as a company-wide responsibility. The responsibilities are established in the strategic information security policy and the risk management framework. Information risk management establishes the frameworks in the strategic and tactical information security policy, and monitors the correct implementation of this policy. The first line of defence is responsible for the security of BinckBank's systems, applications and data.

BinckBank is an innovative organisation and updates its systems and programs in line with new technological developments, new legislation and regulation, internal information requirements and the needs of its customers. As a result, there is a risk of incorrect and/or incomplete changes to the ICT infrastructure. This places high demands on the management of this situation, achieved through an established change management process which stipulates, among other things, that only authorised personnel from the ICT department may implement system changes. BinckBank also has various separate development, testing and acceptance environments at its disposal for the development of new software. Before changes to the production environment can be implemented, established procedures must have been completed and approved by the test manager.

Business continuity management

The availability of critical services and the security of customers, visitors, and employees are of the highest importance to BinckBank. BinckBank is aware that, like any other business, it has to deal with potential threats that could disrupt its critical business processes. In order to ensure the availability of its critical services, BinckBank has implemented an adequate business continuity management process. Business continuity management (BCM) is part of the overall risk management framework and is positioned as a central function within the business. The Business Continuity Council is led by the chairman of the executive board and meets at least once per quarter. In the event of a disaster, this council also acts as the crisis team and operates on the basis of a clearly defined and tested crisis management process. Furthermore, like all other financial institutions in the Netherlands, BinckBank has formulated a financial recovery plan, which describes the measures BinckBank can take to recover from a financial or other crisis on its own initiative.

The risk that the continuity of the (critical) business processes could be threatened as a result of the unavailability of the ICT infrastructure (including applications and systems) is mitigated as follows:

1. To ensure the continuity of the conduct of its business, BinckBank has placed its ICT production systems with external data centres that have made provisions against the effects of heat, fire, theft, damage, loss of electrical power, and natural disasters. The data centres have obtained all the required certifications.
2. In addition, in order to secure its business-critical data, BinckBank uses back-ups and real-time synchronisation of data to an external contingency location. A daily check is carried out to establish that critical back-ups have functioned properly and, in the event of failures, an assessment is made to determine whether further action is necessary.
3. A report on the performance and availability of the systems is submitted to the executive board and risk committees on a monthly basis.
4. Special monitoring software is also used to continually monitor the availability and performance of critical systems.
5. BinckBank has prepared a business continuity plan on the basis of a business impact and risk analysis. BinckBank has a contingency facility and conducts a contingency test at least twice a year. The contingency tests conducted in 2015 established that BinckBank is able to have its critical systems fully functional in the contingency location within the set time frames.

Developments

On 30 October 2015, a third management board member (Chief Operating Officer) was appointed with responsibility for product development, Network Management, and the Investment Management of Alex Asset Management. The Chief Operating Officer is also responsible for the entire ICT organisation as well as the subsidiary Able. With the appointment of the Chief Operating Officer, BinckBank will be able to realise its operational excellence strategy more quickly. Implementation of the operational excellence strategy will result over time in a reduction of the operational risk profile. Various improvements were implemented in 2015 for the purpose of improving BinckBank's risk profile in relation to its operational risks.

At the beginning of the year, the Professional Services business unit was integrated within the retail organisation. Tasks and responsibilities were redistributed over the course of the year, resulting in a simplification of management activities.

As product innovation and lead times are essential elements of BinckBank's strategy, it is vital that all departments involved in change management – from business management to ICT development – collaborate in an efficient and effective manner. Under the guidance of the new Chief Operating Officer, BinckBank is implementing improvements in the change management processes throughout the organisation. In time, this will lead to a decline in operational risk due to a reduced likelihood of disruptions. In turn, this will further increase the stability of the systems and also improve the services offered to customers.

Another major improvement in 2015 is BinckBank's introduction of changes to reinforce its data governance. To provide customers with the best possible service, it is important for the bank to have good quality data at its disposal that it can quickly convert into useful information. BinckBank has noticed an increase in demand for good quality information. Furthermore, it also has a growing number of external reporting obligations with which it must comply. In order to deal more efficiently with this demand for information, a project was started in the past year for the purpose of improving data management. This project will be further continued in 2016. Ultimately, these improvements in data management will help the bank achieve improved control and monitoring of its operational risk.

In today's financial markets, in which information is provided at an ever faster rate, it is becoming more and more important for active online brokerage customers to receive good quality market data as quickly as possible. In this regard, BinckBank has made great strides forward in 2015 and has set up a dedicated market data team. Over the past year, this team has studied the available market data and content products in greater depth. Several improvements have also been implemented over the year. These improvements enable BinckBank to make better choices with regard to the added value it can offer its customers. Various changes have been made to improve BinckBank's price feeds to make these processes faster and more stable. A dashboard has been developed to make it easier to monitor and report on the use of price feeds. Furthermore, BinckBank has improved the capacity of its connection with one of its key data suppliers, enhancing stability and reducing the risk of failure.

Due to the rapidly changing environment and the stringent requirements imposed on its services, BinckBank is continuously working to improve the performance of its systems. During implementation of these improvements, the bank constantly takes into consideration how operational risk can be reduced. Over the past year, for instance, changes have been made to the architecture of the funds database. This is one of the central databases within the IT environment. As a result of these changes, the stability and performance of the systems using this database have been improved.

Investments were also made in 2015 in the further optimisation of network security monitoring and user management. As the quality of information security starts with the employees, extra efforts have been made this year to improve security awareness. BinckBank has also taken further steps to protect its customers against cyber crime, including the introduction of a two-step authentication procedure for customers. Customers must now perform an additional security step when logging into their account, once they have received an authentication code by text message. This login method prevents passwords from being stolen from customers' computers and subsequently used to attain unauthorised access to customer accounts. In 2015, this two-step authentication process was rolled out further across the different BinckBank platforms and brands. In addition, a new mobile app has been introduced to enable the use of a safer and easier-to-use authentication mechanism. Lastly, BinckBank has made investments to improve its technology, IT capacity, and the automated testing of software changes. The number of software releases has been increased to enable structural changes to be implemented more quickly.

The back office is responsible for carrying out all the transaction processing of the securities business. The reconciliation department within the back office is the final stage of the transaction process and plays an important role in risk mitigation. Within the context of BinckBank's operational excellence strategy, a new application has been implemented in the past year to allow for greater efficiency in the bank's reconciliation activities and to make it easier to identify bottlenecks in transaction processing.

Management and development of financial reporting risk

BinckBank endorses the importance of providing accurate, timely, and comprehensive reports to the market, governments, and regulators. At all levels of external reporting, from regulator reports and financial statements to tax reports, there has been an increase in demand in recent years for information, data points, and detailed explanations and demand is expected to rise even more so in the coming years. Consequently, BinckBank has expanded and strengthened its reporting function over the past few years through the appointment of various specialists. In addition, external advisers are brought in where needed to support internal specialists in certain areas. BinckBank has established stringent standards with regard to the timeliness and accuracy of the reports in order to meet the external requirements. These standards are monitored on a monthly basis. Monitoring of the external financial reports is the responsibility of the Accounting Committee. By taking these measures, BinckBank strives to apply the right knowledge in all areas of reporting in an adequate internal control environment.

Management and development of legal and compliance risks

BinckBank places a high priority on integrity and reliability, and emphasises this by means of its code of conduct, house rules, insider trading regulations, and whistle-blower's scheme. Legal and compliance risks form an integral part of the risk management framework.

Based on the view that risks should be controlled where they develop and in line with the Three Lines of Defence model, the responsibility for the control of legal and compliance risks is vested in the first line of defence. The Ethics & Compliance department monitors the development of the legal and compliance risks within the entire organisation. Each year, a compliance risk analysis is carried out that subsequently serves as input for the purpose of assigning priorities and capacity. The risk analysis is drawn up based on a review of internal developments and incidents, as well as a look ahead at matters such as planned projects, new legislation and regulations, monitoring priorities, and social developments.

The Ethics & Compliance department is responsible for continuously informing management, the executive board, and the audit committee on the development of identified risks and the extent to which external and internal requirements are complied with. In 2015, the structure of the compliance function was changed with a view to further enhancing the effectiveness and independence of the Ethics & Compliance Officers. The Ethics & Compliance Officers employed in the various branches now report hierarchically to the Head of Ethics & Compliance. At the same time, they still maintain a reporting line to the directors of the branches. This safeguards the independence of the function.

In anticipation of the implementation of the Market Abuse Regulation (MAR), BinckBank invested in the implementation of a monitoring system in 2015 for the detection of patterns of market abuse or market manipulation in the trading behaviour of its customers and employees. This system is used by specialist departments in both the first and second lines of defence. This system enables BinckBank to take more effective action against market abuse or manipulation and raises the standard of the reports made to the Netherlands Authority for the Financial Markets (AFM).

In 2013 and 2014, improvements were made to the control measures for combating money laundering and terrorist financing. These improvements have resulted in the adoption of a bank-wide control framework that has been rolled out to the different branches as uniformly as possible, taking into consideration local variances in legislation and regulations. Efforts were focused in 2015 on safeguarding the improvements that had been implemented.

In 2014, the Belgian regulating body FSMA conducted an investigation across the sector into compliance with MiFID requirements. In 2015, BinckBank made investments to remedy the identified shortcomings which resulted in making improvements to the questionnaires on knowledge and experience that serve as input for the

suitability test. These improvements were then implemented in our Belgian branch office at the end of 2015. The improved questionnaires and suitability tests will also be implemented in our other branch offices in 2016.

In the second half of 2015, BinckBank performed a systematic integrity risk analysis (SIRA) based on guidelines supplied by the Nederlandsche Bank. The purpose of the SIRA is to acquire a comprehensive understanding on an on-going basis of the compliance and integrity risks that BinckBank faces. The analysis is based on risks that have already been identified and controlled and is incorporated into the control framework and management information supplied to the executive board and audit committee.

The European regulations on Markets in Financial Instruments (MiFID II/MiFIR) are expected to come into force in 2018. These regulations will have a considerable impact on the financial markets and on the service provided by BinckBank. In 2015, BinckBank started a project to implement the requirements of MiFID II/MiFIR in good time and to identify both the strategic challenges as well as the opportunities. In doing so, BinckBank sought contact with the specialised expert pools of industry organisations such as the Dutch Banking Association.

BinckBank monitors relevant developments in legislation and regulations by means of a legal radar. This system involves identifying, assessing, and analysing the impact of legislation and regulations relevant to BinckBank's future and also ensures their timely implementation.

Product-specific risks

In addition to general risks, BinckBank identifies product-specific risks. This concerns risks that are inextricably linked to a specific type of activity or product offered by BinckBank. To manage the risks of these activities, additional measures are in place to mitigate product-specific risk. The risks are explained in further detail below.

Developments in Alex Asset Management

Alex Asset Management is a fully automated and individualised active investment model that, based on technical analysis, generates instructions for the purchase and sale of shares and bond ETF's within the managed security portfolios. The number of transactions and the period during which positions are retained may fluctuate depending on market circumstances and the resulting trends. Unlike traditional asset management, Alex Asset Management operates on the basis of an asymmetric risk model and does not apply a fixed asset mix. The investment strategy of Alex Asset Management is designed to preserve capital in falling markets and to increase capital in rising markets. This strategy has been developed into an investment policy. In general, the policy means that part of the assets invested in shares is sold in falling markets and used to purchase bond ETF's ('exit strategy'). In rising markets, the bond ETF's are sold and shares are purchased ('entry strategy'). The investment policy is developed into criteria, on the basis of which Alex Asset Management decides when to exit and when to enter. Alex Asset Management monitors the markets automatically using algorithms and decides whether the relevant criteria have been met.

The risk profile of the activities of the Alex Asset Management division is different from that of the normal execution-only activities of BinckBank. The potential risks identified can be divided into risks associated with the duty of care, operational risk, and reputational risk. The guidelines regarding the duty of care are stricter for asset management than they are for execution-only services, and place an additional responsibility on the asset manager. BinckBank meets these additional requirements by establishing a customer's investment profile prior to the provision of its service by means of a comprehensive digital intake procedure and obtaining the customer approval in digital form. BinckBank asks its asset management customers to update their investment profile once a year. BinckBank checks daily to establish that the customer's portfolio is in line with market developments and whether it corresponds to the established investment profile and objectives. Transactions are executed automatically to expand or reduce positions if this is advisable. This is a fully automated process. The operational risks mainly concern heavy reliance on the ICT systems, decision models, and the accuracy of data used such as prices, traded volumes, and corporate actions that affect prices. The controls system is adjusted to reflect this. BinckBank conducts tests on a daily basis and regularly tests that the decision models are still operating in accordance with the criteria.

The reputation of Alex Asset Management and therefore BinckBank could be harmed if customers feel that their assets are not properly managed. This perception could arise if returns are disappointing or as a result of unclear communication and negative publicity. This risk arose in 2014 as there were several price movements during that year on the basis of which the algorithms gave the expected exit or entry signals. In 2014 however, these price movements were rather swiftly followed by price movements in the opposite direction, which offset the positive effect of the exits and entries and which led to disappointing results in that year for several customers of Alex Asset Management. Due to these disappointing results, Alex Asset Management was cast in a negative light in the news at the end of 2014 and the start of 2015. The Dutch Investors' Association (Vereniging voor Effectenbezitters, or 'VEB') stated it had received complaints from her members and announced it would initiate an investigation into the state of affairs at Alex Asset Management. The 'Vermogensmonitor' also announced it was prepared to bring proceedings on behalf of customers against BinckBank with regard to Alex Asset Management. Partly in response to the complaints received from customers of Alex Asset Management, the Netherlands Authority for the Financial Markets (AFM) conducted an investigation into the Alex Asset Management advertising campaigns. On 30 October 2015, the AFM informed BinckBank of its intention to impose a penalty for the Alex Asset Management advertising campaigns. The AFM is of the opinion that during the period from 8 September 2012 to 26 August 2014, Alex Asset Management advertisements contained information that was unclear. As this concerns an intention by the AFM, it is still uncertain as to whether penalties will be imposed. The amount of a penalty, if imposed, will be disclosed in a fining decision by the AFM. A penalty imposed by the AFM may have the effect of triggering claims from customers.

In 2015, BinckBank received circa 150 claims from customers who claim that they had suffered losses totalling € 3.8 million resulting from their investments through Alex Asset Management.

Developments of the Binck turbos

The inherent operational risks faced by BinckBank come primarily from the navigator or distribution role of financial instruments. However, in addition to our distribution role, BinckBank has also been issuing Binck turbo products since 2014 at its own expense and risk. Binck turbos are exclusively available to BinckBank customers. Many customers have since gained experience of using the product and it can be said that the product has been well received. Since November 2015, Binck turbo is also available to customers of our branch office in Belgium. Further product-specific information can be found in the basic prospectus and customer documentation on the turbo website (<https://turbos.binck.com/informatie>).

Many of the operational activities for this product have been outsourced to UBS. One of the major risks – the market risk – is mitigated due to a full economic hedge. Furthermore, there is a counterparty risk with respect to UBS, which is mitigated above a certain amount by means of collateral.

For the purpose of controlling the operational risk, an ISAE 3402 statement is issued by UBS on an annual basis. The ISAE 3402 statement issued by UBS to BinckBank in the second half of 2014 did not contain any significant findings. BinckBank expects to receive its statement for 2015 in May 2016. In addition to the ISAE reporting in respect of control by UBS, internal control measures are also performed by BinckBank on a daily basis. These control measures relate, on the one hand, to the activities performed by UBS and, on the other hand, to the activities performed by BinckBank.

Capital management

Introduction

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, such as customers, regulators, and investors. The capital adequacy of BinckBank is monitored constantly and compared with the risk appetite and strategy. This is part of the Internal Capital Adequacy Assessment Process (ICAAP).

Capital management consists of the following main activities:

- Determining the minimum capital requirement.
- Determining the desired capital requirement.
- Qualitative assessment of the quality of capital adequacy.
- Carrying out stress tests in relation to capital adequacy.
- Steering capital adequacy towards the desired level through capital actions.

In the quantitative assessment of its capital position, BinckBank compares the available capital and the composition thereof with both the external requirements within the current monitoring framework as well as with the internal standards and economic capital. BinckBank also takes into consideration expected developments in legislation and regulations with regard to capitalisation. Various measures are taken to control the capital requirement and its associated risks and to steer the available capital towards the desired level. The current capital position and capital requirement are addressed by the Asset and Liability Committee (ALCO) on a monthly basis. Adjustments can then be made on this basis if necessary. Each year, the regulator assesses the outcome of the ICAAP in the Supervisory Review and Evaluation Process (SREP) and discusses it with BinckBank.

Developments in regulations concerning capital

Since the financial crisis, various measures have been taken to prevent banks from getting into financial difficulties again in future. These measures include more stringent requirements regarding the size and quality of own funds that banks should hold and radical changes have also been made to the supervision of banks. The capital conservation buffer and countercyclical buffer will be phased in as of 1 January 2016. The amount of the capital conservation buffer has been set at a fixed percentage of 0.625% for all banks in 2016, rising to a percentage of 2.5% in 2019. The size of the countercyclical buffer is dependent upon the economic growth in the countries in which BinckBank has exposure and is determined for each specific country by the supervisory bodies. The vast majority of the countries have, for the time being, set the buffer to 0%.

In addition, further measures have been proposed to improve the resolvability of a bank should it nevertheless encounter problems despite these precautions. These include proposals for an MREL (Minimum Requirement for own funds and Eligible Liabilities) and TLAC (Total Loss Absorbing Capacity). Bail-in-able debt capital plays an important role in these proposals.

In the case of impending or actual insolvency of a bank, a distinction is made between two phases. During the going concern phase, a bank can still attempt to overcome its problems. If this is no longer possible, the bank then enters the resolution or settlement phase, in which the losses are recognised and the bank is recapitalised. The viable parts of the bank are continued or sold and the non-viable parts are dismantled. The goal is to minimize the negative consequences of a bank failure for society.

The concept of bail-in plays a key role in resolution and means that the unsecured and uninsured claims of creditors of banks can be written down or converted into equity if a bank gets into difficulties. This enables resolution and recapitalisation to occur without a need to use public resources. MREL and TLAC are closely related to one another. Both place requirements on the amount of own funds to be held and on the amount of

bail-in-able debt capital. MREL is relevant for all banks that operate in the European Union (EU) and TLAC is a requirement that applies specifically to global systemically important banks. Global systemically important banks operating in the EU must comply with both the MREL and the TLAC requirements.

MREL for banks in the EU

MREL requirements are geared towards expanding the absorbing capacity and resolvability of banks during the gone concern phase. Banks can choose to fulfil this requirement with either its own funds or with bail-in-able debt capital. The MREL requirement originates from the European Bank Recovery and Resolution Directive (BRRD) and will come into effect in 2016 for all banks that operate in the EU member states. This includes a phasing-in period of four years so that banks have until 1 January 2020 to comply with all the final requirements. The European Banking Authority (EBA) has proposed criteria for the determination of the MREL. The relevant national resolution authority then establishes the specific amount of the MREL based on the risk profile of individual banks; for BinckBank this is the Nederlandsche Bank (DNB). The systemic importance of a bank is an important factor in this risk profile.

TLAC for global systemically important banks

Under the TLAC standard, global systemically important banks are required to retain bail-in-able funds with which they can absorb unexpected losses. The purpose is to minimise the risk of these financial institutions becoming insolvent. An insolvency would lead to instability in the global financial system. In the past, governments were forced to use public funds to help bail out these banks. The TLAC rules have been drawn up by the Financial Stability Board (FSB) and require, in addition to full compliance with the capital requirements of Basel III, a buffer that is sufficiently high that it meets a capital requirement of 16% of the risk-weighted exposures (TLAC RWA minimum) and a requirement of 6% for the unweighted capital ratio under Basel III (TLAC leverage ratio exposure (LRE) minimum) as of 1 January 2019. These rates will continue to rise to a TLAC RWA minimum of 18% and an LRE of 6.75% with effect from 1 January 2022. The additional capital buffers such as the capital conservation buffer and the countercyclical buffer will be added on top of this.

Bank capital under MREL and TLAC

In order to meet the MREL and TLAC requirements, a bank may use bail-in-able debt in addition to its own capital. This is in contrast to the capital requirements of Basel III which solely concerns a bank's own capital. The capital that meets both the TLAC and MREL requirements may consist of additional Tier 1 (AT-1) capital or Tier 2 capital. Banks may choose to meet the MREL and TLAC requirements with their own funds or with bail-in-able debt capital. For the time being, Binck will use its Tier 1 core capital. Banks are likely to prefer the use of bail-in-able debt capital given that it is cheaper and does not lead to a dilution of the share capital. Furthermore, the coupon rate on these debt instruments is tax deductible whereas this is not the case with dividend distribution.

Together with earlier reforms on capital requirements and supervision, MREL and TLAC reduce the risk of a bank's failure. The new requirements also ensure that, should problems nevertheless occur, the costs for resolution or recapitalisation will be borne by the investors and not by the government: from bail-out to bail-in. These additional shock absorbers are not without cost as the issuance of bail-in-able debt will increase the costs for banks in the short term. This can lead to higher costs for customers and/or additional cost-saving measures by banks. Capital instruments which are often used under the new rules, contingent convertibles (CoCos) and subordinated debt instruments, carry more investment risk than normal bonds.

Consequences for BinckBank

BinckBank is not a systemically important bank and is therefore not directly confronted with the demands of the TLAC. However, as a licensed EU bank, BinckBank is fully bound by the MREL. The amount of the MREL is bank specific and is tailored to the amount of capital that should be available when a bank enters resolution. The introduction of the MREL remains closely related, however, to TLAC that will not be introduced until 2019. There is a provision within MREL which states that a bank's MREL capital can be adjusted if the bank's definitive TLAC capital in 2019 is substantially different from prior estimates. BinckBank expects that, over time, the more stringent requirements of TLAC could affect banks not subject to the TLAC standard. The ultimate consequences

of this mechanism are therefore still as yet unknown and it is not possible to provide an estimate of the final level of capital.

Despite the fact that the phasing-in period for the MREL starts in January 2016, the amount for BinckBank is still uncertain. BinckBank expects to have more certainty about this during 2016.

Other developments

Over the coming years, banks will continue to work on increasing their capital ratios in order to meet the definitive capital requirements for 2019. As a next step, the Basel Committee has put forward proposals for the adjustment of the capital requirements under the 'Standardised Approach' and for the implementation of a minimum floor for capital. This will increase the risk weightings of many assets, which could mean that banks may have to retain even more capital in the long run. In addition, there are also initiatives for a revision of the standardised methods for operational risk and interest rate risk in the banking book. As these proposals are still at consultation stage and since the eventual implementation of the rules through European regulations will be decisive for the European banks, it is very difficult at this stage to estimate the extent of the impact on the banking sector.

Management and development of capital adequacy

The aim of capital management at BinckBank is to maintain a sound solvency position, seeking constantly to strike the right balance between the amount of capital the bank holds and the risks to which it is exposed.

Capital management makes an increasingly important contribution to a systematic analysis of and improvement to the risk and return of BinckBank's activities. In the design of its capital structure, BinckBank takes account of the thresholds set by DNB, the Wft, European regulations, and its own internal requirements with respect to capital adequacy.

Capital structure

BinckBank holds capital to cover the risks it incurs as a result of the conduct of its business. The amount and quality of the capital is determined on the basis of IFRS and the provisions established in the Capital Requirement Directive (CRD IV) and the Capital Requirement Regulation (CRR).

BinckBank's equity capital consists of its paid-up and issued share capital, the share premium reserve, the fair value reserve, retained earnings, the result in the current financial year (adjusted for the interim dividends previously distributed), and the value of the minority interests. Treasury shares are deducted from capital equity. In order to calculate the Tier 1 core capital, prudential corrections are made for the items of goodwill (adjusted for deferred taxation), intangible assets, minority interests, unappropriated profit in the current financial year, and reserves for future distribution of dividend and capital. The equity capital is moreover adjusted for valuation effects on assets carried at fair value in the balance sheet. The analysis of the composition of equity capital and core capital as at 31 December 2015 is shown in the table on the next page.

Calculation of capital requirement (Basel III)

(figures in EUR 1,000's, unless otherwise stated)	31 December 2015	31 December 2014
Issued share capital	7,100	7,100
Share premium reserve	361,379	361,379
Treasury shares	(4,979)	(5,570)
Fair value reserve	1,526	3,777
Retained earnings (including result current financial year)	71,158	73,341
Non-controlling interests	1,296	220
Total equity	437,480	440,247
Less: goodwill	(144,882)	(144,882)
Plus: deferred tax liabilities related to goodwill	28,651	25,029
Less: other intangible fixed assets	(45,417)	(68,353)
Less: prudent valuation adjustment	(1,167)	(1,389)
Less: Non-controlling interests	(1,296)	(220)
Less: dividend reserve, in accordance with normal dividend policy	(17,750)	(22,010)
Less: undivided results corrected for normal dividend policy	(2,037)	(2,524)
Tier 1 core capital ratio	253,582	225,898

BinckBank's capital position as at 31 December 2015 was sound. BinckBank's total equity at the end of December 2015 stood at € 437.5 million (2014: € 440.2 million). Tier 1 core capital at year-end amounted to € 253.6 million (2014: € 225.9 million).

Capital requirement

Banks are exposed to various risks in their day-to-day operations, expressed as the probability of a given event resulting in a loss to a bank. Banks need to retain capital to cover potential losses that may arise in the case of an extremely negative scenario so that, when they are faced with such losses, they are still able to pursue their activities.

BinckBank uses the standardised method for calculating the required capital for credit risk, settlement risk, and operational risk as described in the CRR. BinckBank also uses an internal capital requirement for calculating the amount of capital to be held. 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 I Total Capital Ratio (TCR) of 15% and a minimum leverage ratio of 3.5%. At year-end 2015, BinckBank had a capital requirement of € 50.6 million, amounting to 8% of the risk-weighted exposures. This is an increase of 4% in relation to December 2014 (€ 48.7 million). This increase was mainly due to an increase in credit risk.

CRD IV/CRR provides guidelines for the calculation of the Pillar I capital that according to the regulators a bank must hold as a minimum for credit risk, market risk, and operational risk. CRD IV/CRR permits various approaches for the implementation of the requirements under Pillar I with regard to credit risk, market risk, and operational risk. BinckBank uses the standardised method for calculation of the credit risk, market risk, settlement risk, and operational risk.

(figures in EUR 1,000's, unless otherwise stated)	EAD		CRR RWA		8% Pillar I capital requirement	
	2015	2014	2015	2014	2015	2014
Credit risk						
Claims or contingent claims on central governments or central banks	385,613	267,479	1,945	1,565	156	125
Claims or contingent claims on regional governments or local authorities	601,093	770,573	-	-	-	-
Claims or contingent claims on multilateral development banks	17,473	21,873	-	-	-	-
Claims or contingent claims on financial enterprises and financial institutions	736,958	593,546	231,083	209,829	18,487	16,786
Claims or contingent claims on corporate clients	339,673	242,439	25	663	2	53
Claims or contingent claims on private individuals and SMEs	672,682	582,984	1,002	365	80	29
Overdue items	42	44	42	44	3	4
Claims in the form of covered bonds	556,036	611,758	55,604	61,176	4,448	4,894
Claims on institutions and corporates with a short-term credit rating	126,306	187,363	25,046	21,518	2,004	1,721
Exposure in shares	6,759	3,151	10,833	14,108	867	1,129
Other receivables	71,476	65,119	60,760	61,660	4,861	4,933
Total credit risk standardised method	3,514,110	3,346,329	386,339	370,928	30,907	29,674
Market risk						
Settlement risk			-	-	-	-
Operational risk (standardised)			72	250	6	20
Total other risks			244,324	238,175	19,546	19,054
Total risks			630,663	609,103	50,453	48,728

The following types of exposure are included in the categories for BinckBank:

- Claims on central governments and central banks
 - Investments in bonds issued or guaranteed by central governments;
 - Liquid assets and monetary cash reserves held at central banks and the European Central Bank (ECB);
 - Deferred tax claims.
- Claims on regional governments and local authorities
 - Investments in bonds issued or guaranteed by regional governments;
 - Short-term loans to regional governments.
- Claims on multilateral development banks
 - Investments in bonds issued or guaranteed by multilateral development banks.
- Claims on financial enterprises and financial institutions
 - Investments in bonds issued or guaranteed by senior financials with a weight of 20 - 50%;
 - Cash held with a weight of 20 - 150%;
 - Claims arising from the DGS with respect to DSB.
- Claims on companies, private individuals, and SME's arise from collateralised lending, derivatives positions, and issued guarantees. The risk weight for these parties has a lower capital requirement as a result of the application of credit risk mitigation due to underlying collateral.
- Claims in the form of covered bonds
 - Investments in covered bonds meeting the requirements of Article 129 CRR. A reduced risk weight is allocated to these claims.

- Claims on institutions and enterprises with a short-term credit assessment
 - Securities transactions not yet settled;
 - Cash held with a weight of 20 - 150%;
 - Credit to private individuals allocated on the basis of bank guarantees.

Market risk

BinckBank's market risk in Pillar I consists of currency risk. Currency risk is the risk of fluctuations in the value of items denominated in foreign currency as a result of movements in exchange rates. It is BinckBank's policy not to take active foreign-exchange trading positions. Currency positions can therefore only arise as a result of the facilitation of customer transactions. The policy is to hedge currency positions arising from operating activities on the same day they occur. As a result, currency positions do not lead to risk-weighted assets.

Settlement risk

Settlement risk, on the other hand, does lead to risk-weighted exposures when a securities transaction is not settled in time and non-settlement could lead to a loss for BinckBank. The amount of the risk-weighted exposure is dependent upon the difference between the market price and the agreed settlement price and upon the number of days that the settlement date has been exceeded.

Operational risk

BinckBank uses the standardised approach (SA) to calculate its operational risk under Pillar I. Under the SA, the operating income in the three preceding financial years is divided into various business lines. The average operating income per business line multiplied by the risk weighting of the business line is the risk-weighted exposure for operational risk.

Capital ratios

(figures in EUR 1,000's, unless otherwise stated)	2015	2014
CRD IV Tier 1 core capital	253,582	225,898
Tier 1 capital	253,582	225,898
Total capital	253,582	225,898
Risk-weighted items	630,663	609,103
Risk exposure defined by CRR	3,560,357	3,390,085
Tier 1 core capital ratio	40.2%	37.1%
Tier 1 ratio	40.2%	37.1%
Total capital ratio	40.2%	37.1%
Leverage ratio	7.1%	6.7%

At year-end 2015, the Tier 1 core capital ratio amounts to 40.2% at prudential level. Due to the absence of additional Tier 1 and Tier 2 capital, the Tier 1 ratio and the total capital ratio are also 40.2%.

According to CRD IV, the leverage ratio is defined as Tier 1 core capital divided by on and off-balance items. The leverage ratio will be monitored by the regulators until 2017, and further refined before it becomes a binding measure. The leverage ratio at 31 December 2015 amounted to 7.1%.

Capital adequacy and stress tests

The robustness of the capitalisation is put to the test by means of stress tests. BinckBank conducts periodic stress tests to evaluate the scale of the risks involved in extreme events with a change in one or several parameters. Stress testing is an integral part of risk management and as such is mandatory under the CRD IV/CRR. The purpose of a stress test is to express the risks of extreme events in terms of financial loss. The likelihood and effect of this in relation to the risk appetite will lead to an evaluation of the accepted risks and measures to mitigate the risk or the decision to reserve additional capital. Under ICAAP, banks must perform stress tests on the available Tier I core capital to include all the types of risk to which the bank is exposed. If the outcome of an extreme but to some extent feasible stress scenario leads to a Pillar I total capital ratio of less than 15% or a leverage ratio of less than 3.5%, BinckBank will no longer meet its own minimum internal capital requirement. In this case, BinckBank will have to take adequate action in the form of risk-mitigating measures such as policy changes or insurance, or by reducing the risk profile of its existing activities.

The stress tests for BinckBank concern the following items in the balance sheet:

Business Line

	Stresstest credit risk		Stresstest interest rate risk	Stresstest liquidity risk	Stresstest business risk
	Investment portfolio	Customer portfolio			
Assets					
Cash and balances	X		X	X	X
Banks	X		X	X	X
Loans and receivables		X	X		X
Bonds and other fixed income securities	X		X	X	X
Derivative positions held on behalf of customers		X			X
Liabilities					
Funds entrusted	X		X	X	X
Re-evaluation reserve	X		X	X	X
Derivative positions held on behalf of customers		X			X

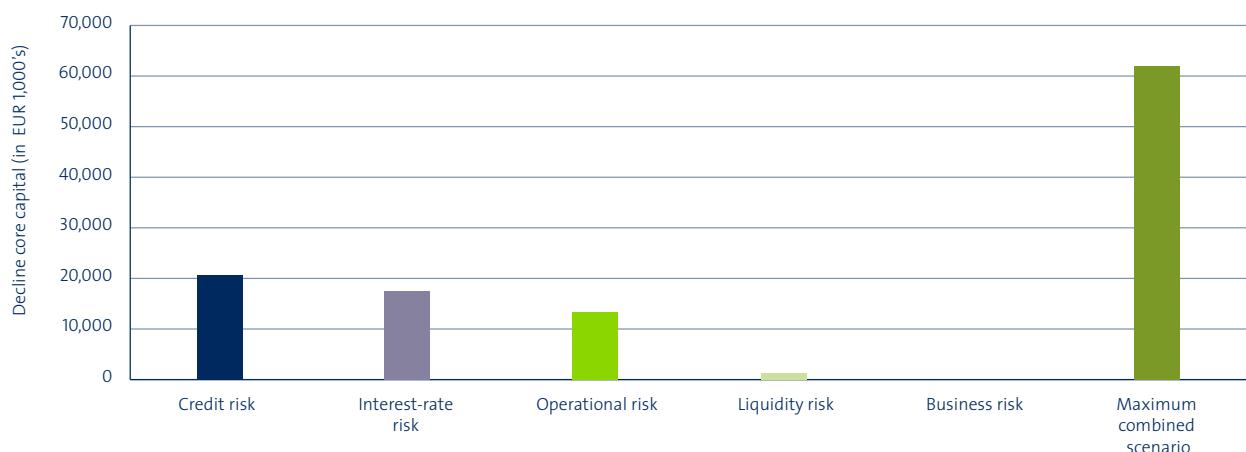
The financial impact resulting from stress tests is defined as the direct negative effect on BinckBank's core capital. The expected financial impact is calculated for each individual stress test and the effect of this on capital adequacy expressed in the Pillar I capital ratio and the leverage ratio. If the capital requirement changes as a result of a stress test, this is expressed as a second-round effect. This clearly shows the ultimate effect of a stress test once all factors have been taken into account.

Results of recent stress tests and maximum stress scenario

For the calculation of the maximum stress scenario, it is important to understand that there is a difference between stress scenarios and stress testing. A stress test is a single test for one particular event and thus a change in one single parameter. A stress scenario is a set of stress tests that together form a scenario. The maximum stress scenario is based on a set of extreme events that could lead to financial losses for BinckBank. Various stress tests have been developed for each risk category to enable management to assess the scale of the risk involved in extreme but realistic situations. The individual stress tests are not complementary, since not all

events can occur simultaneously, so that a stress scenario is compiled for each risk category. The various results of the stress scenarios for each risk category are combined into a maximum stress scenario for the testing of capital adequacy. The figure below shows the size of the maximum combined scenario spread across the various risk categories.

Impact maximum combined stress scenario per risk category



The most extreme stress scenario calculated by BinckBank for the purpose of capital management – the maximum combined stress scenario – is explained in more detail below. The scenario involves the following assumptions: Increasing uncertainty regarding the creditworthiness of European countries leads to a two-step rating downgrade by well-known rating agencies for the bonds BinckBank holds in its investment portfolio. Interest rates rise by 200 basis points due to uncertainty over inflation and the markets come under pressure and undergo a sudden and extreme decline. Confidence in BinckBank is damaged due to a system breakdown on a busy trading day. The competition benefits from this and goes on the attack, leading to immediate withdrawal of 50% of the funds entrusted that are not covered by the deposit guarantee scheme and 25% of the funds entrusted that are covered by the deposit guarantee scheme. BinckBank is forced to sell part of its investment portfolio at a loss. In addition, very active customers also close their accounts, and both commission income and interest-rate margins come under pressure.

The capital loss under the maximum combined stress scenario comes to € 62 million as at 31 December 2015, reducing the amount of available (core) capital to € 191.6 million. The second-round effect that occurs shows that the effects of the stress scenario affect the capital requirement. In other words, the forced liquidation of part of the investment portfolio would change the capital requirement for the credit risk. Credit risk would increase first as a result of the two-step credit downgrade and would then decline as a result of the forced liquidation of part of the investment portfolio. These two effects offset one another, leading to a situation in which the total risk-weighted exposure under Pillar I for credit risk falls from 386,339 to 184,277. The table on the following page shows the development of the capital adequacy after the most extreme stress scenario has actually occurred, including the related second-round effects.

Capital position in event of maximum stress

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

	31 December 2015	Max. combined stress	Impact
Total Tier 1 core capital ratio (A)	253,582	191,617	-24%
Credit risk - Pillar I	386,339	184,277	-52%
Market risk	72	72	0%
Operational risk	244,252	244,252	0%
Total required capital (B) - Pillar I	630,663	428,601	-32%
Tier 1 core capital ratio (=A/B)	40.2%	44.7%	
Leverage ratio	7.1%	7.3%	

Based on the second-round effect, BinckBank has established that its capital is also adequate under the maximum combined stress scenario. The TCR Pillar I capital ratio rises to 44.7% and the leverage ratio rises to 7.3%, meaning that no additional or mitigating measures are necessary. One can therefore conclude that the capital position would still be adequate under the maximum combined stress scenario, and our own internal standard of at least 15% under TCR Pillar I and of 3.5% for the leverage ratio would be maintained.

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Intraday

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Nieuws

Koersinformatie

Orderboek

Bied

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Laat

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Huur

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Verkoop



Liquidity management

Introduction

This section focuses on the liquidity management at BinckBank. Liquidity risk is the risk that BinckBank will not be able to meet its payment obligations. BinckBank adopts a prudent policy with regard to liquidity risk that is designed to ensure that demand by its customers for their cash can be met at all times. There have been no materially significant incidents with regard to liquidity during the 2015 financial year and there have been no reasons to adjust our liquidity policy.

Liquidity profile of BinckBank

BinckBank is an online bank for investors. BinckBank's services focus on the processing of securities orders placed by customers, the offering of a savings product, and asset management services. Customers with an account at BinckBank mostly do not invest 100% of their assets, but hold part of their assets in cash in their investment account or savings account. The non-invested part of their assets is expressed in the 'funds entrusted' item on the balance sheet. BinckBank provides loans against securities as collateral (collateralised lending) and places its remaining entrusted funds in an investment portfolio. Since historically the size of the customer funds entrusted far exceeds that of the collateralised lending, BinckBank has a natural liquidity surplus and has no need to attract other long or short-term funding. The funds held by BinckBank's customers can be called upon at any time. BinckBank does not offer its customers deposits whereby cash is deposited for longer periods. As the securities transactions are settled within two working days of the transaction date, BinckBank is able to estimate the liquidity position for two days. This means that the main focus of liquidity policy is on managing liquidity in the short term.

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

1. Cash and Banks: 5% to 10% of the funds entrusted (excluding mandatory central bank reserves) is held in cash at other banks in order to fund BinckBank's daily operations. BinckBank can call on these funds immediately. BinckBank can also place cash in the money market for periods of up to one month, subject to established counterparty limits.
2. Financial assets: the majority of the liquidity surplus is invested in the proprietary investment portfolio. BinckBank invests mainly in liquid bonds of high credit quality with a maximum remaining term to maturity of three and a half years.

Available funding (customer deposits) are also used to finance:

3. Loans and receivables: a proportion of the customer funds is used to fund the collateralised loans provided by BinckBank.
4. Financing of settlement and operational activities. Trading operations by customers means that BinckBank has to hold cash or bonds with various brokers/custodians in order to cover settlement and margin obligations

Fair value of financial assets and liabilities based on expected remaining maturity

Items maturing within one week are treated as being available on demand. Funds entrusted are treated as available on demand in the table. 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. This concerns 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 2015

(figures in EUR 1,000's, unless otherwise stated)	On demand available	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Assets						
Cash and balances at central banks	178,365	-	-	-	-	178,365
Banks	174,167	-	-	-	4,077	178,244
Financial assets held for trading	-	159	-	-	12,138	12,297
Financial assets designated at fair value through profit and loss	-	15,405	-	-	-	15,405
Available-for-sale financial assets	-	180,622	494,834	491,665	-	1,167,121
Held-to-maturity financial assets	-	20,042	107,308	686,134	-	813,484
Loans and receivables	502,006	-	-	-	-	502,006
	854,538	216,228	602,142	1,177,799	16,215	2,866,922
Guarantees	-	9	729	1,566	2,304	
	854,538	216,228	602,151	1,178,528	17,781	2,869,226
Liabilities						
Banks	23,582	-	-	-	-	23,582
Financial liabilities held for trading	-	142	-	-	12,144	12,286
Financial liabilities designated at fair value through profit and loss	-	46	-	-	-	46
Funds entrusted	2,589,714	-	-	-	-	2,589,714
	2,613,296	188	-	-	12,144	2,625,628
Liquidity surplus/deficit on basis of contractual maturities	(1,758,758)	216,040	602,151	1,178,528	5,637	243,598
Credit, lending facilities and possibilities for liquidation	1,980,605	(200,664)	(602,142)	(1,177,799)	-	-
Liquidity surplus/deficit taking account of credit, lending facilities and possibilities for liquidation	221,847	15,376	9	729	5,637	243,598

Maturity calendar as at 31 December 2014

(figures in EUR 1,000's, unless otherwise stated)	On demand available	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Assets						
Cash and balances at central banks	72,427	-	-	-	-	72,427
Banks	152,690	-	-	-	3,323	156,013
Financial assets held for trading	-	8,209	-	-	-	8,209
Financial assets designated at fair value through profit and loss	-	15,942	-	-	-	15,942
Available-for-sale financial assets	-	190,612	346,911	851,623	-	1,389,146
Held-to maturity financial assets	-	-	-	545,108	-	545,108
Loans and receivables	498,908	-	-	-	-	498,908
	724,025	214,763	346,911	1,396,731	3,323	2,685,753
Guarantees	-	-	9	729	1,566	2,304
	724,025	214,763	346,920	1,397,460	4,889	2,688,057
Liabilities						
Banks	25,587	-	-	-	-	25,587
Financial liabilities held for trading	-	177	-	-	8,113	8,290
Financial liabilities designated at fair value through profit and loss	-	139	-	-	-	139
Funds entrusted	2,545,420	-	-	-	-	2,545,420
	2,571,007	316	-	-	8,113	2,579,436
Liquidity surplus/deficit on basis of contractual maturities	(1,846,982)	214,447	346,920	1,397,460	(3,224)	108,621
Credit, lending facilities and possibilities for liquidation	1,934,254	(190,612)	(346,911)	(1,396,731)	-	-
Liquidity surplus/deficit taking account of credit, lending facilities and possibilities for liquidation	87,272	23,835	9	729	(3,224)	108,621

The objective of BinckBank's investment policy is to ensure that the outflow of funds entrusted can be satisfied at any time. The funds entrusted can be called upon at any time; a large proportion of BinckBank's assets are invested in fixed-income securities with a longer maturity. In order to control its liquidity risk, BinckBank has invested the majority of its investment portfolio in government (guaranteed) bonds and 91% of the investment portfolio is eligible as collateral with the European Central Bank. These bonds are highly liquid and can therefore quickly be converted into cash through the use of loan facilities and direct sales. This means that BinckBank is able to ensure that there is sufficient liquidity available if customers were to withdraw their funds entrusted en masse or if these assets were to be used collectively to invest, subject to there being sufficient funds remaining for collateralised loans. The high degree of eligibility and the high percentage of government (guaranteed) bonds is expressed in a Liquidity Coverage Ratio (LCR) and a Net Stable Funding Ratio (NSFR) above the norm of 100%. An LCR greater than 100% indicates that BinckBank has sufficient high-quality liquidity to endure a turbulent period of 30 days of stress. The LCR is calculated by dividing the high-quality liquid assets buffer by the expected net outflow during 30 days of stress. The NSFR is calculated by dividing the bank's available stable funding by its required stable funding. Available stable funding consists primarily of funds entrusted and equity capital. The required stable funding consists primarily of the investment portfolio. With a higher liquidity of the investment portfolio, there is less need for stable funding as the bonds can be pledged or sold at any time. An NSFR greater than 100% indicates that BinckBank has sufficient stable funding to endure a stress period of a year.

Composition of liquidity buffer

	31 December 2015	31 December 2014
Liquid assets and central bank balances	205,527	97,970
Government bonds	594,030	627,855
Government-guaranteed bonds	170,285	155,980
Supra-national bonds	17,425	21,820
Covered bonds	550,691	602,653
Other	648,175	525,946
Total	2,186,133	2,032,224
% eligible	91%	93%
% EUR	91%	93%
% USD	9%	7%
LCR	>100%	>100%
NSFR	>100%	>100%

Management and development of liquidity risk

BinckBank's risk appetite regarding liquidity risk is demonstrated by the high liquidity position in its balance sheet. BinckBank has no need for external funding and considers the funds entrusted a stable source of funding. To avoid a situation in which it faces a liquidity shortfall, BinckBank has implemented various control measures. The most important of these are:

Organisational

The BinckBank executive board determines the risk appetite with regard to liquidity risk on an annual basis. The risk appetite with regard to liquidity is set by the board at 'very low' (1 on a scale of 1 to 5). The board's very low risk appetite with regard to liquidity risk is based on:

- a. The liquidity characteristics of the business model, which chiefly concerns the execution of securities transactions and the size of the immediately callable funds entrusted
- b. The fact that inability to meet its obligations to customers or third parties promptly could seriously damage confidence in BinckBank and thereby constitute a threat to BinckBank's continuity, and
- c. BinckBank needs to avoid a situation in which it is forced to sell its assets at unfavourable market prices and thereby incur losses.

BinckBank's risk appetite regarding liquidity risk is demonstrated by the high liquidity position in its balance sheet. BinckBank has no need for external funding and places a large proportion of its liquidity surplus in liquid assets. BinckBank funds its assets with the funds entrusted by customers. BinckBank considers the entrusted funds as a stable source of funding. The risk appetite regarding liquidity is also a major factor in BinckBank's policy with respect to its investment portfolio. The investments must be of high credit quality, liquid, and directly eligible as collateral with the central bank and/or other banks. Clear mandates are in place with regard to the management of cash, placements in the money market, and the management of the investment portfolio. The frameworks for permitted investments by the Treasury & ALM department are set by the ALCO and established in mandates. The Risk Management department monitors that none of the mandates are exceeded. The liquidity value of the assets is monitored on the basis of established criteria. The securities in the investment portfolio and the criteria for the liquidity value of the assets are discussed by the ALCO on a monthly basis.

The number of officers involved in liquidity management at BinckBank is relatively low, and they are all at senior level. Communication lines are short, and decisions can be taken extremely quickly. The main officers involved are: the CFRO, the manager of Risk Management, the manager of Treasury & ALM, the cash manager and the group controller. The senior officers concerned have extensive knowledge of the liquidity aspects of BinckBank's business model, the drivers of liquidity, and the liquidity aspects of the available assets and liabilities.

Intraday monitoring

Outgoing payment traffic is monitored continuously. The Treasury & ALM department reports the status of incoming and outgoing payment traffic to senior management on a daily basis. In stress situations, payment traffic can be monitored on an hourly basis. The Treasury & ALM department receives statements of the transfers effected for customers four times a day, and the liquidity forecast is adjusted on this basis. The liquidity position is determined daily and a projection is made for the next three days (T+3), which is then tested against the internal liquidity target. Liquidity reports are sent to the executive board and the members of the ALCO. Treasury & ALM monitors the cash inflow and outflow. In case of heavy cash outflow, an escalation procedure to the executive board (CFRO) is applied and action is taken.

Long-term monitoring

Collateralised loans are provided on the condition that BinckBank has at all times the right to unilaterally adjust the coverage rate of the collateral security and, with it, reduce the use of credit.

Early warning indicators and escalation procedures

There are clear escalation procedures that are applied if there is a threat that the lower limit of the internal liquidity target will be breached. Escalation is applied using what is known as a traffic-lights model. This is a system of warning signals that lead 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 regarding BinckBank's reputation and/or heavy cash outflow in combination with a limited balance of available cash.

Stress tests and Contingency Funding

BinckBank carries out various liquidity stress tests on a periodic basis to test whether BinckBank is still meeting its internal liquidity target. The liquidity stress tests are based on various durations, for which the LCR, NSFR, and the amount of cash in relation to funds entrusted is used as a ratio. The internal standard for the amount of cash in relation to funds entrusted is between 5.0% and 10.0%, with BinckBank aiming for a ratio of 7.5%. BinckBank remained above 7.5% throughout 2015. At 31 December 2015, this ratio amounted to 11.2% (2014: 13.1%). The LCR and NSFR remained above 100% throughout 2015.

The liquidity stress tests are based on various alternative sources of liquidity (Contingency Funding). These sources are:

- Repo agreements
- Multi-currency credit facility (with securities as collateral)
- Liquidation of the investment portfolio
- Reserve requirement at the European Central Bank, and
- Marginal lending facility at DNB.

Management statement



In-Control Statement

The section on Risk Management on pages 58 to 103 of the annual report provides a detailed account of our risks and our risk management framework, in addition to a description of the responsibilities of the executive board.

In accordance with the best practice provisions as stated in the Corporate Governance Code and with due observance of the limitations stated below, we confirm that our risk management and control systems provide a reasonable level of security and that we are aware:

- a. Of the extent to which BinckBank's strategic and operational targets are achieved
- b. That BinckBank is in compliance with the applicable legislation and regulations, and
- c. That our financial reporting is free from material misstatements.

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

Without prejudice to our statement, we would like to refer to the weaknesses and threats as described in the SWOT analysis on page 28 of the annual report.

Statement by the executive board

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

1. The financial statements present a true and fair view of the assets, the liabilities, the financial position, and the result of BinckBank N.V. and the companies included in the consolidation; and
2. The annual report provides a true and fair view of the position as at 31 December 2015 and the state of affairs during the financial year of BinckBank N.V. and its affiliated companies, whose data have been included in its financial statements, and that the annual report describes the essential risks faced by BinckBank N.V.

Amsterdam, 10 March 2016

The executive board

Vincent Germyns, Chairman of the executive board

Evert-Jan Kooistra, member of the board (CFRO)

Steven Clausing, member of the board (COO)

Corporate Governance



Introduction

BinckBank is a listed public limited company under Dutch law. The executive board is responsible for managing the company. The supervisory board is charged with the supervision of the policy of the executive board and the general developments at the company and its affiliated entities. The supervisory board advises the executive board in the exercise of its duties. The executive board and the supervisory board are directly accountable to the company's General Meeting. BinckBank's executive board and the supervisory board are jointly responsible for the bank's corporate governance structure. Good corporate governance is a precondition for the efficient and effective realisation of set goals, ensures adequate control of risks, and ensures informed judgments can be made regarding the interests of all of BinckBank's stakeholders, such as shareholders, employees, and customers. Within this framework, BinckBank applies the principles of both 'Future-oriented banking' and the Dutch Corporate Governance Code.

Future-oriented banking

At the end of 2014, the Dutch Banking Association (Nederlandse Vereniging van Banken, NVB) presented a package entitled 'Future-oriented banking', in which banks jointly set out their intention to pursue service-oriented and sustainable banking activities.

This package consists of three parts:

1. A social charter which describes the role of banks in society and the shared values in the sector.
2. A new Banking Code that guarantees good governance within each individual bank and which establishes principles governing sound and ethical operation as well as principles regarding an effective risk policy and the set-up of the executive board and the supervisory board.
3. A code of conduct for individual employees (what they stand for and what they are accountable for).

Social Charter

Society in general must be able to rely on a stable, service-oriented, and reliable banking industry which offers products and services in line with the often widely divergent wishes of consumers, businesses, institutions, and governments. This imposes requirements on the competencies of banks to deliver on promises and expectations raised. It is necessary to create market conditions that ensure healthy competition based on a varied banking landscape and provide a sufficiently diversified offer, for example, in terms of the type of activities and services, forms of undertakings, and geographical coverage. In a shared struggle for a stable, service-oriented, and reliable banking industry, the Social Charter is based on the following assumptions:

- The banking industry is pluriform and offers customers a wide choice
- Banks are reliable, service-oriented, and transparent
- Bank employees are ethical, competent, and professional, and ensure that customers and other stakeholders are treated with care
- Banks have a social responsibility to contribute to a sustainable economy

Banking Code

The Banking Code applies to all activities performed in or directed towards the Netherlands by banks established in the Netherlands and licensed by the Nederlandsche Bank pursuant to Section 2:11 of the Financial Supervision Act. In the event of overlap or contradiction with international legislation or the policy of regulators, this prevails over self-regulation such as the Banking Code. The new Banking Code is designed – along with the Social Charter and the introduction of the bankers' oath, rules of conduct, and disciplinary scheme – to make a major contribution to public trust in banks and their role in the community. Consequently, the principles in the Code emphasise the importance of sound and ethical operation by banks and set this out in the principles for the executive board and supervisory board, proper risk management, thorough audit processes, and a sound, balanced, and sustainable remuneration policy. Compliance with the Banking Code is monitored by an independent Banking Code Monitoring Committee established on 14 October 2014. The main task of the Banking Code Monitoring Committee is to monitor compliance with the Banking Code on the basis of the 'comply or explain' principle. In doing so, the committee can flag any ambiguities and imbalances in the Banking Code, and make recommendations about possible adjustments. The Monitoring Committee will in any case issue a publicly available annual report. The revised Banking Code came into effect on 1 January 2015. The Banking Code does not stand alone but is part of the full set of national and international regulations, case law, and self-regulation. When applying its principles, a bank will take this national and international context, the social environment in which it operates, and the specific characteristics of the individual bank and group, if it is part of one, into account.

The principles in the Banking Code pertain to:

1. Sound and ethical operation
2. Activities of the supervisory board
3. Activities of the executive board
4. The risk policy
5. The audit function
6. The remuneration policy

Rules of conduct

Along with the introduction of a Social Charter and updating the Banking Code, the bankers' oath has also been implemented for all employees working in the Netherlands. Everyone working in the banking industry is bound by the rules of conduct attached to this statement for the ethical and careful practice of his/her profession. Employees have personal responsibility for complying with those rules of conduct and can be held accountable for non-compliance and, if necessary, face disciplinary action. New employees must take the oath within three months of being appointed to the job. Existing employees must take the oath by 1 April 2016. Employees who have taken the oath automatically endorse the code of conduct for bank employees and must comply with disciplinary rules.

The disciplinary rules apply only to individual employees. Anyone discovering an infringement of the code of conduct may file a complaint with the Foundation for Banking Ethics Enforcement (FBEE) (Stichting Tuchtrecht Banken). This foundation assesses the content of the complaint in light of the Disciplinary Regulation for the Banking Sector. When conducting disciplinary proceedings, the foundation receives support from the independent institute DSI, whose activities since 1999 include screening employees in the financial sector, keeping registers of recognised financial experts, and settling disputes concerning investments between financial companies.

The management of BinckBank took the bankers' oath in 2015. All other employees working in the Netherlands took the bankers' oath in February 2016.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code (hereinafter, 'the Code') is an important code for good business conduct for Dutch listed companies. The Code is self-regulatory in nature, and is based on the principle known as 'apply or explain'. The duty of the Corporate Governance Code Monitoring Committee ('the Committee') is to encourage the topicality and usefulness of the Code, as well as to monitor compliance with the Code by Dutch listed companies. In 2014 the Committee focused on identifying gaps and ambiguities in the Code, and in particular on international developments in this context. The Committee also made an inventory of compliance with the Code by Dutch listed companies. BinckBank is compliant with all but a few points of the Corporate Governance Code.

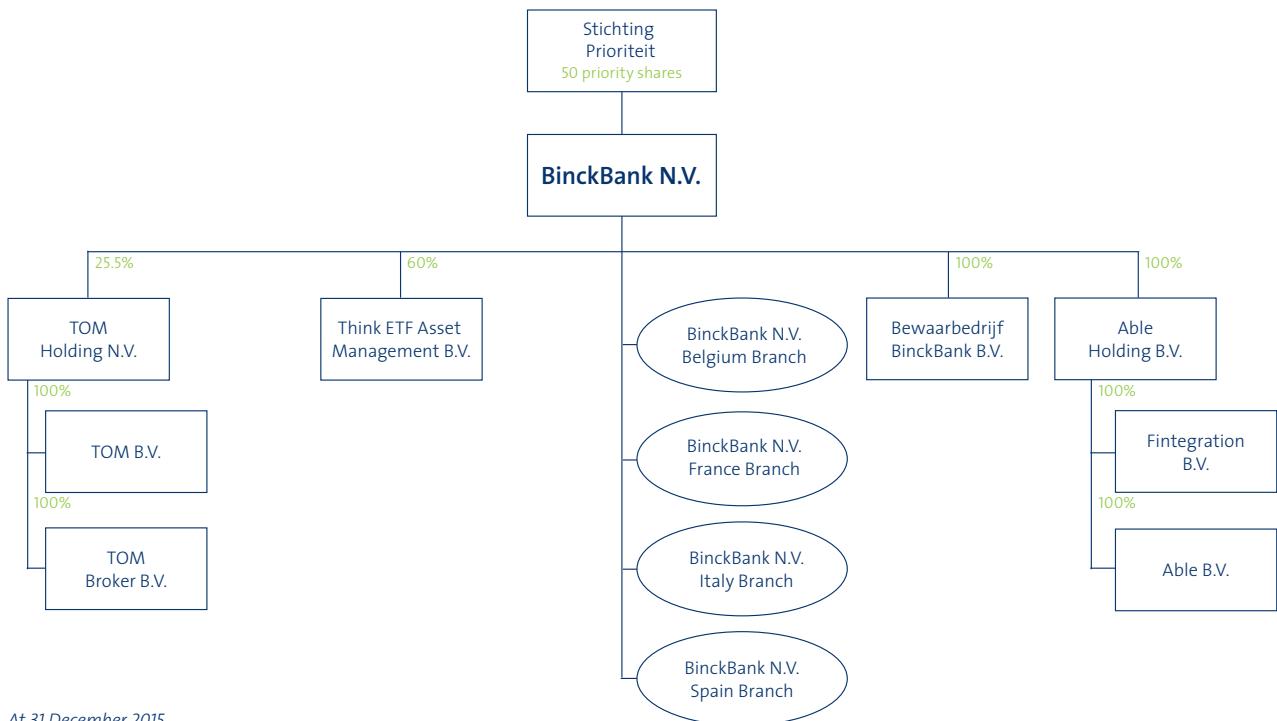
Following on from the monitoring report published in January 2015, the backing parties (VNO-NCW, VEUO, Eumedion, VEB, FNV, CNV and Euronext) requested the Corporate Governance Code monitoring committee to publish proposals for the updating of the Code. In February 2016, the committee released a consultation document with concrete proposals for revision. Revision of the Code will address both current and foreseeable new regulations, as well as legal precedent and development at the international level in the field of corporate governance. Like the current Code, the updated Code must be principle-based and offer a reliable framework for corporate governance for the coming years.

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

According to best practice provision I.1 of the Code, the broad outlines of the company's corporate governance structure must be explained each year in a separate section of the annual report, partly by reference to the principles of the Code. This section must also expressly state the extent to which the best practice provisions in the Code are being observed, and where this is not the case, why and to what extent the provisions are not applied. This 'apply or explain' principle has a basis in the law. This section is the implementation of the requirements of this best practice provision I.1 of the Code. This section and the statements regarding the key features of the company's management and control systems in relation to financial reporting as included in the management's in control statement can also be considered the corporate governance statement mentioned in Section 2:391(5) BW.

Legal structure

BinckBank is a public limited company listed on Euronext Amsterdam. BinckBank adopted a two-tier board structure in 2012. BinckBank has a number of Dutch subsidiaries and associates. BinckBank has branches in Belgium, France, Italy and Spain.



At 31 December 2015

Shares, issue of shares, voting rights and shareholder structure

Shares

The company's authorised share capital amounts to € 10,000,005, divided into 100,000,000 ordinary shares and 50 priority shares each with a nominal value of € 0.10. BinckBank's issued capital consists of 71,000,000 ordinary, listed shares and 50 priority shares. The priority shares represent 0.00007% of the issued capital, are unlisted registered shares and are held by Stichting Prioriteit Binck (hereinafter, 'the Foundation'). Special control rights are attached to the priority shares as specified in the company's articles of association, which are available on the website www.binck.com. Further details regarding the position of Stichting Prioriteit are given below in this section. No depositary receipts are issued for BinckBank shares.

Issuance of shares

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

The preferential rights may be limited or excluded by resolution of the GM. The preferential rights may also be limited or excluded by the above-mentioned other company bodies if these have been granted the authority to limit or exclude the preferential rights by resolution of the GM for a period of up to five years. A resolution by the GM to limit or exclude the preferential rights or to grant or withdraw the authority to take such action requires a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the GM.

Such resolutions may only be adopted by the GM if proposed by the Foundation. Resolutions by the executive board regarding the issuance of shares are subject to approval by the supervisory board.

Voting rights

Each BinckBank share entitles its holder to cast one vote. All resolutions of the General Meeting of Shareholders shall be carried by an ordinary majority of the votes cast, unless a larger majority is required by law or the Articles of Association. BinckBank uses a registration date in accordance with the Shareholders' Rights Act (Wet aandeelhoudersrechten).

Shareholder structure

The shareholders who have made a notification in relation to their interest in BinckBank pursuant to section 5.3 Wft are named on page 44 of this annual report. No shareholder agreements have been concluded between BinckBank and the major shareholders concerned.

Anti-takeover defences

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

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

The board of the Foundation has three members. Member A is appointed by the supervisory board of BinckBank, member B is appointed by the executive board of BinckBank and member C is appointed by members A and B together. Mr J.W.T. van der Steen (chairman of the supervisory board), Mr V.J.J. Germyns (chairman of the executive board) and Ms C. van der Weerdt-Norder (supervisory director) currently act as members A, B and C of the board of the Foundation.

The supervisory board and the executive board see no reason to initiate any limitation and/or removal of the powers of the Foundation. The supervisory board and the executive board believe that maintaining the position of the Foundation is beneficial to the continuity of BinckBank and the policies pursued by the bank in the short and long term, subject to careful consideration of the interests of those involved in the company. The powers of the Foundation form an integral part of the articles of association of the company. With due observance of its objectives under the articles of association, the Foundation is obliged when exercising its powers to protect the interests of the company and its affiliated companies, and in doing so to consider the legitimate interests of those involved in the company. The manner in which the Foundation exercises its powers will depend on the actual facts and circumstances of the individual case.

Executive board

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

Duty of the executive board

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

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

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

Permanent education

BinckBank has a permanent education programme for its executive directors. The permanent education programme consists of the following various training programmes and courses intended to maintain the level of expertise of executive directors and improve this where necessary. Evert-Jan Kooistra is a public certified accountant. Since 1 January 2007, a permanent education scheme has applied for members of the Dutch Association of Registered Controllers (the 'VRC') and accountants in business of the Netherlands Institute of Chartered Accountants, or 'NBA'. In 2015, Vincent Germyns completed the five-day CEO Programme, and Evert-Jan Kooistra completed the four-day Modern Corporate Governance programme. Both of these programmes were offered by Euromoney training solutions. Steven Clausing did not take part in the permanent education programme in 2015.

Supervisory Board

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

Other than under the provision of Article 21 sub 7 of the articles of association, supervisory directors of BinckBank are appointed by the GM on the basis of nomination by the supervisory board. The GM and the works council may recommend candidates to the supervisory board for nomination as a supervisory director. For one-third of the number of supervisory directors, the supervisory board will nominate a person recommended by the works council, unless the supervisory board objects to the recommendation on the grounds that it does not consider the recommended candidate to be suitable to act as a supervisory director, or that the composition of the supervisory board would not be appropriate if the recommendation were to be adopted. A supervisory director may be suspended by the supervisory board. The Enterprise Division of the Amsterdam Court of Appeal may dismiss a supervisory director on the conditions stated in the articles of association. The GM can withdraw its confidence in the supervisory board. A resolution of no confidence by the GM will result in the immediate dismissal of all members of the supervisory board.

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

General Meeting (GM)

The GM has the powers vested in it by law and under the articles of association. The Foundation has an important role with reference to the powers of the GM in many cases. A GM is held at least once a year. The most important powers of the GM concern the adoption of the financial statements, the establishment of dividend and other distributions, the granting of discharge of responsibility to the executive board for its policy and to the supervisory board for its supervision, the setting of the remuneration of the executive board and the remuneration of the supervisory directors, amendments to the articles of association and all the other powers vested in it by law and the company's articles of association.

Compliance with the Code

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

Remuneration of the executive board

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

According to best practice provision II.2.5 of the Code, shares granted to executive directors without financial consideration must be retained for a period of at least five years in each case or at least until the end of the employment relationship, whichever comes first. BinckBank complies with best practice provision II.2.5 of the Code to the extent that calculated from the date the shares are awarded unconditionally, BinckBank shares have to be retained for a period of two years (instead of five years). With this shorter retention period of two years instead of five years, BinckBank complies with the regulations for a variable remuneration as specified in the Regulation on Sound Remuneration Policies under the Wft 2014. In BinckBank's opinion, the conditional allocation of a material part of a variable remuneration (as stated in the Regulation on Sound Remuneration Policies under the Wft 2014) in combination with the stated retention period of two years is sufficient to meet the objective of a long-term commitment to the company and its associated business.

Balanced composition of executive board and supervisory board

An executive or supervisory board of a large company has a balanced composition if at least 30% of the members are female and at least 30% are male. The supervisory board is made up of 40% female supervisory directors, so its composition can be considered balanced. The executive board at BinckBank does not currently have a balanced composition. This remains on the agenda.

Decree implementing Article 10 of the Takeover Directive

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

- a. An overview of the company's capital structure is included on pages 111 and 112 of this annual report. This explains the various types of shares and the rights attached thereto (including special control rights), the obligations and the percentage of issued capital represented by each type of share;
- b. The company has not imposed any restrictions on the transfer of shares;
- c. Shareholdings in the company which have to be reported pursuant to Section 5.3 Wft are listed on page 44 of this annual report;
- d. Special control rights attached to shares held by the Foundation are stated on page 112 of the annual report;
- e. Control of the scheme whereby rights are allocated to employees to take or receive shares in the capital of the company or a subsidiary company is exercised by the IAD and the Compliance department;
- f. No restrictions apply to the voting rights attached to the company's shares. No depositary receipts for shares have been issued;
- g. The company is only aware of a restriction regarding the transfer of BinckBank shares that arises as a result of the remuneration policy in force and similar restrictions applying to other employees of BinckBank;
- h. The procedures for appointing and dismissing supervisory and executive directors and the regulations applying to amendments to the articles of association are established in the company's articles of association and are described in general terms on page 112 and 113 of the annual report. For the full text of the articles of association, see www.binck.com;
- i. The powers of the executive board with particular reference to the issuance of the company's shares and the repurchase of shares by the company are described on pages 111 and 112 of the annual report. For further information, see the company's articles of association and the minutes of the General Meeting at www.binck.com;
- j. The service agreement concluded with SNS Bank N.V. on 30 September 2010 states that the agreement can be terminated with immediate effect in the event of a specifically described change of control at BinckBank; The service agreement concluded with BeFrank in 2014 states that in case of a specifically described change of control at BinckBank to which BeFrank has serious objections that are reasonable and objectively substantiated the service agreement may be cancelled with a notice period of 3 months.
- k. Information on severance arrangements with executive directors (insofar as applicable) is provided in the Remuneration Report for 2015.

Conclusion: BinckBank complies with virtually all the provisions of the Code and the Banking Code. Any irregularities have been explained and substantiated.

Developments in 2015

A number of developments in the field of corporate legislation and regulation are outlined below.

The Financial Enterprises (Remuneration Policy) Act (Wbfo)

The Financial Enterprises (Remuneration Policy) Act (Wbfo) went into effect on 7 February 2015, and applies to all financial enterprises. It regulates the remuneration for all positions within a financial enterprise, i.e., not just management positions or positions with an increased risk level. One of the new rules it stipulates is a ceiling on variable remuneration of 20% of the fixed remuneration (the bonus ceiling). A transitional scheme for the bonus ceiling allowing exemption from the bonus ceiling through 2015 for existing employment contracts entered into prior to 1 January 2015; for these cases, the bonus ceiling will apply after 31 December 2015. Up to 31 December 2015, the bonus ceiling did not apply to variable remuneration awarded under an obligation undertaken by a financial enterprise prior to 1 January 2015. From 1 January 2016 onwards, every financial enterprise (with the exception of managers of investment institutions and enterprises trading for their own account and which have no clients) must apply the bonus ceiling for all employees working under its responsibility, including temporaries and freelancers. All other provisions, including the obligation to enforce a restrained remuneration policy, are already in force.

Financial Markets (Amendment) Act 2015

The introduction of the Financial Markets (Amendment) Act 2015 on 1 January 2015 includes making the suitability and reliability requirements applicable to persons working under the responsibility of a bank or insurer domiciled in the Netherlands who hold a management position directly below the level of policymakers and responsible for natural persons whose activities can materially affect the risk profile of the company. The group of persons obliged to take the banker's oath is also expanded, and declared to be additionally subject to disciplinary law. With effect from 1 January 2015, banks and investment firms must be more active in the provision of information regarding the deposit guarantee scheme and the investor compensation scheme.

Financial Markets (Amendment) Act 2016

The Financial Markets (Amendment) Act 2016 introduces a system for protecting investors in derivatives against the bankruptcy of the intermediary involved in the derivative instrument in question. The essence of this rule will be established in the Securities Book-Entry Transfer Act. Under this regulation, all positions in derivatives entered into by an intermediary with a third party, a CCP or another third party in connection with the taking of a customer position and all rights and obligations with respect to the exchange of collateral will form segregated assets. In the event of the bankruptcy of the intermediary, these segregated assets will provide the opportunity for recovery by its customers. This pertains not only to the rights and obligations based on the position itself, but the rights and obligations concerning the exchange of collateral (such as margin) reserved for payment of the claims that may arise from the derivatives position. In practical terms, the biggest consequences for banks are in the requirements the scheme sets on the administration of the derivative assets. Of course, this is the administration that must serve as evidence of the derivative assets that, in the event of bankruptcy, are not included in the bankruptcy estate. The Financial Supervision Act sets specific requirements on this administration.

Corporate Governance Principles

June 2015 saw the publication of revised versions of two internationally authoritative Corporate Governance principles: the G20/OECD Corporate Governance Principles and the BIS Corporate Governance Principles for banks. Although not strictly binding from a purely legal perspective, the Corporate Governance principles of the G20 and the OECD are a critically important reference framework for regulators and supervisory authorities worldwide on topics such as shareholder rights, executive remuneration, transparency, responsibilities of institutional investors and the functioning of capital markets. The revision of the BIS reiterates the need for effective corporate governance for the healthy functioning of banks and underscores the importance of risk governance as an essential part of this. The primary intention is to strengthen the management's and the supervisory board's collective supervisory task and responsibility in risk governance, in part by prescribing the 'Three lines of defence' model.

Revision of the Shareholders' Rights Directive

In July 2015, the European Parliament approved (with reservations) the European Commission's proposal to change various legislation including the Shareholders' Rights Directive (2007/EC/36), which addresses topics relating to corporate governance. It must be noted that the directive and the proposed changes only apply to public listed companies. Agreement in principle on this revision had already been reached within the Council. The European Parliament's consent is conditional. Further negotiation with the member states will be required before a definitive accord is reached. The results of these negotiations are by no means certain, particularly because a number of member states (including the Netherlands) are very critical of the revisions. The revision is intended to improve the corporate governance of listed companies. In particular, the measures are designed to encourage institutional investors and asset managers to take a more engaged attitude with respect to their shareholdings in listed companies, to strengthen certain shareholder rights and to remove obstacles to cross-border voting by shareholders. One of the effects of the revision will be that institutional investors and asset managers will be encouraged by means of a package of transparency obligations to adopt an investment strategy that benefits the medium and long term performance of the companies in which they invest. There will also be monitoring of the provision and quality of advice to those with voting rights and cross-border voting will be encouraged. Intermediaries will also have to cooperate regarding the identification of shareholders. The revision will also mean that shareholders will obtain the right to vote on the remuneration policy and the annual remuneration report. Shareholders will moreover be given the right to approve significant transactions with related parties, such as a transaction with a director or major shareholder. The revision proposed by the European Commission does not state a target date for implementation. It will therefore be some time before the proposal will have to be adopted in Dutch legislation.

Report from the supervisory board



From left to right:
John van der Steen, Hanny Kemna, Arjen Soederhuizen, Leo Deuzeman, Carla van der Weerd-Norder

Message from the chairman of the supervisory board

Dear reader,



We hereby present the report of the supervisory board for 2015. The financial statements have been audited by Deloitte Accountants B.V. ('Deloitte') and have been furnished with an unqualified audit opinion, the text of which is included on pages 227 to 231.

2015 was a year full of relevant developments, also from the perspective of the supervisory board.

There were several changes to the composition of our board. After the annual general meeting in April, C.J.M. Scholtes and J.K. Brouwer stepped down; in that same meeting L. Deuzeman was reappointed for a new term. In an Extraordinary General Meeting on 30 October, a new member was appointed: A. Soederhuizen.

Currently, the supervisory board consists of J.W.T. van der Steen (chairman), C.J. van der Weerdt-Norder (vice-chairwoman), J.M.A. Kemna, L. Deuzeman and A. Soederhuizen.

There were also a number of changes in the executive board over the course of the year. V.J.J. Germyns took the position of chairman in 2015. A third executive board member was added on 30 October 2015: S.J. Clausing, who previously held the position of manager of Risk Management, has now been appointed as Chief Operating Officer (COO).

As a result of these changes, the board is now composed of V.J.J. Germyns (CEO), E.J.M. Kooistra (CFRO) and S.J. Clausing (COO). For a time in 2015, Mr Deuzeman held the temporary position of delegated supervisory director, a position which ended with the appointment of the third executive director.

The supervisory board is of the opinion that the current composition of the executive board constitutes a sound basis on which to implement the business strategy. We wish to express our appreciation to the executive board and all employees for the commitment and involvement they demonstrated in 2015.

Amsterdam, 10 March 2016

J.W.T. van der Steen (Chairman of the supervisory board)

Duties of the supervisory board

The supervisory board is charged with the supervision of the policy of the executive board and the general developments at the company and its business. In the exercise of its duties, the supervisory board focuses on the interests of the company and its affiliated companies, taking the interests of all stakeholders in the company into consideration. The supervisory board also considers the social aspects of business operations relevant to the company. The supervisory board also advises the executive board. The supervisory board is further charged with all duties assigned to it by law and under the articles of association. Certain key resolutions of the executive board are subject to the approval of the supervisory board.

Composition of the supervisory board

Composition

The composition of the supervisory board is currently as follows:

- J.W.T. van der Steen (chairman)
- C.J. van der Weerdt-Norder (vice-chairwoman)
- J.M.A. Kemna
- L. Deuzeman
- A. Soederhuizen

The information identified in best practice provision III.1.3 of the Corporate Governance Code concerning the members of the supervisory board is provided on pages 122 to 124.

Independence

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

Members of the supervisory board

John van der Steen

1954 - Dutch nationality



Mr Van der Steen was appointed as a supervisory director of BinckBank at the Extraordinary General Meeting on 18 September 2014 for a term of four years. Mr Van der Steen is Chairman of the supervisory board and member of the remuneration committee.

In his most recent position, Mr Van der Steen was Chairman of Global Accounts at Aon, where together with his team he was responsible for Aon's 1,500 largest clients worldwide. The primary tasks of his team were risk management and risk transfer services for financial institutions, industrial enterprises and service providers with a global footprint. Mr Van der Steen was also chairman of Aon Holdings B.V., the holding company for Aon's businesses in Europe, the Middle East & Africa (EMEA) and Asia, and member of the worldwide Executive Committee ARS in Chicago.

Mr Van der Steen began his career at ING Bank N.V., moving to Aon in 2001 where he was CEO and chairman of Aon's board of directors in the Netherlands, Belgium and Luxembourg until 2006.

In 2006, Mr Van der Steen was appointed as Chief Commercial Officer at Aon EMEA (with 12,000 FTE). Until 2010 he was also a supervisory director of Aon Switzerland (as chairman), Germany, Norway and Belgium. He was then appointed as chairman of Global Accounts at Aon. Since 1 May 2014, Mr Van der Steen has been a consultant for Aon Global Accounts.

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. He is also director and major shareholder of Ansteen Holding B.V. and Ansteen B.V., and a member of the Advisory Board of M.A.S.C. B.V. At the beginning of 2015 Mr Van der Steen was appointed as chairman of the supervisory board of Princess Sportsgear & Traveller B.V.

Number of BinckBank shares held at year-end 2015: 0

Leo Deuzeman

1952 – Dutch nationality



Mr Deuzeman was reappointed for a term of four years as a member of the supervisory board of BinckBank in an Extraordinary General Meeting on 30 April 2015. Mr Deuzeman is chairman of the risk and product development committee and a member of the audit committee.

Mr Deuzeman is a business economist and was employed by Deloitte as a chartered accountant from 1979 to 1986. In the period 1976-1979, he was affiliated with the University of Groningen as an academic member of staff with the Financial Department of the Faculty of Economic Sciences. From 1990 to 1998 and from April 2003 to April 2007, he held the position of CFO at Kempen & Co N.V., at which bank he fulfilled the role of director of finances and administration from 1986 to 1990. In addition, Mr Deuzeman was a managing partner of Greenfield Capital Partners N.V from 1998 to 2003.

Mr Deuzeman is currently a supervisory director of Blue Sky Group and chairman of the supervisory board of Intereffekt Investment Funds. He is also a supervisory director and member of the advisory board of the investment fund Monolith Fund in Amsterdam and chairman of the stichting Administratiekantoor Monolith. Since April 2014, Mr Deuzeman has been a member of the Financial Accounting Supervision Committee of Blue Water Holding B.V. in Hoofddorp.

Number of BinckBank shares held at year-end 2015: 0.

Carla van der Weerdt-Norder

1964 - Dutch nationality



Ms Van der Weerdt-Norder was appointed as a supervisory director of BinckBank at the Extraordinary General Meeting on 18 September 2014 for a term of four years. Ms Van der Weerdt-Norder is chairperson of the audit committee and a member of the risk and product development committee.

Mrs. Van de Weerdt-Norder's business administration expert and chartered accountant. She started her career in a sales position at I.B.M.

Since 2008 Ms Van der Weerdt-Norder has been director and owner of Accent Organisatie Advies B.V., an organisation of 14 organisational advisors specialising in the fields of Operational Excellence, Risk Management and Finance.

Prior to making the transition to independent entrepreneurship, Ms Van der Weerdt-Norder held a number of different positions in risk management and finance at ABN AMRO, most recently CFO/COO of the business unit Global Transaction Banking.

Ms Van der Weerdt-Norder is a supervisory director chairperson of the Audit & Risk Committee for Triodos Bank N.V. She is also a member of the supervisory board of healthcare insurer DWS Zorgverzekeraar.

Number of BinckBank shares held at year-end 2015: 0.

Hanny Kemna

1960 - Dutch nationality



Ms Kemna was appointed as a supervisory director of BinckBank at the Extraordinary General Meeting on 18 September 2014 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 has worked as a programmer and systems analyst, and later as a quality assurance manager, developing, testing and implementing IT systems. She began her career in the financial sector in the position of IT auditor at Ernst & Young, where she was also responsible for various internal strategic IT projects. As part of this work she was posted for a time in the United States.

In 1999, Ms Kemna became a partner of Ernst & Young Accountants, with end responsibility for audits of IT quality, euro conversions, security projects and structure/governance programmes. In early 2005, Ms Kemna was asked to take over leadership of the IT Risk and Assurance services for EY CIS (at its office in Moscow, Russia), a position she held until July 2008.

She then accepted a position as managing partner of IT Risk and Assurance for EY EMEA FSO, the international division of EY in Europe focusing on services to the financial sector. In the summer of 2013 Ms Kemna decided to return to the Netherlands and ended her career at EY in early 2014.

Ms Kemna is affiliated with cooperative Menzis N.V. as member of the supervisory board and chairperson of the Governance, Risk and Compliance committee. She is also a member of the supervisory council of Nictiz, the Netherlands institute for ICT in the healthcare sector. She is external member of the audit committee of the Ministry of Security & Justice, and member of the Advisory Committee for the Tax Authorities Financial Control Framework for the Ministry of Finance. Since 1 January 2016, she has served as a supervisory board member of pension administrator MN Services N.V.

Ms Kemna is an independent advisor and director/major shareholder of JMA Kemna Beheer BV and JMA Kemna BV.

Number of BinckBank shares held at year-end 2015: 0.

Arjen Soederhuizen
1965 - Dutch nationality



Mr Soederhuizen was appointed as a supervisory director of BinckBank at the Extraordinary General Meeting on 30 October 2015 for a term of four years. He is a member of both the risk and the product development committee and the remuneration committee.

Mr Soederhuizen began his career in 1991 as a management trainee at ABN AMRO. After three years as a shares analyst for ABN AMRO's investment banking arm, in 1994 he switched to the bank's asset management business unit (ABN AMRO Asset Management), where he held a number of positions over the years of both a commercial and purely investment-technical nature. Between 1994 and 1998 he was responsible for all institutional clients in the Middle East, Africa, Latin America and Spain. From 1998 to 2004, he headed an investment division of twenty quantitative investment specialists.

In 2004, Mr Soederhuizen was appointed CEO of ABN AMRO Asset Management Nederland B.V., making him responsible for all AMRO Bank N.V.'s asset management activities on the Dutch market.

After the takeover of ABN AMRO Bank N.V. By a banking consortium, Mr Soederhuizen oversaw the legal-technical process of integrating AAAM NL into Fortis Investment Management, after which he ultimately decided against continuing his career with Fortis Investment Management. In 2009, he was approached to fill an interim management position at PGGM, which he ultimately held for 2 1/2 years as a member of the management team for asset management and as CIO for private markets. Following this he worked as a consultant for ABN AMRO Pension Funds, and later as interim CIO for that same fund in 2013-2014.

Since 2014, Mr Soederhuizen has held an ancillary position with the ABN pension fund. He is a member of the asset management committee and the balance sheet management committee. Mr Soederhuizen's ancillary position involves a time commitment of approximately 16 days per year.

Number of BinckBank shares held at year-end 2015: 0.

Meetings of the supervisory board and subcommittees in 2015

Meetings of the supervisory board

Frequency

The supervisory board held its regular combined meetings with the executive board in attendance on nine occasions in 2015. The meetings took place in January, March, April, June, July, October, November and December. In addition, the chairman, and on certain occasions an individual supervisory director, held frequent informal discussions with the executive directors and other members of the organisation. The supervisory board also met a further four times in its own meetings in 2015. The number of meetings illustrates the close involvement of the supervisory board with the company. The supervisory board will pursue a comparable schedule of meetings in 2016.

Attendance

The supervisory directors each attended essentially all meetings. Instances of absence was limited to circumstances beyond the member's control. The availability of the supervisory directors and the executive board for interim consultation was good.

Agenda items

General

The agendas for the meetings of the supervisory board covered virtually all aspects of the company's business. In each case, the agenda was drawn up by the chairman of the supervisory board in consultation with the chairman of the executive board. The items discussed at the meetings included the following: the strategy, standards and values within the organisation, the interests of the various stakeholders, the principal risks associated with the enterprise and the preparedness for these risks, innovation, potential acquisitions, the results of the executive board's evaluation of the design and operation of the internal risk management and control systems and significant changes thereto. Attention was also devoted to matters such as the organisational culture, staffing, legislation and regulations, the budget and internal and external financial quarterly, half-yearly and annual reports. Recurring and mandatory items such as the regular progress reports were also dealt with in the meetings of the supervisory board.

Specific items

Specific items addressed in 2015 included the following subjects:

Strategy

In 2015, the supervisory board was involved in refining the company's strategy as presented in November 2015 at the BinckBank Capital Markets Day. The refined strategy is intended to provide a response to the challenges that the business faces in the longer term, particularly in reference to the earnings model. Further diversification of sources of income, products and services is desired, and the refined strategy addresses this.

In this regard, the supervisory board was also involved in the decision made to invest in mortgages from within Treasury. The goal of this investment is to generate stable interest earnings in 2016 within the risk acceptance profile as approved by the supervisory board. This risk acceptance is an annual agenda item at the supervisory board level.

The company's capital policy is closely linked to its strategy and risk acceptance. This policy was also on the supervisory board's agenda in 2015, bearing in mind that the law, regulations and regulators are requiring more prudence in this area.

Alex Asset Management

In 2014, Alex Asset Management faced disappointing results. This led to complaints from customers, which in some cases resulted in legal claims.

In October 2015, the Financial Markets Authority (AFM) notified the company of the intention to impose an administrative penalty. The AFM is of the opinion that in the period from 8 September 2012 to 26 August 2014, messages advertising Alex Asset Management contained unclear information. The supervisory board has met to discuss this subject, partly in light of the strategic dimension of Alex Asset Management's position in the company strategy.

During these meetings, the supervisory board reviewed the executive board's responses to the AFM's position. Also addressed were the lessons that can be learned from the experience with Alex Asset Management and what the further evolution of Alex Asset Management should look like.

Competitive position

The competitive position of the Retail activities and the analysis thereof were also on the agenda in 2015. Customer focus, product innovation, positioning and time to market are important elements of this. This theme will be reviewed and analysed at branch level. An action plan will be formulated on the basis of this analysis, and its implementation will be monitored periodically. Segmentation of the financial reporting at the country level has made the performance of the individual branches more transparent for the market.

Structure and composition of supervisory board and executive board

As already indicated elsewhere, this subject was also on the agenda of the supervisory board meetings. It included a review of the management model from the perspective of that model as an adequate tool for facilitating the execution of the strategy. One result of this process was the creation of the position of Chief Operating Officer (COO). This position is primarily designed to increase the effectiveness of the implementation of the company's operational excellence strategy.

The selection of the officers for the various positions within the supervisory board and the executive board was the result of a thorough and comprehensive process with the support of external specialists. The background, knowledge and experience of the various officers on the supervisory and executive boards is broad, and to a large extent complementary. This ensures a broad exchange of perspectives and arguments, which enhances the quality of the decision-making.

Executive board targets in 2015

The supervisory board fulfilled its responsibility for determining the targets of the executive board and their achievement in 2015. The targets for the executive board were selected carefully. The supervisory board considers it important that the targets established be as objectively quantifiable and measurable as possible. The supervisory board has also held discussions with the individual executive directors regarding their ambitions for the future.

Executive board remuneration in 2016

Recent history has shown that the remuneration of directors in the Dutch banking landscape is an important social issue. BinckBank will be subject to the full extent of the guidelines of the Financial Enterprises (Remuneration Policy) Act (Wbfo) with effect from 1 January 2016. In consideration of the legally required cap on variable remuneration as a percentage of the fixed salary, the supervisory board has devoted a great deal of attention to recalibrating and resetting the executive remuneration. The supervisory board considers it extremely important that the structure and amount of the remuneration be commensurate with the

developments in the market as well as the personal and collective performance of the board members and BinckBank's internal remuneration policy.

The supervisory board commissioned an independent external agency to conduct a number of benchmark studies. The results were discussed extensively and adopted into the evaluation of the BinckBank remuneration policy. The entire remuneration policy was completely restructured for 2016. This study shows that the fixed remuneration of executives at companies in BinckBank's peer group has increased, in part as a result of the reduction of the maximum permitted percentage of the variable remuneration implemented. The changes in the area of remuneration have had a broader effect on remuneration policy. This policy will be discussed during the 2016 General Meeting.

Able

The executive board has informed the supervisory board of the long-term business plan for Able. BinckBank N.V.'s software subsidiary has developed a roadmap for the continuing development of the software. This roadmap will offer a solid basis for the further expansion of Able's licensing activities. In the past year, the organisational and ICT interdependencies between BinckBank and Able were eliminated. In overseeing this process, the supervisory board stayed in close contact with the management.

Compliance and observance of legislation and regulation

Recently, financial institutions have had to navigate increasingly dense legislation and regulations. Regulatory authorities are also exercising more intensive supervision of institutions, and their influence is growing. BinckBank has vested the compliance function, in the broadest sense, in the fabric of the organisation (based on the three lines of defence model).

Not only have controls been intensified, but increasing attention has been directed towards the effectiveness of 'soft' controls. The supervisory board considers these soft controls of major importance for the organisation. For better coordination of the interfaces between Compliance and Risk Management, an internal Risk and Compliance Committee has been established.

In the past year, BinckBank has been party to a number of lawsuits, some of which revolve around the scope of the bank's duty of care towards third parties. This duty of care is an annual agenda item at the supervisory board level. The weighing of the interests of the various stakeholders is sometimes a complex situation where it pertains to the duty of care. Within the coming year, BinckBanck intends to discuss the complexity of the considerations with external regulatory authorities and other banks in order to gain clarity about the framework of standards that should be applied to these considerations.

Performance of the executive board and supervisory board

Outside the presence of the executive board, the supervisory board has discussed the performance of both the supervisory board as a whole and its individual members and its committees, the effectiveness of the permanent education curriculum, and any conclusions that should be drawn from them. Partly in consideration of the above, the assessment took place in full session in the context of the profile, composition and competence of the supervisory board and of the individual supervisory directors. Such an assessment clearly has to be made with the necessary prudence. Likewise in the absence of the executive board, the supervisory board discussed both the performance of the executive board as a whole and of the individual executive directors. The supervisory board's assessment included the consideration of whether the executive directors are able to continue to meet the requirements set by the supervisory board as well as the requirements set by De Nederlandsche Bank. This assessment was also made with all supervisory directors present.

Shareholder relations

In 2015, relations with existing and potential shareholders took the form of regular road shows and conferences at which presentations were given based on public information. In addition, the Annual General Meeting of Shareholders and one Extraordinary General Meeting took place in 2015.

Meetings of the audit committee in 2015

The supervisory board has appointed an audit committee from among its members. The members of the audit committee changed in 2015. Ms C.J. van der Weerdt-Norder was appointed chairwoman of the audit committee effective 29 October 2014. Up to the meeting of shareholders of 30 April 2015, the other members of the audit committee were L. Deuzeman, C.J.M. Scholtes and J.K. Brouwer. At that meeting C.J.M. Scholtes and J.K. Brouwer stepped down from their supervisory directorship positions, and as such from the audit committee. In the same meeting J.W.T. van der Steen was appointed to the audit committee. Because of Mr Deuzeman's temporary appointment as delegated supervisory director in 2015, Mr Deuzeman did not participate in the meetings of the audit committee from January through September 2015. The meetings were attended by the members of the audit committee and V.J.J. Germyns (chairman of the executive board), E.J.M. Kooistra (CFRO), the IAD manager and the head of Ethics & Compliance.

The audit committee meets the applicable independence requirements and has sufficient members with the required financial expertise. The audit committee met on four occasions in 2015, in March, June, September and November. All meetings were attended by the chairman of the executive board and the CFRO of BinckBank. The audit committee also met with the external and internal auditors without the presence of the executive board.

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

The audits conducted by the IAD and their resulting findings and recommendations were the central focus of the meetings of the audit committee. On the basis of analysis of the various risk categories summarised in the IAD management letter, the IAD generally assessed the design, continuity and functioning of the internal control measures. Specific attention was devoted to the foreign branches, security monitoring, market data, legislation and regulations (amongst others anti-money laundering and privacy), regulatory reporting, project management and governance. In a large number of audits, risk management was assessed as adequate. In the areas the IAD evaluated as 'needs improvement', appropriate steps have either already been taken or are in development, so the internal control can be qualified as adequate. Alongside the audits, attention was devoted to the results of the IAD's quality review and the development of soft controls.

In addition to the discussion of internal and external audits, Ethics & Compliance was a standing agenda item on every meeting. This always included a review of the current Ethics & Compliance status. In every meeting of the audit committee, the head of Ethics & Compliance reported on subjects such as duty of care, anti-money laundering, anti-market abuse, fraud, privacy and conflicts of interest. The scope of reporting was BinckBank-wide, including developments in foreign branches.

Over the course of the year, the audit committee devoted attention to the tax framework, the whistle-blower's scheme and provisions relating to the evaluation of the external auditor, the evaluation of the policy with respect to non-audit services and the assessment of the independence of the external auditor. The audit committee also carried out a self-assessment facilitated by the manager of IAD. The overall evaluation was good; however, partly dictated by its critical perspective, the audit committee also identified several items of attention, for example with respect to legal knowledge. These points were incorporated into the programme for permanent education or mitigated by making use of external expertise.

At the General Meeting of 22 April 2014 Deloitte was appointed new external auditor for a term of three years. The auditor is appointed for the purpose of auditing the financial statements of BinckBank N.V. In accordance with the current rules of the Netherlands Institute of Chartered Accountants ('NBA') governing independence, BinckBank's external auditor only carries out the audit and does not provide any advisory services.

Meetings of the risk and product development committee in 2015

The supervisory board has appointed a risk and product development committee (RPC) from among its members. As a result of changes in the membership of the supervisory board over the year, the members of the RPC also changed during the year. At the end of the year, the RPC was composed of the supervisory directors: L. Deuzeman (chairman), J.M.A. Kemna, C.J. Van der Weerd-Norder and A. Soederhuizen. The RPC committee met on five occasions in March, June, September, November and December of 2015. The meetings of March, June and September were attended by the CEO, CFRO and head of Risk Management. With the appointment of the COO, the delegation of duties within the executive board was reorganised; the meetings of November and December were attended by both the CFRO and the COO.

The RPC's tasks include advising the supervisory board on the details of the company's risk profile and the risk appetite. The RPC also oversees management of all relevant risks, including customer advocacy and the duty of care towards the customer in respect of new and existing products and services. The RPC also monitors the adequacy of the company's capital and liquidity.

For the purposes of fulfilling its role, the committee receives information in each meeting from the departments: Legal, Treasury and the second-line department Risk Management. The Treasury department informs the committee concerning solvency and liquidity and their impact on the company during times of stress; this department also informs the committee of the composition of the investment portfolio. Legal informs the committee about the receipt or resolution of any claims. Risk Management informs the committee in every meeting about the subjects discussed in the various risk committees within the organisation, in part based on the risk reporting drafted each quarter. This report specifies all risks identified and discusses changes in the risk profile, in part on the basis of the defined risk appetite. This information allows the committee to identify any changes in the bank's risk profile in a timely manner.

In 2015, BinckBank defined a number of projects to better attune the bank's risk profile to the defined risk appetite. At least twice per year, ICT risks and cybersecurity issues are reviewed. This year, an additional item of discussion in this committee was the situation surrounding the Alex Asset Management services. Investments in mortgages in the Dutch market were also discussed in 2015.

Remuneration committee in 2015

The remuneration committee, as referred to in the Regulation on Sound Remuneration Policies under the Wft 2014, is responsible for preparing the supervisory board's resolutions regarding remuneration, including those affecting the risks and the risk management of BinckBank. For the supervisory board, the remuneration committee's members are currently Ms Kemna (chairwoman), Mr Van der Steen and Mr Soederhuizen. The chairman of the executive board and the manager of Human Resources also sit on the remuneration committee.

When ruling on these resolutions, the remuneration committee considers the long-term interests of the shareholders, investors and all other stakeholders of BinckBank. The chairman of the executive board provides the remuneration committee with information. The committee is also informed and advised by the control committee, which includes the manager of Risk Management, the manager of Human Resources, the head of Ethics & Compliance and a legal expert. The remuneration committee is independent and has sufficient expertise with reference to the remuneration policy, the remuneration culture and the circumstances and motivations whereby undesirable incentives to make decisions that conflict with the conservative management of risk, capital and liquidity could arise.

During the year, the items of attention for the remuneration committee included the evaluation and remuneration of the Identified Staff and the executive board, the pension system and various issues relating to the remuneration policy. At each meeting of the remuneration committee, the manager of Human Resources presented a report on developments at BinckBank with respect to issues such as employee satisfaction, internal and external training, recruitment and selection and changes to the pension system and employment law.

The remuneration committee met on five occasions in 2015. The remuneration committee held one meeting in 2015 with the control committee and without the presence of the executive board.

Summary of the remuneration report of the supervisory board of BinckBank concerning financial year 2015

General

Best practice provision II.2.12 of the Code stipulates that information must be included in the remuneration report as to the manner in which the remuneration policy of the preceding year has been implemented. In addition, it must contain a remuneration policy overview for the following and subsequent years as envisaged by the supervisory board. The remuneration report for calendar year 2015 (Remuneration Report 2015) and the report on the remuneration policy for Identified Staff can be found at www.binck.com.

BinckBank has a remuneration policy ('BinckBank Remuneration Policy') that is based on the Regulation on Sound Remuneration Policies under the Wft 2014 ('the Regulation') and the provisions under the Financial Undertakings (Remuneration Policy) Act as included in the Financial Supervision Act. Variable remuneration is to a large extent allocated conditionally. A variable remuneration will become fully or partially unconditional dependant on a reassessment that must be made on the basis of the applicable performance criteria after a certain period has elapsed. No dividend may be paid on shares that have been conditionally awarded. A risk adjustment may be required in the assessment of whether the applicable criteria have been met.

In consideration of the above, the following describes the manner in which the remuneration of the executive board in 2015 was established by the supervisory board – in accordance with the provisions of the BinckBank Remuneration Policy – and gives a summary of the remuneration policy for the next and subsequent years as envisaged by the supervisory board.

BinckBank Remuneration Policy

Introduction

The BinckBank Remuneration Policy is the framework used by the supervisory board to establish the remuneration of the executive directors of BinckBank N.V. ('the executive directors') for the 2015 calendar year.

Remuneration elements

The BinckBank Remuneration Policy comprises the following remuneration components:

- a. Fixed gross annual salary
- b. Variable remuneration
- c. Pension scheme and WIA insurance
- d. Car lease scheme and mobile telephone reimbursement

A description of each element in the BinckBank Remuneration Policy and the way in which it was implemented by the supervisory board during the calendar year 2015 is given on the next pages.

a. Fixed gross annual salary

BinckBank Remuneration Policy

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

Implementation of BinckBank Remuneration Policy

The fixed gross basic annual salary is set as follows:

V.J.J. Germyns € 400,000

E.J.M. Kooistra € 360,000

S.C. Clausing € 325,000

Mr Germyns' fixed gross basic annual salary was increased to € 400,000 in recognition of his taking on of the role of chairman of the board with effect of 1 January 2015.

Because Mr Clausing took his seat on the board on 30 October 2015, his fixed gross basic annual salary was calculated pro rata.

b. Variable remuneration

BinckBank Remuneration Policy

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

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

BinckBank shares allocated unconditionally are subject to a holding period of 2 years.

In October 2014, the supervisory board decided to leave the calculation of the variable remuneration of the executive board for 2015 unchanged from 2014. As a result, the bonus ceiling of 20%, in accordance with article 123 of Title 1 of the Financial Supervision Act, will be applied as from 1 January 2016. Mr Clausing was appointed to the executive board of BinckBank as of 30 October 2015. Because of this, the bonus ceiling of 20% does apply to him in 2015.

Implementation of BinckBank Remuneration Policy

Each year, at the end of the financial year, the remuneration committee agrees on the performance targets for the new year with the executive board. After the end of the year, the supervisory board determines whether the executive board is eligible for (conditional)awarding and payment of the variable remuneration over the calendar year in question.

Financial targets (50% of the total score)

The financial targets are broken down into collective financial targets applicable for the entire Identified Staff (including executive board) who may have financial targets in accordance with the remuneration policy, and individual financial targets applicable only for specific Identified Staff members and the executive board. On an individual basis, overscoring or underscoring on the financial targets as possible. Identified Staff working in Ethics & Compliance, Risk Management and IAD positions have no variable remuneration component.

Collective financial targets (40%)

The collective financial targets were the following:

- Achieving an adjusted earnings per share over the year 2015 of € 0.62 per share.
- Operational losses in 2015 had to be less than or equal to 1.6% of the earnings from operational activities.
- Progress had to be made towards the medium-term target on cost/income ratio, which must be less than or equal to 65% in 2018. In specific terms, this meant reaching a cost/income ratio of 70% or less for 2015.
- Progress had to be made towards the medium-term target on balanced income, in which the revenue from recurring commission income and asset management fees must make up at least 2/3 of earnings as from 2018. In specific terms, this meant that in 2015 a minimum of 33.3% of the earnings had to be composed of recurring interest income, commission income and asset management fees.

The group financial targets were all met and a maximum score of 100% was awarded on this component.

Individual financial targets (10%)

There were individual financial targets for various Identified Staff members reporting directly to the executive board, as well as the members of the executive board themselves. These individual financial targets pertained to the results to be achieved from operating activities in the Netherlands, Belgium, France and Italy, as well as certain departments (such as ICT, operations and Product Management), in combination with individual cost-savings targets. The individual financial targets set for Identified Staff members responsible for the countries Netherlands and Belgium and the departments ICT, Operations and Product Management were met. The individual financial targets set for Identified Staff members responsible for the countries France and Italy were not. In the third quarter of 2015, Italy was break-even as assessed against the targets. The fourth quarter of 2015, however, saw a negative result, which meant that the situation did not reach break-even for the second six months of 2015. Despite the good progress and nearly achieving break-even in Italy in the second half of 2015, the supervisory board considered this individual financial target as not achieved.

The individual financial targets were partially achieved. The supervisory board therefore allocated a score of 73.5% to this component.

Qualitative and quantitative targets (50% of the total score)

The qualitative and quantitative targets are broken down into collective qualitative and quantitative targets applicable for the entire Identified Staff (including executive board), and individual qualitative and quantitative targets applicable only for specific Identified Staff members and the executive board.

Collective quantitative and qualitative targets (20%)

The collective quantitative and qualitative targets were the following:

- The executive board had to stay on schedule with progress in the area of duty of care principles.
- The executive board needed to have an anti-market abuse framework (AMA) operational.
- The Operational Risk Management Framework needed to be further rolled out in the branches.
- The board needed to conduct a employee satisfaction survey and follow up on the action points resulting from it.
- Progress had to be made towards the medium-term target on the number of transactions, which must be greater than or equal to 11 million transactions in 2018. In specific terms, this means a minimum of 8.8 million transactions had to be executed for our customers in 2015.
- Progress had to be made towards the medium-term target on assets under administration, which must be greater than or equal to € 21 billion in 2018. In specific terms, this meant that in 2015 the assets under administration had to be a minimum of € 19 billion.

The above quantitative and qualitative targets were all achieved; the targets below, however, were not.

- The availability of the trading platforms for our customers had to be a minimum of 99.9%. The score achieved was 99.05%.
- All action points on risk-mitigating measures relating to the self-identified risks or risks identified by an external auditor classified as medium and high had to be fully acted on. At the end of 2015, there were still a few outstanding action points.
- Progress had to be made towards the medium-term target on assets under management, which must be greater than or equal to € 3.5 billion in 2018. In specific terms, this meant that in 2015 the assets under management had to be a minimum of € 1.85 billion (2015 actual: € 1.7 billion).
- Progress had to be made towards the medium-term target on customer satisfaction, which must be an average rating greater than or equal to 8 in 2018. In specific terms, this meant that for 2015 the customer satisfaction score had to come out at a rating of 7.7 or higher. At the end of 2015, the customer satisfaction score was 7.3.

The collective quantitative and qualitative targets were partially achieved. The supervisory board therefore allocated a score of 62.0% to this component.

Individual quantitative and qualitative targets (30%)

There were individual quantitative and qualitative targets for various Identified Staff members reporting directly to the executive board, as well as the members of the executive board themselves. The quantitative and qualitative targets for the various business units were as follows.

- For the Netherlands, targets were achieved in relation to stabilising the B2B organisation and trading platform. Secondly, the objective relating to the growth of the assets under administration in the market segment servicing the independent asset managers was achieved. The targets concerning improving the performance of Alex Asset Management, growth of the volume of outstanding Binck turbos, introduction of online account opening, customer satisfaction of minimum 7.8 and improvements on the quality of the front and back-end applications of the B2B platform were not achieved. The supervisory board allocated a score of 38.9% on this component.
- For Belgium, the targets on customer satisfaction were achieved. The targets concerning the timely launch of asset management and the Binck turbo and optimising the information supply were not achieved, however. The supervisory board allocated a score of 25.0% on this component.
- For France, targets were achieved on the launch of a trading application specially designed for the very active trader and the preparations for the migration from France to the European base platform. The targets concerning customer satisfaction and optimising the information supply were not achieved, however. The supervisory board allocated a score of 51.4% on this component.
- For Italy, targets were achieved on customer satisfaction and the introduction of an alternative pricing model. The targets concerning income growth from collateralised lending facilities and optimising the information supply were not achieved, however. The supervisory board allocated a score of 46.7% on this component.
- For the ICT department, the targets on the optimisation of the software development process were achieved. The other targets pertain to meeting the software development timeline for the European base platform and the B2B platform, and these were not achieved. The supervisory board allocated a score of 33.3% on this component.
- None of the targets for the Product Management department were achieved. The targets related to the further optimisation of the Alex Asset Management product, optimising the control measures concerning data and information, improving the information supply and the implementation of collateralised lending facilities in Italy. The supervisory board allocated a score of 0% on this component.
- The targets for the Operations department concerning the improvement of the processes surrounding corporate actions and settlements were met. In addition, certain other generic process improvements were achieved. However, the target concerning the timely transaction reporting to the AFM in accordance with legislation and regulations was not achieved. The supervisory board allocated a score of 80% on this component.

- For the staff departments, the following targets were achieved: concluding an agreement relating to mortgages in of at least € 250 million, strengthening the financial department and particularly the banking regulatory reporting, providing the banking regulatory authorities with qualitatively acceptable and timely reporting, implementation of a new HR system and adequate follow-up on action points from employee satisfaction survey. The quantitative and qualitative target concerning a new remuneration policy was not achieved on time. The supervisory board allocated a score of 93.8% on this component.
- For several business units, quantitative and qualitative targets were also set concerning the planned risks and defined risk appetite in accordance with the business plan. The supervisory board allocated a score of 81.8% on this component.

The individual quantitative and qualitative targets were partially achieved. On this component, the supervisory board allocated a score of 55.4%.

Conclusion:

In consideration of the above, the targets were achieved for a total of 76.38% ($(40\% \times 100\%) + (10\% \times 73.5\%) + (20\% \times 62.0\%) + (30\% \times 55.4\%)$). The supervisory board adopted this as such and used it as the basis for the calculation of the performance-based remuneration. There were no grounds for differentiation between the individual directors.

c. Pension scheme and WIA insurance

BinckBank Remuneration Policy and its implementation

Pension scheme

Executive directors participate in a pension scheme in which 20% of the gross annual salary is paid by the company each year as pension contribution for a defined contribution scheme. As from 1 January 2015, conventional pension schemes in the market were taken as a guide for the executive directors' pension scheme. The maximum pension premiums were also adjusted to the market rates. In the new pension scheme that goes into effect from 1 January 2015, a pension premium can be paid into the scheme over a maximum eligible pension earnings of € 100,000. The reduction in contribution from the original 20% to the age-based percentage applicable to the individual executive director is added to the executive director's fixed salary. The age based pension contribution is deposited by BinckBank to the executive director's pension insurer in an amount up to a maximum eligible pension earnings of € 100,000. The remaining contribution, for the eligible pension earnings in excess of € 100,000, is made available to the executive director as pension compensation.

WIA gap insurance

BinckBank pays 50% of the premium for WIA insurance, which entitles the insured person to receive a maximum of 70% of their last-earned salary in the case of occupational disability. The premium is 2.249% of the insured sum per year. Executive directors participated in this scheme in 2015.

Mr Clausing began working under a 'contract of services' (which stipulates a notice period of six months) on 30 October 2015. As an additional supplement for him, WIA gap insurance was contracted for the following 18 months, in the event that his contract is cancelled due to occupational disability. This puts him under conditions equivalent to the same conditions applicable to the other executive directors.

d. Car lease scheme and mobile telephone reimbursement

BinckBank Remuneration Policy and its implementation

Executive directors participate in the relevant BinckBank car lease scheme and are reimbursed for mobile telephone costs.

Remuneration of the executive board

Remuneration of the executive board in 2015

	Fixed gross annual salary	Pension contribution 20% **	Performance-related rewards 2015	Total remuneration (fixed + variable)	Variable as % of fixed remuneration	BinckBank shareholding at year-end 2015	of which, shares in lock-up period	Shares yet to be received from previous financial years ***
V.J.J. Germyns	€ 400,000	€ 80,000	€ 305,521	€ 785,521	76.4%	27,630	13,028	12,445
E.J.M. Kooistra	€ 360,000	€ 72,000	€ 274,969	€ 706,969	76.4%	62,506	28,774	14,071
S.J. Clausing*	€ 54,167	€ 10,833	€ 8,275	€ 73,275	15.3%	-	-	-
Total	€ 814,167	€ 162,833	€ 588,765	€ 1,565,765		90,136	41,802	26,516

* Appointed to executive board on 30 October 2015; fixed and variable remuneration rounded to nearest whole month

** Pension contribution includes pension premium paid, pension compensation linked to pension accrual up to € 100,000 and reduction in premium contribution from original 20% to applicable age-based percentage of individual executive director

*** Shares still to be received from previous financial years are under reservation of a reevaluation of the performances achieved in performance year in question

Remuneration of the executive board in 2014

	Fixed gross annual salary	Pension contribution 20%	Severance payment ****	Performance-related rewards 2014	Total remuneration (fixed + variable)	Variable as % of fixed remuneration	BinckBank shareholding at year-end 2014	of which, shares in lock-up period	Shares yet to be received from previous financial years *****
V.J.J. Germyns*	€ 216,667	€ 43,333		€ 146,087	€ 406,087	67.4%	14,602	11,602	9,815
E.J.M. Kooistra	€ 360,000	€ 72,000		€ 242,730	€ 674,730	67.4%	49,011	19,026	10,350
K.N. Beentjes**	€ 400,000	€ 80,000	€ 400,000	€ 269,700	€ 1,149,700	67.4%	53,537	22,708	11,946
P. Aartsen***	€ 108,333	€ 21,667		€ 73,044	€ 203,044	67.4%	16,859	16,859	10,053
Total	€ 1,085,000	€ 217,000	€ 400,000	€ 731,561	€ 2,433,561		134,009	70,195	42,164

* Appointed to executive board on 22 April 2014; fixed and variable remuneration rounded to nearest whole month

** Resigned from executive board on 31 December 2014

*** Resigned from executive board on 22 April 2014; fixed and variable remuneration rounded to nearest whole month

**** Severance payment paid at beginning of 2015

***** Shares still to be received from previous financial years are under reservation of a reevaluation of the performances achieved in performance year in question

Overview of the appointment of the executive directors

Overview of the terms of employment contracts of the executive directors

	Date of (re)appointment	Date of contract expiry
V.J.J. Germyns	22-4-2014	GM 2018
E.J.M. Kooistra	23-4-2012	GM 2016
S.J. Clausing	30-10-2015	GM 2019

Loans extended to executive directors

Executive directors can make use of a collateralised lending facility in accordance with the conditions applicable to the personnel. In 2015, none of the executive directors made use of this facility. No other loans were extended to executive directors.

Remuneration of members of the supervisory board and subcommittees in 2015

The annual General Meetings of Shareholders in 2010 and 2011 resolved to apply the following remuneration for members of the supervisory board and its subcommittees:

Supervisory board Annual remuneration:

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

Committees - Annual remuneration for committee members:

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

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

List of remuneration of members of supervisory board

Remuneration of supervisory board 2015

	Fixed remuneration member SB	Fixed remuneration member AC	Fixed remuneration member RPC	Fixed remuneration member REMCO	Fee delegated supervisory director	Total
C.J.M. Scholtes*	€ 16,000	€ 2,400	-	€ 2,400	-	€ 20,800
J.K. Brouwer*	€ 8,667	€ 2,000	€ 2,667	-	-	€ 13,334
L. Deuzeman	€ 26,000	€ 6,000	€ 6,000	-	€ 90,956	€ 128,956
C.J. van der Weerdt-Norder	€ 26,000	€ 8,000	€ 4,500	-	-	€ 38,500
J.M.A. Kemna	€ 26,000	-	€ 7,500	€ 6,833	-	€ 40,333
J.W.T. van der Steen	€ 36,500	€ 3,000	-	€ 6,500	-	€ 46,000
A. Soederhuizen**	€ 4,333	-	€ 1,000	€ 1,000	-	€ 6,333
Total	€ 143,500	€ 21,400	€ 21,667	€ 16,733	€ 90,956	€ 294,256

* Stepped down as member of supervisory board, 30 April 2015

** Appointed as member of supervisory board, 30 October 2015

Amounts may differ from annually established fees as a result of expenses declared in the performance of the position

Remuneration of supervisory board 2014

	Fixed remuneration member SB	Fixed remuneration member AC	Fixed remuneration member RPC	Fixed remuneration member REMCO	Total
C.J.M. Scholtes	€ 40,000	€ 6,000	-	€ 6,000	€ 52,000
J.K. Brouwer	€ 26,000	€ 6,000	€ 8,000	-	€ 40,000
A.M. Van Westerloo*	€ 13,000	-	€ 3,000	€ 4,000	€ 20,000
L. Deuzeman	€ 26,000	€ 8,000	€ 6,000	-	€ 40,000
C.J. van der Weerdt-Norder**	€ 7,366	€ 1,700	-	-	€ 9,066
J.M.A. Kemna**	€ 7,366	-	€ 1,700	-	€ 9,066
J.M.A. van der Steen**	€ 7,366	-	-	€ 2,266	€ 9,632
Total	€ 127,098	€ 21,700	€ 18,700	€ 12,266	€ 179,764

* Stepped down as member of supervisory board, 22 April 2014

** Appointed as member of supervisory board, 18 September 2014

Amounts may differ from annually established fees as a result of expenses declared in the performance of the position

Overview of terms of appointment of the supervisory board

Overview of terms of appointment of supervisory directors

	Date of (re)appointment	Date of contract expiry
L. Deuzeman	30-4-2015	GM 2019
C.J. van der Weerdt-Norder	18-9-2014	GM 2018
J.M.A. Kemna	18-9-2014	GM 2018
J.W.T. van der Steen	18-9-2014	GM 2018
A. Soederhuizen	30-10-2015	GM 2019

Consultation with the Works Council

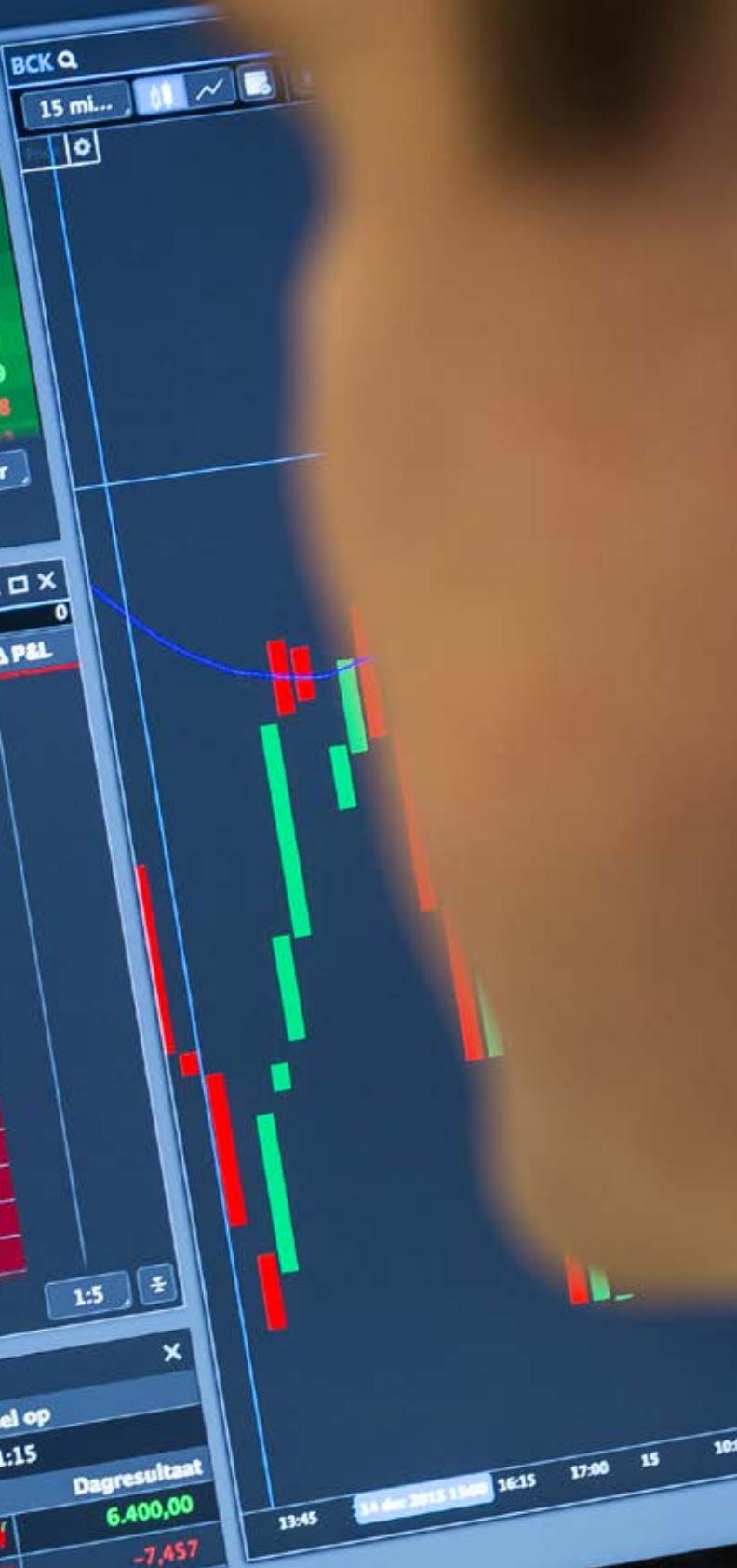
The supervisory board met with the Works Council (WC) on several occasions in 2015. In addition, Mr J. van der Steen held regular discussions with the Works Council at regular Works Council meetings. The supervisory board highly values its relationship with the Works Council, and has found its contact with its members to be constructive and valuable.

Financial statements and dividend

The 2015 financial statements were discussed and adopted by the supervisory board during its meeting on 10 March 2016 with the executive board and Deloitte Accountants B.V., the external auditor. Deloitte Accountants B.V. issued an unqualified audit opinion. The financial statements will be submitted to the General Meeting for adoption on 25 April 2016. The proposed dividend for 2015 is € 0.39 per ordinary share. Taking account of the interim dividend of € 0.14 already paid, the final dividend proposed amounts to € 0.25 per ordinary share, subject to deduction of 15% dividend tax, to be made payable on 2 May 2015. BinckBank's proposed dividend distribution meets the criteria stated in the recommendations (ECB/2015/2 and ECB/2015/49) of the European Central Bank (ECB) published on 28 January 2015 and 17 December 2015, respectively.

Financial Statements 2015

BCK		- #		0 P&L		0,00 Lopend		0									
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1	308	7,541	7,552	1.407	3	7,526	80	13:46:02									
2	750	7,540	7,554	385	2	7,540	200	13:43:44									
1	145	7,536	7,555	146	1	7,541	290	13:36:47									
1	250	7,534	7,556	146	1	7,558	200	13:34:26									
1	286	7,532	7,558	1.245	1	7,555	589	13:19:09									
		7,531	7,563			7,543	122	13:07:08									
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Kopen		Verkopen															
BCK Q																	
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Koop volume		Prijs		Verkoop volume		Δ P&L											
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2		7,558		146		1											
1		7,556		146		1											
1		7,555		146		1											
1		7,554		385		2											
1		7,552		1.407		3											
1		7,550															
1		7,545															
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131,00		133.232,15		106.513,89													
12,435		€ waarde		P&L		Dagresultaat											
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12,435		4.980		Trend		-7,457											
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Financial Statements 2015 BinckBank N.V.

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Consolidated statement of financial position

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

	Note	31 December 2015	31 December 2014
Assets			
Cash and balances at central banks	6	178,365	72,427
Banks	7	178,244	156,013
Financial assets held for trading	8	12,297	8,209
Financial assets designated at fair value through profit and loss	8	15,405	15,942
Available-for-sale financial assets	9	1,167,121	1,389,146
Held-to maturity financial assets	10	813,484	545,108
Loans and receivables	11	502,006	498,908
Associates and joint ventures	12	1,227	1,293
Intangible assets	13	190,560	213,558
Property, plant and equipment	14	34,830	38,374
Current tax	15	7,945	7,011
Deferred tax receivable	16	1,121	-
Other assets	17	28,103	100,598
Prepayments and accrued income	18	45,122	46,970
Derivative positions held on behalf of clients	19	260,505	218,107
Total assets		3,436,335	3,311,664
Liabilities			
Banks	7	23,582	25,587
Financial liabilities held for trading	8	12,286	8,290
Financial liabilities designated at fair value through profit and loss	8	46	139
Funds entrusted	20	2,589,714	2,545,420
Provisions	21	7,884	7,885
Current tax liabilities	15	19	71
Deferred tax liabilities	16	27,874	24,404
Other liabilities	22	66,080	30,547
Accruals and deferred income	23	10,865	10,967
Derivative positions held on behalf of clients	19	260,505	218,107
Total liabilities		2,998,855	2,871,417
Equity attributable to:			
Owners of the parent	24	436,184	440,027
Non-controlling interests	24	1,296	220
Total equity		437,480	440,247
Total equity and liabilities		3,436,335	3,311,664

Consolidated income statement

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

	Note	2015	2014
Income			
Interest income		29,580	32,126
Interest expense		(3,856)	(3,629)
Net interest income	25	25,724	28,497
Fees and commission income		155,826	152,464
Fees and commission expense		(24,365)	(26,513)
Net fee and commission income	26	131,461	125,951
Other income	27	10,947	11,102
Result from financial instruments	28	2,031	351
Impairment of financial instruments	29	15	(168)
Total income from operating activities		170,178	165,733
Expenses			
Employee expenses	30	53,015	56,586
Depreciation and amortisation	31	27,253	27,675
Other operating expenses	32	50,110	57,124
Total operating expenses		130,378	141,385
Result from operating activities		39,800	24,348
Share in results of associates and joint ventures	12	(730)	12,674
Result before tax		39,070	37,022
Tax	15	(8,368)	(5,555)
Net result		30,702	31,467
Net result attributable to:			
Owners of the parent	24	29,626	31,554
Non-controlling interests	24	1,076	(87)
Net result		30,702	31,467
Basic and diluted earnings per share	33	0.42	0.45

Consolidated statement of comprehensive income

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

Note

2015

2014

Net result from income statement			30,702		31,467
Other comprehensive income recognised on realisation through profit and loss					
Net gain/(loss) on available-for-sale financial assets	24	(2,869)		1,986	
Gains and losses realised through the profit and loss	24	-		(6)	
Income tax relating to components of other comprehensive income	24	618		(327)	
Other comprehensive income, net of tax		(2,251)		1,653	
Total comprehensive income, net of tax		28,451		33,120	

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

Result attributable to:

Owners of the parent			27,375		33,207
Non-controlling interests	24		1,076		(87)
Total realised and unrealised results, net of tax			28,451		33,120

Consolidated statement of cash flows

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

Note

2015

2014

Cash flow from operations

Net result for the year

30,702

31,467

Adjustments for:

Amortisation of intangible assets and depreciation of property, plant and equipment

13, 14

27,253

27,675

Provisions

21

(1)

3,353

Amortisation premiums and discounts on available-for-sale financial assets

9

13,996

14,002

Amortisation premiums and discounts and foreign currency translation on held-to-maturity financial assets

10

5,599

1,960

Impairment losses on loans and receivables

11

(20)

78

Movements in deferred tax

16

2,967

3,755

Share in results of associates and joint ventures

12

730

(12,674)

Other non-cash movements

(4,258)

(4,717)

Movements in operating assets and liabilities:

Banks (assets)

7

(754)

4,803

Financial liabilities held for trading

8

(92)

(335)

Financial assets and liabilities at fair value through profit and loss

8

444

2,623

Loans and receivables

11

(3,078)

(70,806)

Taxes, other assets and prepayments and accrued income

15, 17, 18

73,409

(64,684)

Banks (liabilities)

7

(2,005)

10,553

Funds entrusted

20

44,294

209,780

Tax liabilities, other liabilities, accruals and deferred income

15, 22, 23

35,379

(25,097)

Net cash flow from operating activities

224,565

131,736

Cash flow from investing activities

Investments in available-for-sale financial assets

9

(327,710)

(457,217)

Divestments and repayments of available-for-sale financial assets

9

532,870

638,195

Investments in held-to-maturity financial assets

10

(273,975)

(547,068)

Disinvestments in associates and joint ventures

12

-

19,500

Investments in associates and joint ventures

12

(664)

(4,409)

Investments in intangible assets

13

(74)

(3,658)

Investments in property, plant and equipment

14

(637)

(3,475)

Net cash flow from investing activities

(70,190)

(358,132)

Consolidated statement of cash flows (continued)

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

Note

2015

2014

Cash flow from financing activities

Capital injection non-controlling interests	24	-	300	
Dividends paid:				
Final dividend preceding year	34	(21,787)	(18,251)	
Interim dividend current year	34	(9,839)	(7,020)	
Net cash flow from financing activities		(31,626)	(24,971)	
Net cash flow		122,749	(251,367)	

Opening balance of cash and cash equivalents		225,117	471,247	
Net cash flow		122,749	(251,367)	
Effect of exchange rate changes on cash and cash equivalents		4,666	5,237	
Closing balance of cash and cash equivalents		352,532	225,117	

The cash and cash equivalents presented in the consolidated cash flow statement are included in the consolidated balance sheet under the following headings at the amounts stated below:

Cash	6	178,365	72,427	
Banks	7	178,244	156,013	
Banks – non-cash equivalents	7	(4,077)	(3,323)	
Total cash equivalents		352,532	225,117	

Cash flow from operating activities includes the following items:

Tax paid		(9,302)	(11,859)	
Interest received		34,071	25,676	
Interest paid		(4,125)	(4,066)	
Commission received		152,704	169,785	
Commission paid		(24,701)	(26,452)	

Consolidated statement of changes in equity

(figures in EUR 1,000, unless otherwise stated)	Note	Issued share capital	Share premium reserve	Treasury shares	Fair value reserve	Retained earnings	Non- controlling interests	Total equity
1 January 2015		7,100	361,379	(5,570)	3,777	73,341	220	440,247
Net result for the year		-	-	-	-	29,626	1,076	30,702
Other comprehensive income		-	-	-	(2,251)	-	-	(2,251)
Total comprehensive income		-	-	-	(2,251)	29,626	1,076	28,451
Final dividend preceding year	34	-	-	-	-	(21,787)	-	(21,787)
Interim dividend current year	34	-	-	-	-	(9,839)	-	(9,839)
Grant of rights to shares	24	-	-	-	-	408	-	408
Issue of shares to executive board and employees	24	-	-	591	-	(591)	-	-
31 December 2015		7,100	361,379	(4,979)	1,526	71,158	1,296	437,480

(figures in EUR 1,000, unless otherwise stated)	Note	Issued share capital	Share premium reserve	Treasury shares	Fair value reserve	Retained earnings	Non- controlling interests	Total equity
1 January 2014		7,450	373,422	(30,340)	2,124	78,968	7	431,631
Net result for the year		-	-	-	-	31,554	(87)	31,467
Other comprehensive income		-	-	-	1,653	-	-	1,653
Total result		-	-	-	1,653	31,554	(87)	33,120
Final dividend preceding year	34	-	-	-	-	(18,251)	-	(18,251)
Interim dividend current year	34	-	-	-	-	(7,020)	-	(7,020)
Grant of rights to shares	24	-	-	-	-	467	-	467
Issue of shares to executive board and employees	24	-	-	545	-	(545)	-	-
Buy-back of shares	24	(350)	(12,043)	24,225	-	(11,832)	-	-
Capital injection non- controlling interests	24	-	-	-	-	-	300	300
31 December 2014		7,100	361,379	(5,570)	3,777	73,341	220	440,247

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 is officially domiciled at Barbara Strozzielaan 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 services. Hereinafter, 'BinckBank' refers to BinckBank N.V. and to its various subsidiaries.

The consolidated financial statements for BinckBank for the period ending on 31 December 2015 have been prepared by the executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 10 March 2016.

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)
C.J. van der Weerdt-Norder
L. Deuzeman
J.M. Kemna
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 consolidated financial statements have been prepared on the basis of historical cost, apart from the financial assets and liabilities held for trading, financial assets and liabilities recognised at fair value through profit and loss and derivatives positions, all of which are recognised at fair value.

The financial statements are 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. The figures stated in the tables are based on amounts that have not been rounded, and therefore rounding differences may occur.

Information provided under IFRS 7, 'Financial instruments: disclosures', concerning the nature and scale of risks arising from financial instruments is incorporated in the consolidated financial statements on the basis of the audited sections of the Report of the executive board in the section Risk Management (see pages 58 to 103) and in notes 35 to 39 relating to Financial instruments. The relevant passages are marked as audited.

As BinckBank's income statement for 2015 is included in the consolidated financial statements, a summary income statement is shown in the company financial statements in accordance with Section 402 of Book 2 of the Dutch Civil Code (Burgerlijk Wetboek).

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 be changed in order to provide better information or improve reconciliation with the current period.

2.2 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 any changes as a result of the implications of new, amended or improved IFRS standards as described below.

At the end of 2015, BinckBank and a partner began investing in mortgage rights. The mortgage rights acquired by undisclosed assignment are, in accordance with IAS 39, recognised under the existing loans and receivables category at amortised cost on the basis of the effective interest method. The applicable reporting principles are enclosed in Note 5.2, Financial assets and liabilities. No mortgages had been executed as at 31 December 2015.

In the current year, BinckBank has applied a number of new or amended IFRS standards and IFRIC interpretations effective for annual periods commencing on or after 1 January 2015. 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.

This concerns the following standards:

New or amended standards effective from the current annual period

IAS 19 Employee benefits	The revision addresses defined benefit pension schemes. Since BinckBank does not operate a defined benefit pension scheme, this revision has had no effect on BinckBank.
Annual improvements cycle 2010-2012	This relates to a collection of minor amendments to a number of IFRS relating to the annual improvements cycle 2010-2012. BinckBank has implemented the amendments where relevant, and they have had no effect on its financial position and results.
Annual improvements cycle 2011-2013	This relates to a collection of minor amendments to a number of IFRS relating to the annual improvements cycle 2011-2013. BinckBank has implemented the amendments where relevant, and they have had no effect on its financial position and results.

The following standards, amendments of standards and interpretations, that have not yet taken effect or have not yet been ratified by the European Union, could relate to BinckBank's reporting and its financial position and result. They have not yet been applied by BinckBank:

New or amended standards effective for annual periods beginning on or after 1 January 2016

IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation	This revision sets additional guidelines for the application of acceptable methods of depreciation and amortisation. BinckBank has evaluated these changes and concluded that its methods of depreciation and amortisation are acceptable and that this revision of the standards will have no effect on its financial position and results.
IAS 27 – Consolidated and separate financial statements	This change allows the application of the equity method for the measurement of the share in investments, joint ventures and associate investments. This change has no effect on BinckBank's financial position and results.
Annual improvements cycle 2012-2014	This relates to collection of minor amendments to and supplementary guidance for a number of IFRS based on the annual improvements cycle 2012-2014. BinckBank has evaluated the changes and concluded that in the current circumstances these improvements will have no effect on its financial position and results.
IAS 1 – Revision on basis of the 'disclosure' initiative	Based on the 'disclosure initiative' it has been decided to revise IAS 1 in order to remove observed limitations in the assessment by preparers of financial reporting. The main changes concern clarification of use of the term 'materiality', the aggregation of information and examples for the composition of the notes. BinckBank will, after its adoption by the EU, apply this amendment with effect from 1 January 2016 in the preparation of its disclosures. This amendment is not expected to have any effect on the number or content of the disclosures presented in the financial statements.

New or amended standards effective for annual periods beginning on or after 1 January 2018

IFRS 15 – Revenue from contracts with customers

IFRS 15 contains the new guideline for the recognition of revenue from contracts with customers, with the intention of defining the revenue model and describing it in a standard. The current guidelines for revenue recognition are spread over various standards, and will disappear once IFRS 15 takes effect. The study to determine the effect of this has yet to be completed.

IFRS 9 – Financial Instruments, classification and measurement (and related sections of IFRS 7)

This regulation is a revision of IAS 39 Financial Instruments. BinckBank expects that this revised standard will have consequences for the classification and valuation of its financial assets and liabilities. The study to determine the effect of this has yet to be completed.

New or amended standards effective for annual periods beginning on or after 1 January 2019

IFRS 16 - Leases

This new standard describes the treatment of financial and operating lease contracts. Under the new standard, an asset has to be recognised in the statement of financial position for both types of lease. A financial obligation also has to be recognised if the payments are spread across multiple periods. The full study of the effect of this new standard still has to be completed.

New or amended standards effective for annual periods beginning on or after a date that is not yet known

IFRS 10 and 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 December 2015 the IASB decided to postpone the effective date indefinitely.

The following standards, amendments of standards and interpretations, that have not yet taken effect or have not yet been ratified by the European Union, are not applicable to BinckBank in view of the nature of the standard or the amendment:

- IFRS 14 – Regulatory Deferral Accounts
- IFRS 11 – Acquisition of an Interest in a Joint Operation (amendment)
- IAS 16 and IAS 41 – Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception

2.3 Significant accounting judgements and estimates

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

The estimates and underlying assumptions are 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 evaluated the bank's ability to operate as a going concern and 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 upon BinckBank's ability to continue as a going concern. Therefore the financial statements are prepared on a going concern basis.

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 to these models wherever possible, but where this is not possible judgements are required in determining fair values. These judgements involve consideration of input factors such as liquidity risk, credit risk and volatility. Changes in assumptions regarding these factors can affect the fair value of financial instruments. The valuation of financial instruments is explained in detail in Note 35.

Impairments of available-for-sale financial assets and held-to-maturity financial assets

An impairment provision is formed for available-for-sale financial assets and held-to-maturity financial assets when there are objective indications that BinckBank will not be able to collect all amounts that should be received under the original contractual conditions of the loan. An initial indication for impairment has occurred when over a longer period of time the fair value is substantially lower than the amortised cost. BinckBank makes individual estimates of the recoverable value, being the value of future cash flows and the costs of collection of the amounts receivable. When the financial assets meet the criteria for impairment then the amount written down is equal to the difference between the carrying amount and the recoverable value.

Impairment of loans and receivables

An impairment provision is formed for loans and receivables if there are objective indications that BinckBank will not be able to collect all amounts under the original contractual conditions of the loan. Individual or collective estimates are then made of the recoverable amount of the loan, being the value of the future cash flows, the proceeds from liquidating the collateral net of transaction costs, and the costs of collecting the receivables. The provision is formed in an amount equal to the difference between the carrying amount and the recoverable amount.

Impairment of goodwill

BinckBank performs an impairment test on the carrying amount of goodwill at least once a year. This involves estimating the value in use of the cash-generating units to which the goodwill is attributed. In order to estimate the value in use, BinckBank estimates the expected future cash flows from the cash-generating unit and determines an appropriate discount rate to calculate 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 in order to arrive at the cash flows and also determines the applicable discount rate. Where the royalty method is used, an estimate is also made of the appropriate royalty percentage.

Intangible assets are assessed for impairment on each balance sheet date.

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 individual asset periodically to establish whether the standard amortisation or depreciation period still corresponds to the expected useful life of the asset concerned. Circumstances may occur during the use of the asset which may lead to a situation in which the standard period no longer corresponds to the actual useful life. As soon as a deviation is identified, the remaining carrying amount of the asset is written off over the revised remaining 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 tax loss carryforwards to be utilised.

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.

3. Accounting principles used for consolidation

The consolidated financial statements consist of the financial statements of BinckBank and its subsidiaries.

BinckBank controls an investment if and only if:

- it has control of the investment (meaning that entitlements exist whereby it can directly influence the relevant operations of the investment)
- it is exposed or entitled to variable returns due to its involvement in the investment, and
- it has the possibility of using 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, 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

BinckBank reassesses 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. Consolidation of a subsidiary begins when BinckBank acquires control of the investment and ceases when control of investment ends. Assets, liabilities, income and expense items of an investment 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 showing 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.

A change in the ownership of a subsidiary not involving loss of control is recognised as an equity transaction.

At the time as BinckBank ceases to control an investment, it will

- no longer recognise the assets (including goodwill) and liabilities of the subsidiary in its statement of financial position
- no longer recognise the carrying amounts of non-controlling interests in its statement of financial position
- adjust the cumulative translation differences in equity
- recognise the fair value of the payment received
- recognise the fair value of an investment held in its statement of financial position
- recognise any surplus or shortfall in its income statement
- reclassify BinckBank's share in the amounts previously recognised under other comprehensive income to the result or to retained earnings, as would be required in the event that BinckBank had disposed of the asset or liability in question directly

4. Related party disclosures

Unrealised gains on transactions with investments, associates and joint arrangements with influence are eliminated in proportion to BinckBank's interests in the companies concerned. Unrealised losses are also eliminated, except where the transactions indicate that the transferred asset has become impaired.

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

5. Accounting policies

5.1 Foreign currency translation

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

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

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

5.2 Financial assets and liabilities

5.2.1 Classification 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 following categories are used:

- Financial assets and liabilities at fair value through profit and loss
- Available-for-sale financial assets
- Held-to-maturity financial assets
- Loans and receivables

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

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

Financial assets and liabilities at fair value through profit and loss

An instrument is classified as carried at fair value through profit and loss if it is held for trading or if it was designated as such on initial recognition for one of the following reasons:

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

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

Available-for-sale financial assets

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

Held-to-maturity financial assets

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

Loans and receivables

Loans and receivables are financial instruments with fixed or determinable payments that are not quoted in an active market. After initial recognition the items are valued at amortised cost, using the effective interest method and less a provision for impairment, where relevant.

5.2.2 Derecognition of financial assets and liabilities

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

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

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

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

5.2.3 Impairment of intangible assets

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

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

Available-for-sale financial assets

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

Investments in interest-bearing securities are assessed for impairment when there are objective indications of financial problems at the issuer or borrower, there is no longer an active market, or there are other such indications. In the event of impairment, the cumulative net loss previously recognised directly in equity is transferred from equity to the income statement under the impairments item. Any reversal of impairment in subsequent years relating to interest-bearing securities is recognised in the income statement if the increase in the fair value of the instrument can be objectively related to an event occurring after the previous impairment was recognised in the income statement.

Held-to-maturity financial assets

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

Loans and receivables

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

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

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

In the event of impairment, the impairment provision is increased by the amount of the impairment. The affected loans are only written down when all the necessary procedures have been completed and the amount of the loss has been determined. If, in a subsequent period, the amount of an impairment decreases and the decrease can be objectively related to an event occurring after the initial write-down then the previously recognised impairment is reversed. Reversal of an impairment is recognised in the provision and in the income statement. Amounts subsequently collected after having been written off are credited to the income statement in Impairment of financial assets.

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

5.3 Acquisitions and goodwill

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

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

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

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

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

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

An impairment is measured by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The recoverable amount is the greater of the net selling price and the value in use. If the recoverable amount is lower than the carrying amount, an impairment is recognised. Impairment of goodwill is not reversed.

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

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

5.4 Cash and cash equivalents

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

5.5 Associates

Associates are entities in which BinckBank generally holds between 20% and 50% of the voting rights or in which BinckBank is able to exercise significant influence in some other way but over which BinckBank does not have control. Investments in associates are accounted for using the equity method.

The item includes goodwill paid on acquisition, less any cumulative impairment losses. Under the equity method, BinckBank's share in the results of the associate is reported in BinckBank's income statement as share in results of associates. 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 the reported results and changes in reserves. When the carrying amount of the investment in an associate falls to nil no further losses are recognised unless BinckBank has accepted liabilities on behalf of the associate concerned or has already made payments on behalf of the associate. Where necessary, the accounting principles of associates are adjusted in order to ensure consistency with those of BinckBank.

5.6 Intangible assets

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

Intangible assets are determined as having either a definite or an indefinite useful life. Intangible assets with a definite useful life are amortised over the useful life and tested for impairment if there are indications that an asset may be impaired. The useful lives of the intangible assets are assessed annually and adjusted if there has been a change. Amortisation of intangible assets with a definite useful life is presented in the income statement 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-generating unit. These intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reassessed annually, including an assessment of whether the indefinite useful life is still justifiable.

5.7 Property, plant and equipment

Property for own use is carried at historical cost less cumulative depreciation and impairments. All other assets recognised in the balance sheet 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 recoverable amount 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 occurred. Repair and maintenance costs are charged to the income statement in the period to which they relate. The costs of significant renovations are capitalised 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 (operational lease) are recognised in investments in property. Amortisation of the leasehold is applied on a linear basis over the remaining life to maturity.

5.8 Tax

Current tax

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

Deferred tax

Deferred tax liabilities are recognised for temporary differences, at the balance sheet date, between the fiscal value of assets and liabilities and their carrying amount in the 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 business combination 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 reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of the deferred tax assets is assessed at the balance sheet 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 utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and recognised to the extent that it is probable that taxable profits will be available in the future against which the deferred tax asset can be utilised. Deferred tax assets and liabilities are carried at amounts measured at the tax rates expected to be applicable to the period in which the asset is realised or the liability is settled, based on enacted tax rates and applicable tax law. The tax on items recognised directly in equity is accounted for directly in equity instead of in the income statement. Deferred tax assets and liabilities are presented as a net amount if there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and the deferred tax is related to the same taxable entity and the same tax authority.

5.9 Work in progress

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

5.10 Impairment of non-financial assets

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

5.11 Derivatives positions held on behalf of customers

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

5.12 Customer deposits

Customer deposits comprise savings deposits, demand deposits and other balances including building deposits (bouwdepots). These are measured at fair value on initial recognition, including related transaction costs. They are subsequently carried at amortised cost. Any difference between the net amount deposited and the amount repayable, calculated using the effective interest method, is recognised in the income statement under the heading of interest expense over the term to maturity of these liabilities to customers.

5.13 Provisions

A provision is recognised if:

- BinckBank has a present obligation (legal or constructive) 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 as a separate asset only when this reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. 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.

5.14 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.

5.15 Treasury shares

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

5.16 Employee benefits

BinckBank's variable performance pay scheme distinguishes between three target groups:

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

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

The allocation of the variable performance pay for the Identified Staff is determined on the basis of scores obtained on financial, non-financial, quantitative and qualitative performance indicators.

A variable performance pay for Identified Staff consists of 50% in BinckBank N.V. shares and 50% in cash.

This proportion applies to every payment of variable performance pay. Part of the total allocated variable performance pay is paid unconditionally, and part is awarded subject to conditions pro rata over a period of three years. A reassessment is made on the basis of the initial performance criteria linked to this variable payment at the end of each year (within the three-year period). Subject to the result of this reassessment, the part of the variable performance pay allocated pro rata for the year in question becomes (fully or partially) unconditional. The employment of Identified Staff during the deferral period is not a requirement for a deferred variable performance pay to be made unconditional and thus does not form part of the remuneration policy. BinckBank shares that have been unconditionally allocated have to be held in a blocked account for a lock-up period. The lock-up period for Identified Staff after the shares have been made unconditional is one year, with the exception of the executive board, for whom the lock-up period is two years.

The measurement of the shares conditionally allocated to Identified Staff is based on the following principles:

- the fair value of the services provided by an employee must be allocated as a cost item to the performance year;
- the fair value of the services provided that relate to the payment of the bonus is estimated as the fair value of the shares that the employee receives.

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

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

The payment of the variable performance pay in cash to the executive board and Identified Staff is made after expiry of the remuneration year for 50% and 60% respectively, and 50% and 40% respectively in equal parts in the three succeeding years and is broken down into a current liability and a non-current cash liability. Accrual for the current liability and the non-current cash liability is formed for the estimated liabilities accumulated for performances delivered until the balance sheet date. The non-current liability is interest-bearing and is therefore recognised at nominal value including accrued interest. A claw-back clause applies whereby any variable performance pay can be reclaimed if an employee has acted unethically and/or in contravention of BinckBank policy.

5.17 Commitments and contingent liabilities

Contingent liabilities are liabilities that are not recognised in the balance sheet because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within BinckBank’s control. The maximum potential credit risk associated with these contingent liabilities faced by BinckBank is disclosed in the notes. In estimating the maximum potential credit risk, it is assumed that all counterparties default on their contractual obligations and all assets provided by way of collateral security are without value.

5.18 Leasing

Lease contracts whereby the risks and benefits relating to the right of ownership are held to a significant extent by the lessor are designated as operating leases. Lease payments made in the capacity of lessee in relation to operating leases are applied to the result during the lease period, after deduction of any premiums received from the lessor. BinckBank is only involved in operational lease contracts as a lessee.

BinckBank has not entered into any financial lease contracts of material significance, either as lessor or as lessee.

5.19 General principle for recognition and measurement of income and expenses

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

5.20 Interest income

Interest income consists of the interest on monetary financial assets attributable to the period. Interest on financial assets is measured using the effective interest method based on the actual acquisition price. The effective interest method is based on the expected cash flows, 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 recoverable value or fair value are subsequently recognised on the basis of the interest rate used to measure the recoverable value by discounting the future cash flows.

5.21 Interest expense

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

5.22 Net fee and commission income

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

5.23 Other income

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

5.24 Result from financial instruments

The result from financial instruments concerns the results of financial assets and liabilities held for trading and financial assets and liabilities recognised at fair value through profit and loss. The result consists of the changes in value of these financial instruments attributable to the period.

5.25 Work in progress on contracts for third parties

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

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

5.26 Share in results of associates and joint ventures

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

5.27 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 the unrealised results and directly in equity respectively.

5.28 Earnings per ordinary share

The earnings per ordinary share are calculated on the basis of the weighted average number of outstanding ordinary shares. The following considerations are taken into account in the calculation of the weighted average number of outstanding ordinary shares:

- The total number of ordinary shares issued is reduced by the treasury shares held by group companies;
- The calculation is based on daily averages.

The diluted earnings per ordinary share 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.

5.29 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 suspense items. Cash and cash equivalents 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 the date of acquisition. Cash flows in foreign currency are translated into the functional currency at the exchange rate prevailing on the date the cash flow occurs.

Notes to the consolidated statement of financial position

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

31 December 2015

31 December 2014

6. Cash and balances at central banks

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.

178,365

72,427

7. Banks

Bank balances

This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by bank regulators.

178,244

156,013

This item comprises:

Credit balances available on demand

146,994

127,135

Call money

11

11

Mandatory reserve deposits

27,162

25,544

Receivable from DNB in relation to the Deposit Guarantee Scheme for DSB Bank

4,077

3,323

178,244

156,013

The call money receivables have original maturities of less than three months. Interest is received on these balances at a variable rate based on market interest rates.

The receivable from DNB in relation to the Deposit Guarantee Scheme for DSB Bank is the cash-converted claim for future expected cash flows. In 2015, no payments from the estate were made (2014: 6.1 million euros). As from 31 December 2015, no loss against this claim is to be expected, and the provision previously created for this will be entirely released.

Due to banks

BinckBank has sweeping arrangements with various banks whereby the debit and credit balances in a large number of bank accounts are regulated with a fixed treasury contra-account. This is only visible on the statement for the next business day; BinckBank accordingly may have a liability to a single bank account for a very short period.

23,582

25,587

8. Financial assets and liabilities at fair value with changes in fair value through profit and loss

Financial assets held for trading		12,297		8,209
Derivatives in relation to hedging turbos	12,138		8,110	
SRD derivative receivables	159		99	
	<hr/>	<hr/>	<hr/>	<hr/>
	12,297		8,209	
Financial assets designated at fair value through profit and loss		15,405		15,942
Equity positions in relation to SRD payables	15,405		15,942	
Financial liabilities held for trading		12,286		8,290
Derivatives in relation to issued turbos	12,144		8,113	
SRD derivative payables	142		177	
	<hr/>	<hr/>	<hr/>	<hr/>
	12,286		8,290	
Financial liabilities designated at fair value through profit and loss		46		139
Equity positions in relation to SRD payables	46		139	

BinckBank issues turbos under its own name to her customers. The price risk on an issued turbo position is hedged economically by purchasing a turbo with identical conditions. Under IFRS, turbos are classified as derivatives and are recognised as financial assets and liabilities held for trading. Realised and unrealised changes in value are recognised directly in the income statement under result from financial instruments. The difference in the market value of the purchased and issued turbos is due to the use of a different discount rate for the credit value adjustment (CVA) for BinckBank on the counterparty and for the customer on BinckBank.

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

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

31 December 2015

31 December 2014

9. Available-for-sale financial assets

This item comprises:

Government bonds/government-guaranteed bonds	317,184		473,624	
Other bonds	849,937		915,522	
	<hr/> 1,167,121		<hr/> 1,389,146	

This item concerns a portfolio of interest-bearing securities with remaining maturities of between 0 and 3.5 years. At year-end 2015 the effective yield on this portfolio was 0.54% (2014: 0.67%).

Movements in available-for-sale financial assets were:

Amortised purchase price as at 1 January	1,384,334		1,579,314	
Redemptions	(532,870)		(636,895)	
Sales	-		(1,300)	
Purchases	327,710		457,217	
Foreign currency conversion	10,668		10,511	
Amortisation of premiums/discounts	(24,664)		(24,513)	
Amortised cost as at 31 December	<hr/> 1,165,178		<hr/> 1,384,334	
Revaluation at 31 December	1,943		4,812	
Balance sheet value as at 31 December	<hr/> 1,167,121		<hr/> 1,389,146	

10. Held-to-maturity financial assets

This item comprises:

Government bonds/government-guaranteed bonds	464,556		332,031	
Other bonds	348,928		213,077	
	<hr/> 813,484		<hr/> 545,108	

BinckBank holds a portfolio held-to-maturity financial assets. The purpose of this portfolio is mainly to collect cashflows from interest and redemptions. This item comprises a portfolio of interest-bearing securities with a maturity of between 1 and 3.5 years. At year-end 2015 the effective yield on this portfolio was 0.33% (2014: 0.45%).

Movements in available-for-sale financial assets were:

Amortised purchase price as at 1 January	545,108		-	
Purchases	273,975		547,068	
Foreign currency conversion	3,835		2,959	
Amortisation of premiums/discounts	(9,434)		(4,919)	
Amortised cost as at 31 December	<hr/> 813,484		<hr/> 545,108	

11. Loans and receivables**502,006****498,908**

This item comprises receivables from clients, including overnight loans and overdrafts that are collateralised by securities and bank guarantees (lending against securities).

The analysis is as follows:

Public sector loan	-	138,000	
Receivables collateralised by securities	498,722	357,637	
Receivables collateralised by bank guarantees	3,242	3,047	
Other receivables	503	705	
Loans and receivables, gross	502,467	499,389	
Less: impairment provision	(461)	(481)	
	502,006	498,908	

The interest rate is based on EURIBOR or EONIA applying a minimum rate.

Other receivables refers to remaining amounts receivable after foreclosure of collateral (securities and bank guarantees).

The changes in impairment provisions were as follows:

Balance as at 1 January	481	403	
Added	209	321	
Recovered	(223)	(158)	
Write-offs	(6)	(85)	
Balance as at 31 December	461	481	

The impairment provision is calculated on a specific basis.

At the end of 2015 BinckBank concluded an agreement on the acquisition of mortgage rights. The mortgages are issued by a third party on the basis of a mandate agreed in advance with BinckBank. The third party then transfers the individual mortgage rights through undisclosed assignment to BinckBank on the date of execution. The third party is responsible for the administration of the mortgages, which relates to the issue of the loan, collection of cash flows, special management and foreclosure of the collateral. BinckBank bears the responsibility for making the estimates required for the determination of the provisions, restructuring of the loan and determination of the fair value of the mortgage portfolio. As at 31 December 2015, no mortgage rights had been transferred through undisclosed assignment to BinckBank.

12. Investment in associates

1,227

1,293

This refers to the investment in the holding in TOM B.V.

The development of this item was as follows:

Balance as at 1 January	1,293		3,710	
Capital increases and acquisitions	664		4,409	
Disinvestments (BeFrank)	-		(19,500)	
Result on associates and joint ventures	(730)		12,674	
Balance as at 31 December	1,227		1,293	

The associate TOM Holding N.V. has two subsidiary companies, TOM Broker B.V. that provides a best-execution service to affiliated parties and TOM B.V., which has a licence to operate as a multilateral trading facility (MTF), on which equities and options are traded that are listed and traded on other markets. The shares of TOM Holding N.V. are not listed. BinckBank's share in TOM Holding N.V. is recognised using the equity method.

Aggregate financial information of the associate is shown in the table below:

(figures in EUR 1,000, unless otherwise stated)	Country	Interest	Share in equity	Share in result	Fixed assets	Current assets	Long-term liabilities	Current liabilities	Total revenue	Total expenses
2015										
TOM Holding N.V.	NL	25.5%	1,227	(730)	1,610	6,018	-	2,825	6,845	(10,104)
2014										
TOM Holding N.V.	NL	25.5%	1,293	(1,393)	1,795	6,561	-	3,295	4,881	(10,478)

The associate had no off balance sheet or investment commitments as at 31 December 2015 and as at 31 December 2014.

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

31 December 2015

31 December 2014

13. Intangible assets

190,560

213,558

The movements in 2015 were as follows:

	Brand name	Core deposits	Customer base	Software	Goodwill	Total
Balance at 1 January 2015	315	25,228	39,912	3,221	144,882	213,558
Investments	-	-	-	74	-	74
Disposals - cost	-	-	-	-	-	-
Disposals - cumulative amortisation	-	-	-	-	-	-
Amortisation	(70)	(8,409)	(13,238)	(1,355)	-	(23,072)
Balance as at 31 December 2015	245	16,819	26,674	1,940	144,882	190,560
Cumulative cost	31,755	84,095	131,708	10,779	144,882	403,219
Cumulative depreciation and impairment	(31,510)	(67,276)	(105,034)	(8,839)	-	(212,659)
Balance as at 31 December 2015	245	16,819	26,674	1,940	144,882	190,560
Amortisation period (years)	5	10	5 - 10	5		

The movements in 2014 were as follows:

	Brand name	Core deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2014	-	33,638	52,423	4,057	142,882	233,000
Investments	350	-	650	658	2,000	3,658
Disposals - cost	-	-	(930)	(93)	-	(1,023)
Disposals - cumulative amortisation	-	-	930	40	-	970
Amortisation	(35)	(8,410)	(13,161)	(1,441)	-	(23,047)
Balance as at 31 December 2014	315	25,228	39,912	3,221	144,882	213,558
Cumulative cost	31,755	84,095	131,708	10,705	144,882	403,145
Cumulative depreciation and impairment	(31,440)	(58,867)	(91,796)	(7,484)	-	(189,587)
Balance as at 31 December 2014	315	25,228	39,912	3,221	144,882	213,558
Amortisation period (years)	5	10	5 - 10	5		

The 'Brand name' item as at 31 December 2015 arises from the acquisition of Fundcoach. The 'Core deposits' item arises from the acquisition of Alex Beleggersbank. The 'Customer base' item arises from the acquisition of Alex Beleggersbank and Fundcoach. Software comprises purchased software licences.

The goodwill item relates to the excess of the price paid to acquire the operations of Alex Beleggersbank and Fundcoach over the fair value of the identifiable assets and liabilities.

Goodwill impairment test

The goodwill shown in the statement of financial position has been allocated entirely to the cash-generating unit Retail Netherlands. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount might be impaired. An impairment is measured by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The recoverable amount is

an asset's net selling price or its value in use, whichever is higher. An impairment is recognised if the recoverable amount is lower than the carrying amount. The net realisable value is only included in the assessment if a reliable estimate can be made of the price at which a transaction could be concluded between parties in the current market circumstances. In order to estimate the value in use, BinckBank estimates the expected future cash flows from the cash-generating unit and determines an appropriate discount rate to calculate the net present value of those cash flows.

The annual test conducted as of 30 September 2015 gave no indication that the goodwill had been impaired. As at 31 December 2015, there were no changes in the circumstances of the cash-generating unit Retail Netherlands indicating impairment.

The principal assumptions used in calculating the value in use are as follows:

The recoverable amount of the cash-generating units is based on the value in use. Cash flow projections over a five-year period have been used, based on financial estimates used by the management to set targets. Cash flows beyond the five-year period have been extrapolated using a growth rate of 2%. Management has compared the principal assumptions against market estimates and market expectations.

The following assumptions have been used:

Assumptions in calculation of the recoverable amount of the CGU Retail NL	2015	2014
Discount rate	9,65%	8,93%
Expected growth rate beyond five-year horizon	2%	2%

Goodwill relating to Retail Netherlands

The principal assumptions used by management in arriving at the cash flow projections for the purposes of the goodwill impairment test were:

- The natural attrition rate and inflow of new private investors based on the trends of the past 5 years and the budget, including a multi-year forecast, respectively. The conservatively estimated growth in the number of customers is reflected in the expected numbers of transactions and in the amounts of customer deposits and funds invested;
- The interest margin based on the actual interest margin achieved over the past year, allowing for the long-term effect of low interest rate;
- Commission income and expense, based on the expected 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;
- Growth of Alex Asset Management based on the developments in past years.

The impairment test of 2015 showed an increase in the value in use, mainly due to higher commission income. The results of the test gave no indications of an impairment, and the derived market value was 99.6% higher than the carrying amount of the Retail Netherlands cash-generating unit (2014: 62.8%).

As at 31 December 2015, the derived market value of the Retail Netherlands cash-generating unit was higher than the carrying amount. Furthermore, there have been no changes in circumstances since the impairment test in the fourth quarter that would give reason for a different view that could lead to the recognition of an impairment.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of goodwill to exceed its recoverable amount.

Impairment testing of other intangible assets

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

Intangible asset	Indicator
Brand name	Reputational damage from acquired brand names Decision to limit the use of acquired brand names
Customer deposits	Decline in balance of customer deposits Lower interest margin on customer deposits
Customer base	Higher attrition rate of customer accounts acquired Lower average revenue per acquired customer
Software	Decision to limit use of acquired software Change in expected useful life
General	Higher market interest rates, which can be detrimental to the discount rate

When the test reveals an indication of impairment BinckBank carries out a full calculation of the recoverable amount of the intangible assets. This calculation is carried out using the same method as the method used for the calculation of the fair value of intangible assets identified on acquisition.

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

31 December 2015

31 December 2014

14. Property, plant and equipment

34,830

38,374

The movements in 2015 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2015	27,058	5,298	6,015	3	38,374
Investments	-	115	654	48	817
Disposals - cost	-	(226)	-	-	(226)
Disposals - cumulative amortisation	-	46	-	-	46
Amortisation	(619)	(1,149)	(2,410)	(3)	(4,181)
Balance as at 31 December 2015	26,439	4,084	4,259	48	34,830
Cumulative cost	29,827	9,945	25,544	60	65,376
Cumulative depreciation and impairments	(3,388)	(5,861)	(21,285)	(12)	(30,546)
Balance as at 31 December 2015	26,439	4,084	4,259	48	34,830
Depreciation period in years	50	5 - 10	5	5	

The movements in 2014 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2014	27,677	5,855	5,990	5	39,527
Investments	-	625	2,850	-	3,475
Disposals - cost	-	(6)	(20)	-	(26)
Disposals - cumulative amortisation	-	6	20	-	26
Amortisation	(619)	(1,182)	(2,825)	(2)	(4,628)
Balance as at 31 December 2014	27,058	5,298	6,015	3	38,374
Cumulative cost	29,827	10,056	24,890	12	64,785
Cumulative depreciation and impairments	(2,769)	(4,758)	(18,875)	(9)	(26,411)
Balance as at 31 December 2014	27,058	5,298	6,015	3	38,374
Depreciation period in years	50	5 - 10	5	5	

In 2012 BinckBank engaged a recognised valuer to produce a valuation report of the real estate. The result of the valuation did not materially differ from the carrying amount, and gave no indication of impairment. Developments in the Dutch offices market in 2012-2015 gave no reason to revise this assessment.

The investment in real estate includes prepayments in relation to a leasehold (operating lease) which expires on 15 April 2056. In 2015, an amount of € 256,000 in relation to amortisation of the leasehold is included in depreciation and amortisation (2014: € 256,000).

The depreciation of 2015 includes € 269,000 as additional depreciation on part of the fixed assets based on the annual reassessment of the depreciation period.

15. Current tax

Current tax assets	7,945	7,011
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The balance at year-end relates to the last two financial years.

Current tax liabilities	(19)	(71)
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These concern corporation tax payable by subsidiaries which are not part of the tax group.

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

	2015 Amount	2015 Percentage	2014 Amount	2014 Percentage
Standard tax rate	9,768	25,0%	9,256	25.0%
Effect of different tax rates (in other countries)	93	0,2%	122	0,3%
Effect of substantial-holding privileges	183	0,5%	(3,169)	-8,6%
Effect of tax facilities	(1,062)	-2,7%	(1,863)	-5,0%
Other effects	(614)	-1,6%	1,209	3,3%
Total tax expense/tax burden	8,368	21,4%	5,555	15,0%

The effect of different tax rates relates to the other tax percentages used for the foreign branches.

The effect of substantial holding exemptions relates to an exemption for results (after tax) of the substantial holdings to avoid double taxation.

The effect of tax facilities includes the benefits arising from the agreement BinckBank has reached with the Dutch Tax and Customs Administration on the application of the Innovation Box to the income attributable to the innovative trading platform which BinckBank developed for use by private investors. The Innovation Box is a tax facility for Dutch corporation tax whereby gains from intangible assets for which a domestic or foreign patent has been obtained, or for which an R&D certificate has been obtained, will be taxed at an effective rate of 5% instead of at the rate of a maximum 25%. This results in a tax exemption for these profits of up to 80%. The effect of the tax facilities item also includes benefits arising from application of the Innovation Box by the subsidiary Able Holding B.V.

The item other effects includes various tax effects, such as tax adjustments to prior years and differences arising because certain expenses are not tax deductible, such as the resolution levy. In addition, a deferred tax asset relating to Think ETF Asset Management B.V loss compensation has been recognised in the statement of financial position since 2015. The full amount of the deferred tax asset of € 1.1 million has been recognised as a positive result in the tax burden. The costs of the vesting of shares to employees as part of the remuneration policy do therefore not qualify as tax-deductible. For tax purposes, the allocation of shares is treated as an arrangement between shareholders and thus cannot be offset against the taxable profit.

BinckBank has conducted a functional analysis of the methodology to determine valid 'arm's-length' prices to be used for inter-company relations between BinckBank and its European branch offices, as defined in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, and implemented in line with the 2010 report on the attribution of profit to permanent establishments.

Based on the functional analysis and discussions with the tax authorities in the Netherlands and in France, a bilateral APA (advance pricing agreement) has been concluded between the Netherlands and France with respect

to BinckBank and its branch office in France. In addition, on the basis of the functional analysis and discussions, a unilateral APA has been issued by the Dutch Tax and Customs Administration in relation to the branch offices in Belgium, Italy and Spain. An agreement has been reached that the Transactional Net Margin Method (TNMM) should be used to calculate transfer pricing, with gross operating revenue as the profit indicator. The profit margin of the foreign branch will be established as a fixed percentage of the 'net fee and commission income' and all other income and expenses will be borne by the head office in the Netherlands. For branch offices that do not generate local income, it has been agreed with the Dutch Tax and Customs Administration that under the unilateral APA the cost-plus basis is the most suitable method for determining the transfer pricing.

The tax burden and the effective tax rate by geographical breakdown by the head office (including substantial holdings) and the various BinckBank branch offices.

Country-by-country report 2015

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

Jurisdiction	Entity	Activity	FTE	Operating result before tax	Income tax	Effective tax rate
Netherlands	BinckBank N.V.	online broker, asset management, subsidiaries	539	38,280	(8,076)	21.1%
Belgium	Binck Belgium Branch	online broker	36	390	(182)	46.6%
France	Binck France Branch	online broker	36	274	(8)	2.9%
Italy	Binck Italy Branch	online broker	19	66	(83)	125.1%
Spain	Binck Spain Branch	sales office	4	60	(19)	31.1%
Total			6 34	39,070	(8,368)	21.4%

The effective tax charge of 21.1% in the Netherlands is lower than the nominal rate of 25%. This is primarily due to the application of the Innovation box, substantial holding exemptions, non-deductible costs and to differences between fiscal and accounting depreciation periods for assets.

The effective tax rate for BinckBank Belgium is 46.6%, whilst the nominal tax rate is 33.99%. The higher effective tax burden is largely due to the expenses that are not tax deductible under the Belgian tax regime.

The effective tax rate for BinckBank France is 2.9%, whilst the nominal tax rate is 33.33%. The lower effective tax rate is primarily the result of the application of the CICE and the settlement thereof for the preceding year which is incorporated in the tax burden of 2015. The CICE is a tax incentive to encourage investment and job creation within the French business community.

The effective tax rate for BinckBank Italy is 125.1%. Italy has two forms of corporation tax, the IRES and the IRAP. The IRES is levied on taxable profit at 27.5%. The IRAP is a regional tax on production activities at a rate of 5.57% that does not have a direct relationship with the taxable profit. In addition, the final assessment for corporation tax for the prior year is taken into account in the tax charge for 2015.

The effective tax rate for BinckBank Spain is 31.1%, which is in line with the nominal tax rate of 30%.

16. Deferred tax claims

Deferred tax claims		1,121	-
Deferred tax liabilities		(27,874)	(24,404)
Total asset/(liability)		(26,753)	(24,404)
Maturity of deferred tax liabilities			
Within one year		-	-
Between 1 and 5 years		1,121	-
Longer than five years		-	-
		1,121	-
Acquired deferred tax liabilities			
Within one year		219	(552)
Between 1 and 5 years		521	1,281
Longer than five years		(28,614)	(25,133)
		(27,874)	(24,404)

	1 January 2015	Movement via income statement	Movement via balance sheet	31 December 2015
<i>Origin of deferred tax assets and liabilities</i>				
Tax-offsettable losses	-	1,121	-	1,121
Available-for-sale financial assets	(1,035)	-	617	(418)
Goodwill and intangible assets	(22,862)	(503)	(3,812)	(27,177)
Depreciation period differences for fixed assets	(1,281)	-	402	(879)
Temporary differences as a result of intercompany transactions	929	(232)	-	697
Other	(155)	-	58	(97)
Net tax liability	(24,404)	386	(2,735)	(26,753)

	1 January 2014	Mutatie via W&V	Mutatie via balans	31 December 2014
<i>Origin of deferred tax assets and liabilities</i>				
Available-for-sale financial assets	(957)	-	(78)	(1,035)
Goodwill and intangible assets	(18,092)	(969)	(3,801)	(22,862)
Depreciation period differences for fixed assets	(2,182)	263	638	(1,281)
Temporary differences as a result of intercompany transactions	1,161	(232)	-	929
Other	(252)	36	61	(155)
Net tax liability	(20,322)	(902)	(3,180)	(24,404)

The tax-offsettable losses pertain to the deferred tax claim for offsettable losses of Think ETF Asset Management B.V. over the past years. The expectation is that the full amount of offsettable losses can be used in the tax calculation of the positive results in the coming years.

Available-for-sale financial assets relates to the deferred tax on unrealised gains resulting from the revaluation of the investment portfolio.

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 and Fundcoach.

The depreciation period differences for fixed assets relate to amongst others 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.

The movements via the income statement relate to the application of the innovation box facility and its impact in the calculation of deferred tax positions.

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

31 December 2015

31 December 2014

17. Other assets

This item comprises:

Trade receivables	2,053		1,814	
Receivables relating to securities sold but not yet delivered	16,721		95,235	
Other receivables	9,329		3,549	
	28,103		100,598	

Trade receivables, receivables relating to securities sold but not yet delivered and other receivables are settled within 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 other receivables pertain primarily to prepaid customer charges and a receivable for securities in the Italian branch.

18. Prepayments and accrued income

This item comprises:

Interest receivable	27,278		31,769	
Commission receivable	11,007		7,885	
Other prepayments and accrued income	6,837		7,316	
	45,122		46,970	

The commission receivable comprises the regular commission as well as the receivable relating to performance-related fees.

Other prepayments and accrued income concern mainly prepaid IT maintenance contracts.

19. Derivative positions held on behalf of clients

260,505

218,107

The derivative positions held on behalf of clients are held in BinckBank's own name but for the client's account and at the client's risk.

20. Funds entrusted

2,589,714

2,545,420

This item comprises:

Demand deposits in savings accounts	221,225		290,366	
Demand deposits in current accounts	2,368,489		2,255,054	
	2,589,714		2,545,420	

21. Provisions

This item comprises:

Provision for legal disputes

	31 December 2015	31 December 2014
Provision for legal disputes	7,884	7,885

The movement in the provision for legal provisions was as follows:

Balance as at 1 January	7,885		4,532	
Arising during the year	8,011		4,759	
Utilised	(819)		(731)	
Unused amounts reversed	(7,193)		(675)	
Balance as at 31 December	7,884		7,885	

The provision include an estimate of the potential loss for BinckBank as a result of legal proceedings instituted against BinckBank. For the settlement of legal disputes BinckBank is dependent on the activities of third parties. Given the nature and complexity of some of the disputes BinckBank is not able to make a reliable estimate of the timing when the disputes will be closed.

The operations of BinckBank take place in an environment that is highly regulated by legislation and supervision which exposes the organisation to significant legal processes and associated risks arising from disputes and regulatory requirements. BinckBank can therefore be involved in various disputes and legal proceedings. The results of these proceedings are often uncertain and difficult to predict. These uncertainties affect the amount and timing of potential cash outflow, and thereby on the measurement of a provision. For current legal processes and disputes BinckBank does not disclose further details with respect to the provision to avoid influencing the processes.

Alongside this, the AFM has informed BinckBank of its intention to possibly impose two administrative fines. The AFM has concluded that the commercials for Alex Vermogensbeheer in the period from 8 September 2012 until 26 August 2014 contained unclear and/or misleading information. In addition, certain types of transaction reporting had been submitted too late. BinckBank has recognised a provision for the resultant administrative fines that may be imposed.

BinckBank also has numerous cross-border contracts with suppliers, meaning differences of opinion regarding the interpretation of the contract conditions in the various jurisdictions may occur. Opinions in relation to these contracts may give reason to raise a provision.

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

31 December 2015

31 December 2014

22. Other liabilities

This item comprises:

Liabilities in respect of securities transactions not yet settled	51,774		17,231	
Tax and social security contributions	5,194		5,936	
Trade payables	3,348		4,158	
Other liabilities	5,764		3,222	
	66,080		30,547	

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.
The other liabilities pertain primarily to a debt for securities still to be delivered in the Italian branch.

23. Accruals and deferred income

This item comprises:

Accrued interest	350		619	
Employee expenses	6,753		6,529	
Stock exchange and clearing costs payable	518		854	
Other accruals and deferred income	3,244		2,965	
	10,865		10,967	

Employee expenses under this heading mostly concern performance pay to board members and employees of BinckBank.

24. Equity

This item comprises:

		437,480		440,247
Issued share capital	7,100		7,100	
Share premium reserve	361,379		361,379	
Treasury shares	(4,979)		(5,570)	
Fair value reserve	1,526		3,777	
Unappropriated profit	71,158		73,341	
Non-controlling interests	1,296		220	
	<u>437,480</u>		<u>440,247</u>	
Issued share capital		7,100		7,100

A total of 71,000,000 ordinary shares were in issue (nominal value of € 0.10). The share capital is fully repaid.

	Number	Amount	Number	Amount
Balance as at 1 January	71,000,000	7,100	74,500,000	7,450
Repurchase treasury shares	-	-	(3,500,000)	(350)
Balance as at 31 December	71,000,000	7,100	71,000,000	7,100

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

		361,379		361,379
Balance as at 1 January	361,379		373,422	
Repurchase treasury shares	-		(12,043)	
Balance as at 31 December	361,379		361,379	

The share premium is exempt from tax and freelydistributable.

		(4,979)		(5,570)
Treasury shares		(4,979)		(5,570)

	Number	Amount	Number	Amount
Balance as at 1 January	804,674	(5,570)	4,383,380	(30,340)
Issued to executive board and employees	(85,397)	591	(78,706)	545
Repurchase treasury shares	-	-	(3,500,000)	24,225
Balance as at 31 December	719,277	(4,979)	804,674	(5,570)

As at 1 January 2015, the number of treasury shares held was 804,674, acquired at an average purchase price of € 6.92. In 2015, 85,397 shares were granted to the executive board and employees in connection with the settlement of the remuneration policy at an average purchase price of € 6.92. The carrying amount of the treasury shares at year-end 2015 are measured at the average purchase price of € 6.92. The change in equity in respect of treasury shares reflects the amounts bought and sold. The quoted share price at year-end 2015 was € 7.95 (2014: € 7.05).

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

31 December 2015

31 December 2014

Fair value reserve

The reserve comprises the fair value gains and losses, after tax, on available-for-sale financial assets.

This item comprises:

Unrealised profits	2,652	5,276	
Unrealised losses	(709)	(464)	
Tax on unrealised profits and losses	(417)	(1,035)	
	1,526	3,777	

The movements in the fair value reserve were as follows:

Balance as at 1 January	3,777	2,124	
Movement in fair value	(2,869)	1,986	
Realised revaluation through the income statement	-	(6)	
Tax on the movement in value	618	(327)	
Balance as at 31 December	1,526	3,777	

Retained earnings

Balance as at 1 January	73,341	78,968	
Payment of final dividend	(21,787)	(18,251)	
Payment of interim dividend	(9,839)	(7,020)	
Grant of rights to shares	408	467	
Shares granted to executive board and employees	(591)	(545)	
Cancellation of shares	-	(11,832)	
Result for the year	29,626	31,554	
Balance as at 31 December	71,158	73,341	

Non-controlling interests

Balance as at 1 January	220	7	
Capital injection non-controlling interests	-	300	
Result attributable to non-controlling interests	1,076	(87)	
Balance as at 31 December	1,296	220	

BinckBank has a primary preference on certain retained reserves up to an amount of € 1.1 million. The total measurement of the non-controlling interests is therefore equal to the paid-up nominal share capital plus the part of the retained reserves in excess of the value of BinckBank's primary preference.

Notes to the consolidated income statement

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

2015

2014

25. Net interest income	25,724	28,497
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This includes all income and expense items relating to the lending and borrowing of money, providing they are of a similar nature to interest, as well as interest income on credit balances or interest expense on overdrafts.

This item comprises:

Interest income

Balances at central banks	14	302
Available-for-sale financial assets	7,275	10,365
Held-to maturity financial assets	2,622	1,645
Loans and receivables	19,508	19,723
Other interest income	161	91
	29,580	32,126

The interest income recognised on non-performing loans is €20 thousand (2014: €12 thousand).

Interest expense

Interest on funds entrusted measured at amortised cost	1,268	3,245
Other interest expense	2,588	384
	3,856	3,629

The other interest expense item includes interest charges with credit institutions. Because of continuing low (and even negative) interest rates on balances with credit institutions and the ECB, on balance BinckBank is paying interest on these assets. In 2014, these balances were still bringing in interest income, on balance, and were presented under the interest income item.

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

2015

2014

26. Net fee and commission income

131,461

125,951

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:

Fees and commission income

Commission income	118,760	116,430
Asset management fees	20,901	22,116
Other commission income	16,165	13,918
	<hr/> 155,826	<hr/> 152,464

The item asset management fees includes a performance fee of €3.6 million over 2015 (2014: €0.2 million).

The item other fee and commission income includes all-in service fees and other securities services.

Fees and commission expense

Costs of securities transactions	20,189	21,687
Asset management fees	1,831	2,537
Other commission expense	2,345	2,289
	<hr/> 24,365	<hr/> 26,513

Other commission expense includes fees for the deposit and withdrawal of securities, transfer fees and other management activities.

27. Other operating income

10,947

11,102

This item comprises:

IT services - revenues	10,459	12,836
IT services - direct expenses	(742)	(1,665)
IT services - net result	9,717	11,171
Other revenues	1,230	(69)
	<hr/> 10,947	<hr/> 11,102

This includes fees for subscriptions, courses, currency results, and other income and expense items that cannot be accounted for under other items.

28. Result from financial instruments

2,031

351

This item comprises:

Result from SRD (Service de Règlement Différé)

Result from turbos	2,056		501	
Result from other financial instruments	(25)		(150)	
	<u>2,031</u>		<u>351</u>	

Result from SRD (Service de Règlement Différé)

Result on SRD derivative positions	1,424		2,802	
Result on SRD equity positions	(1,424)		(2,802)	
	<u>-</u>		<u>-</u>	

The SRD receivables and payables and turbos are classified as derivatives and are recognised as financial assets and liabilities held for trading. Movements in value are recognised directly in the income statement under result from financial instruments.

The corresponding positions in equities are classified as financial assets and liabilities at fair value through profit. Movements in value are also recognised under result from financial instruments. Since BinckBank takes a position in equities which exactly offsets the customers' SRD derivatives position, there is a natural hedge of the price risk.

Result from turbos

Result on turbos	2,062		504	
Fair value result turbos (CVA/DVA)	(6)		(3)	
	<u>2,056</u>		<u>501</u>	

For its turbo product, BinckBank has entered into a cooperation agreement with UBS, which bears the market risk. The revenues depend on the financing level of the turbos issued.

The fair value result turbos comprise the haircut applied to the valuation of the turbo products relating to credit risk of the various contract parties in the market value of the Binck turbos issued and the corresponding hedge turbos purchased.

Result from other financial instruments

Available-for-sale financial assets	-		6	
Other results from financial instruments	(25)		(156)	
	<u>(25)</u>		<u>(150)</u>	

The other results from financial instruments contains mainly the movement in the revaluation of the receivable on DNB in respect of the Deposit Guarantee Scheme - DSB Bank.

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

2015

2014

29. Impairment losses (reversals) financial instruments, Net

15

(168)

This item comprises the movement in the provision relating to collateralised lending.

30. Employee expenses

53,015

56,586

This item comprises:

Salaries	36,209		36,864	
Social security contributions	5,816		6,185	
Pension costs	2,640		2,882	
Profit sharing and performance-related pay	3,132		3,020	
Other personnel costs	5,218		7,635	
	<hr/>	<hr/>	<hr/>	<hr/>
	53,015		56,586	

Number of employees (including members of the board)

Average during the financial year (FTE)	644		665	
End of the financial year (head count)	700		710	

The following expenses are included in employee expenses in relation to associated parties (executive board and supervisory board)

Salaries		814		1,085
Social security contributions		20		30
Pension costs		163		217
Performance-related pay		538		635
Severance payments		-		400
Remuneration of supervisory directors		294		180
	<hr/>	1,829		2,547

Details of the remuneration paid to the individual members of the executive board and supervisory board of BinckBank N.V. are disclosed in the remuneration section of the annual report on page 131. At year-end 2015, members of the executive board had no loans collateralised by securities on the general conditions applying to employees (2014: € nil).

Fixed remuneration policy

(figures in EUR 1,000, unless otherwise stated)	Fixed gross salary	Pension contribution (20%)	Total fixed remuneration	Severance payment
2015				
V.J.J. Germyns	400	80	480	-
E.J.M. Kooistra	360	72	432	-
S.J. Clausing	54	11	65	-
Total	814	163	977	-
2014				
V.J.J. Germyns	217	43	260	-
E.J.M. Kooistra	360	72	432	-
K.N. Beentjes	400	80	480	400
P. Aartsen	108	22	130	-
Total	1,085	217	1,302	400

Application of the variable remuneration policy

The Annual General Meeting of Shareholders of 23 April 2012 adopted an amended remuneration policy in accordance with the Regulation for a controlled remuneration policy in the Wft 2011 of DNB. The amended remuneration policy came into retroactive effect from 1 January 2011, and is also applicable to the 2015 financial year.

In accordance with the remuneration policy 50% of the remuneration is made in issued shares, and 50% in cash. Settlement of the remuneration is spread over three years. In the case of the executive board 50% is paid after the initial determination of the performance delivered, and for other Identified Staff this is 60%. Subject to re-evaluation of the performance in the performance period, the remainder is paid pro-rata over the following three years.

An amount of € 408,000 has been recognised in the employee expenses in 2015 (2014: € 467,000) relating to the fair value of the allocated shares in variable remuneration for the performance year 2015.

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

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

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

(figures in EUR 1,000, unless otherwise stated)	2015	2014
Share price on initial allocation date	€ 7.05	€ 7.71
Volatility	23.8%	29.0%
Dividend yield	5.8%	5.1%
Risk-free interest rate	0.85%	2.25%
Average fair value of share price on allocation date	€ 5.66	€ 5.86

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

The total variable remuneration for the executive board and identified staff is shown in the tables below.

(figures in EUR 1,000, unless otherwise stated)	in cash	Issue of shares (in cash) - remuneration policy	Issue of shares (in shares) - IFRS
Variable performance pay in 2015			
V.J.J. Germyns	153	153	126
E.J.M. Kooistra	138	137	114
S.J. Clausing	4	4	3
Other identified staff	200	200	165
Total	495	494	408
Variable performance pay in 2014			
V.J.J. Germyns	73	73	54
K.N. Beentjes	135	135	99
E.J.M. Kooistra	121	121	89
P. Aartsen	37	36	27
Other identified staff	270	271	199
Total	636	636	468

The table above presents the amounts for the period the officer is in duty as either board member or identified staff.

The variable remuneration paid in shares is converted at the closing share prices for the performance year in question (2015: € 7.95; 2014: € 7.05).

The following tables show the amounts paid and future settlement in shares and cash to the executive board and Identified Staff. All future settlement in shares and cash is subject to the re-evaluation of the performance delivered in the relevant performance year. No claw-back has been applied to variable performance pay that has been paid. The following tables are included on the basis of projected payments and distributions.

The figures in the table present the amounts for the period the officer is in duty as either board member or identified staff.

(in numbers)	Total	Shares cancelled	Shares issued	To be issued after AGM 2015	Shares still to be issued
Variable performance pay in shares 2015					
V.J.J. Germyns	19,218	-	-	9,609	9,609
E.J.M. Kooistra	17,296	-	-	8,648	8,648
S. Clausing	520	-	-	260	260
Overige Identified Staff	25,182	-	-	15,109	10,073
Total	62,216	-	-	33,626	28,590
Variable performance pay in shares 2014					
V.J.J. Germyns	10,362	-	5,181	1,726	3,455
K.N. Beentjes	19,130	-	9,564	3,188	6,378
E.J.M. Kooistra	17,217	-	8,608	2,869	5,740
P. Aartsen	5,181	-	2,590	863	1,728
Other identified staff	38,341	-	23,007	5,114	10,220
Total	90,231	-	48,950	13,760	27,521
Variable performance pay in shares 2013					
K.N. Beentjes	16,286	-	10,857	2,715	2,714
E.J.M. Kooistra	14,484	-	9,656	2,414	2,414
P. Aartsen	13,514	-	9,009	2,253	2,252
Other identified staff	52,569	-	38,552	7,008	7,009
Total	96,853	-	68,074	14,390	14,389
Variable performance pay in shares 2012					
K.N. Beentjes	4,525	-	3,771	754	-
E.J.M. Kooistra	3,821	-	3,185	636	-
P. Aartsen	3,922	-	3,269	653	-
N. Bortot	3,620	-	3,017	603	-
Other identified staff	35,629	-	30,887	4,742	-
Total	51,517	-	44,129	7,388	-

(figures in EUR 1,000, unless otherwise stated)	Total to be paid in cash	Cash payments cancelled	Paid in cash	To be paid in cash after AGM 2015	Still to be paid in cash
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Variable performance fee in cash 2015

V.J.J. Germyns	153	-	-	77	76
E.J.M. Kooistra	138	-	-	69	69
S. Clauzing	4	-	-	2	2
Other Identified Staff	200	-	-	120	80
Total	495	-	-	268	227

Variable performance fee in cash 2014

V.J.J. Germyns	73	-	37	12	24
K.N. Beentjes	135	-	67	23	45
E.J.M. Kooistra	121	-	61	20	40
P. Aartsen	37	-	18	6	13
Other Identified Staff	270	-	162	36	72
Total	636	-	345	97	194

Variable performance fee in cash 2013

K.N. Beentjes	126	-	84	21	21
E.J.M. Kooistra	112	-	75	18	19
P. Aartsen	104	-	69	18	17
Other Identified Staff	397	-	291	53	53
Total	739	-	519	110	110

Variable performance fee in cash 2012

K.N. Beentjes	28	-	24	4	-
E.J.M. Kooistra	24	-	20	4	-
P. Aartsen	25	-	21	4	-
N. Bortot	23	-	19	4	-
Other Identified Staff	221	-	192	29	-
Total	321	-	276	45	-

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

2015

2014

31. Depreciation and amortisation

27,253

27,675

This item comprises amortisation and depreciation on:

Intangible assets	23,072	23,047
Property, plant and equipment	4,181	4,628
	27,253	27,675

32. Other operating expenses

This item comprises:

Marketing costs	11,406		12,947	
ICT costs	10,494		11,250	
Audit and professional services	13,485		13,740	
Housing costs	2,322		2,841	
Communication and information costs	7,300		12,341	
Miscellaneous overheads	5,103		4,005	
	50,110		57,124	

The item Miscellaneous overheads includes, in part, office costs, banking costs, insurances and changes in the provisions for the potential penalties announced by AFM.

33. 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:

Net result after tax		30,702		31,467
Result attributable to minority shareholders		(1,076)		87
Result attributable to shareholders of BinckBank N.V.		29,626		31,554
Number of shares in issue on 1 January		71,000,000		74,500,000
Less: repurchased shares on 1 January		(804,674)		(4,383,380)
		70,195,326		70,116,620

Weighted average number of shares relating to*:

Issued to executive board and employees		56,516		54,489
Average number of shares in issue		70,251,842		70,171,109

* The above numbers are based on the total numbers disclosed in note 24, taking account of the date of movement in equity.

Result per share (in €)		0.42		0.45
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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

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

2015

2014

34. Dividend distributed and proposed

Declared and paid during the year

Dividend on ordinary shares:

Final dividend for 2014: € 0.31 (2013: € 0.26)		21,787		18,251
Interim dividend for 2015: € 0.14 (2014: € 0.10)		9,839		7,020
		31,626		25,271

Proposed for approval by the general meeting
of shareholders (not recognised as a liability as at
31 December)

Dividend on ordinary shares:

Final dividend for 2015: € 0.25 (2014: € 0.31)		17,750		22,010
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35. Fair value of financial instruments

BinckBank has classified its financial instruments that are measured in the balance sheet at fair value in a hierarchy of three levels based on the priority of the input to the valuation. The fair value hierarchy assigns the highest priority to quoted prices in an active market for similar assets and liabilities and the lowest priority for 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 quoted prices in an active market;

Level 2: Measurement techniques using observable market parameters;

Level 3: Measurement techniques using input not based on an observable market and which has a more than immaterial effect on the fair value of the instrument.

Observable input relates to market data obtained from independent sources. Input not based on observable market data is based on subjective assumptions by BinckBank with regard to factors used by market participants to determine the price of an asset or liability developed on the basis of best information available in the circumstances. This input may include factors such as volatility, correlation, spreads to discount rates, default rates, recovery rates, prepayment rates and certain credit spreads. Valuation techniques that depend to a larger extent on non-observable inputs involve a greater contribution from management to determine the fair value.

Where valuation techniques or models are used to determine fair value, they are regularly reviewed and validated by qualified staff who are independent of those who have developed the said techniques or models. Models are calibrated in order to ensure that the results reflect actual data and comparable market prices. If available, models use observable data in order to minimise the use of non-observable inputs. BinckBank makes exclusive use of third-party valuation models and does not make any estimates of its own with regard to the inputs used. All the valuation methods employed are internally evaluated and approved. The majority of the data used in these valuation methods is validated on a daily basis. Valuation methods are inherently subjective. Measuring the fair value of certain financial assets and liabilities is accordingly largely dependent on estimates. The use of other valuation methods and assumptions might produce estimates of fair values that are materially different.

The investment portfolio concerns bonds that are actively traded between professional market participants without the intermediation of a regulated market. Active price quotes are available from brokers on request. Transactions in these bonds are not centrally registered or published by a stock exchange, and BinckBank is therefore of the opinion that there is no demonstrably active market and has classified these instruments as level 2.

No financial assets have been reclassified from one level to a different level in 2015 or 2014.

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

(figures in EUR 1,000, unless otherwise stated)	Level 1	Level 2	Level 3	Total
31 December 2015				
Financial assets held for trading	12,138	159	-	12,297
Financial assets designated at fair value through profit and loss	15,405	-	-	15,405
Available-for-sale financial assets	-	1,167,121	-	1,167,121
Total	27,543	1,167,280	-	1,194,823
Financial liabilities held for trading	12,144	142	-	12,286
Financial liabilities designated at fair value through profit and loss	46	-	-	46
Total	12,190	142	-	12,332
31 December 2014				
Financial assets held for trading	8,110	99	-	8,209
Financial assets designated at fair value through profit and loss	15,942	-	-	15,942
Available-for-sale financial assets	-	1,389,146	-	1,389,146
Total	24,052	1,389,245	-	1,413,297
Financial liabilities held for trading	8,113	177	-	8,290
Financial liabilities designated at fair value through profit and loss	139	-	-	139
Total	8,252	177	-	8,429

As at 31 December 2015, the fair value of held-to-maturity financial assets is € 816.1 million (2014: € 547.9 million), as compared to a carrying value of € 813.5 million (2014: € 545.1 million). For measurement at fair value, this item would be included under level 2 of the fair value hierarchy. All other financial assets and liabilities are financial instruments available on demand, for which the carrying amount is a representative approximation of the fair value.

36. Financial instruments – offsetting financial assets and liabilities

Financial assets and liabilities are set off against each other and the net amount is presented in the balance sheet when there is a legally enforceable right to set off the amounts and an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Generally, this does not apply to master netting agreements, and the assets and liabilities concerned are therefore presented on a gross basis in the balance sheet.

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 must be remembered that the extent to which the total credit risk is reduced can vary significantly within a short period, since the receivable is affected by every transaction under the agreement.

The following tables show which financial assets and liabilities are subject to offsetting within the balance sheet under IAS 32 and the effects of master netting agreements that do not comply with IAS 32:

Financial assets and liabilities subject to offsetting, enforceable master netting agreements and similar agreements

(figures in EUR 1,000, unless otherwise stated)	A	B	C=A-B	D		E=C-D
	Financial assets and liabilities included, gross	Recognised financial assets and liabilities offset in the balance sheet, gross	Financial assets and liabilities included in the balance- sheet, net	Financial instruments	Related amounts not offset in the balance sheet	Collateral received in cash

as at 31 december 2015

Assets

Banks	178,244	-	178,244	(23,582)	-	154,662
Total	178,244	-	178,244	(23,582)	-	154,662
Liabilities						
Banks	23,582	-	23,582	(23,582)	-	-
Total	23,582	-	23,582	(23,582)	-	-

as at 31 december 2014

Assets

Banks	156,013	-	156,013	(25,587)	-	130,426
Total	156,013	-	156,013	(25,587)	-	130,426
Liabilities						
Banks	25,587	-	25,587	(25,587)	-	-
Total	25,587	-	25,587	(25,587)	-	-

37. Financial instruments – remaining contractual maturity of liabilities

The undiscounted liabilities on the basis of the remaining contractual maturity of financial liabilities are as follows:

Value of undiscounted liabilities classified by remaining contractual maturity as at 31 December 2015

(figures in EUR 1,000, unless otherwise stated)	On demand	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Liabilities						
Banks	23,582	-	-	-	-	23,582
Funds entrusted	2,590,044	-	-	-	-	2,590,044
Financial liabilities held for trading	-	142	-	-	12,144	12,286
Financial liabilities designated at fair value through profit and loss	-	46	-	-	-	46
Total	2,613,626	188	-	-	12,144	2,625,958

Value of undiscounted liabilities classified by remaining contractual maturity as at 31 December 2014

(figures in EUR 1,000, unless otherwise stated)	On demand	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Liabilities						
Banks	25,587	-	-	-	-	25,587
Funds entrusted	2,546,029	-	-	-	-	2,546,029
Financial liabilities held for trading	-	177	-	-	8,113	8,290
Financial liabilities designated at fair value through profit and loss	-	139	-	-	-	139
Total	2,571,616	316	-	-	8,113	2,580,045

38. Financial instruments – pledged and encumbered 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. In order to bridge these time differences, BinckBank has pledged part of its investment portfolio of fixed-income securities as collateral with its custodian.

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 the securities received as collateral and may only proceed to selling them if the borrower remains in default. BinckBank has established that all the risks and rewards of these securities are for the customer and therefore has not recognised these securities in the balance sheet.

Transferred financial assets

As part of its liquidity management, BinckBank has repo facilities with several banks. Securities sold under the repo facilities are transferred to a third party, for which BinckBank receives cash. These transactions are effected subject to conditions based on the ISDA rules with regard to collateral. BinckBank has established that it retains more or less all the risks and rewards of these securities – credit risk and market risk in particular – and therefore continues to recognise them in the balance sheet. Furthermore, it assumes a financial liability with regard to the cash to be repaid. BinckBank did not use these facilities in either 2015 or 2014, and accordingly no such positions are recognised in the balance sheet.

The following table lists the value of the financial assets pledged as collateral and/or encumbered.

Assets pledged and/or encumbered

	A Financial assets included, gross	B Encumbered assets	C=A-B Non-encumbered financial assets
(figures in EUR 1,000, unless otherwise stated)			
as at 31 December 2015			
Assets			
Cash and balances at central banks	178,365	-	178,365
Banks	178,244	(35,964)	142,280
Financial assets held for trading	12,297	-	12,297
Financial liabilities designated at fair value through income statement	15,405	(15,405)	-
Available-for-sale financial assets	1,167,121	(207,138)	959,983
Held-to maturity financial assets	813,484	(24,800)	788,684
Loans and receivables	502,006	-	502,006
Total assets	2,866,922	(283,307)	2,583,615
as at 31 December 2014			
Assets			
Cash and balances at central banks	72,427	-	72,427
Banks	156,013	(29,300)	126,713
Financial assets held for trading	8,209	-	8,209
Financial liabilities designated at fair value through income statement	15,942	(15,942)	-
Available-for-sale financial assets	1,389,146	(173,375)	1,215,771
Held-to maturity financial assets	545,108	(25,302)	519,806
Loans and receivables	498,908	-	498,908
Total assets	2,685,753	(243,919)	2,441,834

39. Classification of assets and liabilities by expected maturity

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

(figures in EUR 1,000, unless otherwise stated)	< 12 months	> 12 months	Total
as at 31 December 2015			
Assets			
Cash and balances at central banks	178,365	-	178,365
Banks	174,167	4,077	178,244
Financial assets held for trading	159	12,138	12,297
Financial liabilities designated at fair value through profit and loss	15,405	-	15,405
Available-for-sale financial assets	675,455	491,666	1,167,121
Held-to maturity financial assets	127,346	686,138	813,484
Loans and receivables	502,006	-	502,006
Investments in associates and joint ventures	-	1,227	1,227
Intangible assets	-	190,560	190,560
Property, plant and equipment	-	34,830	34,830
Current tax	7,945	-	7,945
Deferred tax receivable	-	1,121	1,121
Other assets	28,103	-	28,103
Prepayments and accrued income	45,122	-	45,122
Derivative positions held on behalf of clients	260,505	-	260,505
Total assets	2,014,578	1,421,757	3,436,335
Liabilities			
Banks	23,582	-	23,582
Financial liabilities held for trading	142	12,144	12,286
Financial liabilities designated at fair value through profit and loss	46	-	46
Funds entrusted	2,589,714	-	2,589,714
Provisions	7,884	-	7,884
Current tax liabilities	19	-	19
Deferred tax liabilities	(219)	28,093	27,874
Other liabilities	66,080	-	66,080
Accruals and deferred income	10,865	-	10,865
Derivative positions held on behalf of customers	260,505	-	260,505
Total liabilities	2,958,618	40,237	2,998,855
Net	(944,040)	1,381,520	437,480

39. Classification of assets and liabilities by expected maturity (continued)

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

(figures in EUR 1,000, unless otherwise stated) as at 31 December 2014	< 12 months	> 12 months	Total
Assets			
Cash and balances at central banks	72,427	-	72,427
Banks	152,690	3,323	156,013
Financial assets held for trading	98	8,111	8,209
Financial liabilities designated at fair value through profit and loss	15,942	-	15,942
Available-for-sale financial assets	537,519	851,627	1,389,146
Held-to maturity financial assets	-	545,108	545,108
Loans and receivables	498,908	-	498,908
Investments in associates and joint ventures	-	1,293	1,293
Intangible assets	-	213,558	213,558
Property, plant and equipment	-	38,374	38,374
Current tax liabilities	7,011	-	7,011
Other assets	100,598	-	100,598
Prepayments and accrued income	46,970	-	46,970
Derivative positions held on behalf of clients	218,107	-	218,107
Total assets	1,650,270	1,661,394	3,311,664
Liabilities			
Banks	25,587	-	25,587
Financial liabilities held for trading	177	8,113	8,290
Financial liabilities designated at fair value through profit and loss	139	-	139
Funds entrusted	2,545,420	-	2,545,420
Provisions	7,885	-	7,885
Current tax liabilities	71	-	71
Deferred tax liabilities	552	23,852	24,404
Other liabilities	30,543	4	30,547
Accruals and deferred income	10,967	-	10,967
Derivative positions held on behalf of clients	218,107	-	218,107
Total liabilities	2,839,448	31,969	2,871,417
Net	(1,189,178)	1,629,425	440,247

40. Related party disclosures

The consolidated financial statements include the following BinckBank-related parties:

	Main activity	Country	Interest year-end 2015	Interest year-end 2014
<i>Consolidated companies:</i>				
Able Holding B.V.	ICT services	Netherlands	100%	100%
Bewaarbedrijf BinckBank B.V.	Securities custody	Netherlands	100%	100%
Think ETF Asset Management B.V.	Investment management	Netherlands	60%	60%
<i>Associates:</i>				
TOM Holding N.V.	Multilateral trading facility & smart order router	Netherlands	25.5%	25.5%

The group of related parties consists of consolidated entities, joint ventures, associates, and the executive board and supervisory board of BinckBank. The interest shown above is equal to the voting rights held in relation to the company concerned.

Terms and conditions of transactions with related parties

Transactions with related parties are conducted on commercial terms and conditions and at market rates. As at year-end 2015, BinckBank did not recognise any bad debt provisions for receivables from related parties (2014: nil). The need for such provisions is made each year on the basis of an assessment of the financial position of the individual related parties and the markets in which they operate. No guarantees have been issued or received with regard to related parties.

Think ETF Asset Management B.V.

No capital injection was made by the shareholders in 2015 (2014: € 750,000, of which € 450,000 was contributed by BinckBank). BinckBank holds a primary preference on reserves up to an amount of € 1.1 million, followed by a secondary preference of the other shareholders up to an amount of € 1.1 million. The results in the financial year are allocated to the shareholders of BinckBank and the other shareholders according to the preferences as established in the shareholder agreements.

TOM Holding N.V.

In 2015, an additional capital injection of € 664,000 (2014: € 409,000) was paid into the associate TOM Holding N.V. BinckBank provided premises, office automation and administrative services to TOM in 2015, for which a fee of € 221,000 (2014: € 204,000) is recorded.

In 2015, € 3,972,000 (2014: € 4,300,000) was charged to BinckBank by subsidiary companies of TOM Holding N.V. for securities services. At year-end 2015, BinckBank had an account payable to TOM Holding N.V. and its subsidiaries of € 278,000 (2014: € 377,000). In a shareholder agreement and in proportion to their holding, the existing shareholders have granted an option to NASDAQ OMX to increase its holding from 25% to 50.1%, subject to conditions and regulatory approval. This option may be exercised on two occasions each year in a 30-day period following 1 January and 1 July of each year and expiring on 2 July 2018. NASDAQ OMX has not exercised its option in the 30 days following 1 January 2016.

No transactions involving the executive board or the supervisory board took place during the year other than under contracts of employment. See note 30 on Employee expenses and the broad outlines of the remuneration report on page 131 in the annual report for further details.

Transactions with consolidated entities are fully eliminated in the consolidated financial statements.

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

31 December 2015

31 December 2014

41. Commitments and contingent liabilities

Contingent liabilities

Liabilities in respect of contracts of suretyship and guarantees	1,862	2,304
Liabilities in respect of commitments that could result in lending	817	-
Liabilities in respect of irrevocable facilities	-	-

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 (the VEB). If BinckBank terminates the VEB agreement, it will be liable to pay an amount equal to the custody fee and dividend commission paid by each customer of Alex Bottom-Line on entry into the agreement plus the amount of any custody fee and dividend commission additionally paid by each customer on exceeding set limits.

Lease commitments

The company has leases and service contracts for office premises in the Netherlands, Belgium, France, Spain and Italy. It has also entered into operating lease contracts for the vehicle fleet for periods of less than five years and other long term contracts. The combined annual expense relating to office rents, operating lease payments and other long term contracts at year-end 2015 amounts to € 4.2 million (2014: € 3.7 million).

The remaining maturity of the outstanding liabilities is as follows:

(figures in EUR 1,000, unless otherwise stated)	31 December 2015	31 December 2014
Within one year	2,863	2,773
One to five years	3,412	2,375
Longer than five years	670	501

Legal proceedings

BinckBank is involved in various legal proceedings. Although it is not possible to predict the outcome of current or impending lawsuits, the executive board believes – on the basis of information currently available and after taking legal counsel – that the outcomes are unlikely to have material adverse effects on BinckBank's financial position or results, with the exception of the cases reported under the note on provisions.

Alex Asset Management

In the period to 31 December 2015, BinckBank has received complaints from customers stating that they have suffered losses on their investments through the Alex Asset Management product. The Vermogensmonitor, which has announced it is prepared to bring proceedings on behalf of customers against BinckBank with regard to Alex Asset Management, has announced that it will collaborate with the Dutch Investors' Association (Vereniging voor Effectenbezitters, or 'VEB NCVB') to take joint action against Alex Asset Management. As a

result, the risk of class actions or individual legal proceedings brought by customers of Alex Asset Management, and not included in the provision has become realistic.

Legal proceedings concerning TOM

On 22 July 2015, the Court of The Hague issued its judgment in the case brought by Euronext N.V. and Euronext Amsterdam N.V. against TOM Holding N.V., TOM Broker B.V., TOM B.V. and BinckBank N.V.

The Court found in favour of Euronext regarding a number of claims. BinckBank has had to cease certain actions, namely infringement of Euronext's databank rights regarding option series, misleading advertising regarding Smart Execution and the use of certain ticker symbols and data of Euronext. Lastly, BinckBank has placed a text established by the Court on some of its websites. BinckBank is moreover ordered to compensate Euronext for damages to be determined in follow-up proceedings. The executive board has decided to appeal against this Court ruling. The executive board is of the opinion – based on information currently available and after taking legal counsel – that the amount of these damages cannot be reliably established at this time.

International services subject to foreign legislation

BinckBank procures international services from data and other suppliers that may be subject to foreign legislation, meaning there is an inherent risk of differences in interpretation. The executive board believes that while the outcome of discussions regarding such differences in interpretation is uncertain when they do arise, there is currently no reason to assume that this could have material adverse effects on BinckBank's financial position or results.

Deposit guarantee scheme

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

As from 26 November 2015, the funding of the deposit guarantee scheme was changed from an ex-post basis to an ex-ante basis. As from the first quarter of 2016, the banks will have to contribute a sum to a fund for the deposit guarantee scheme. The Stichting Depositogarantiefonds is the owner of the fund and its resources are not refundable. De Nederlandsche Bank manages the assets of the deposit guarantee fund and thereby acts as the agent of the Stichting. The deposit guarantee fund should increase to 1% of the deposits guaranteed under the DGS in approximately 10 years, which equates approximately to € 4 billion. The intended capital of 1% of the guaranteed deposits is determined per bank. If the resources of the deposit guarantee fund are not sufficient for compensation, the remainder will be recovered from the banks on a pro rata basis.

Investor Compensation Scheme

The investor compensation scheme protects private investors and "small" businesses who have entrusted money or financial instruments (such as securities or options) to a licensed bank or investment institution on the basis of an investment service. While banks and investment firms in the Netherlands are subject to regulation by DNB and the AFM, the possibility that a bank or investment firm will encounter payment problems cannot be ruled out. In this case, the investor compensation system guarantees a minimum level of protection in the event that the bank or investment firm cannot meet its obligations arising from the investment services it provides to its clients. Briefly, claims (in cash or securities) relating to the performance of certain services and investment services are eligible for payment. This concerns investor's cash or securities held in connection with these investment or other services, which cannot be repaid to the investor in the event that a bank or investment firm is unable to meet its obligations to its investment clients. Investment losses on financial instruments are not covered by the scheme. The investor compensation scheme provides a guarantee of up to € 20,000 per person per institution.

42. Segment information

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. The organisational and management structure of BinckBank was changed in the second quarter of 2015 following the strategic choices to keep the focus on the Retail market. The segment focused on Professional Services is no longer included as a separate pillar in the management information. This has resulted in a shift within the management of the organisation and, as a result, in the segmented information, from a main segmentation by specific economic market (Retail, Professional Services and Group operations) to a geographical segmentation. From an organisational perspective, the operations of BinckBank are now 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. As at 31 December 2015, the business segments are as follows:

- The Netherlands
- Belgium
- France
- Italy
- Group operations

The comparative figures for last year have been adjusted to the new form of segmentation.

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. Netherlands and Belgium also include services to professional counterparties. The Netherlands also includes asset management services, the issue of financial instruments and the results from the BPO operations. All directly attributable income and expenses are recognised within the aforementioned geographical segments, together with the attributed costs of the Group operations.

The item Group operations includes the departments directly managed by the executive board and for which the income and expenses are not included in one of the other business segments. This includes the expenses of the central ICT, operations and staff departments. In addition, all results from Think ETF Asset Management B.V. and Able Holding B.V. are recognised under Group operations. The allocation of Group operations to the geographical segments is carried out on the basis of 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 2015 and 2014, no customer or group of associated customers was responsible for more than 10% of the bank's total income.

The analysis below shows the geographical distribution of income from operating activities and the property, plant and equipment and intangible assets of BinckBank. Income is allocated on the basis of the country of domicile of the branch where the account is opened, and the property, plant and equipment and intangible assets on the basis of the country in which the assets are held.

Segmentation of financial information by region

	2015					
(figures in EUR 1,000, unless otherwise stated)	Netherlands	Belgium	France	Italy	Inter- company activities	Total
Company profit and loss account						
Interest income	21,647	1,378	2,587	1,220	2,748	29,580
Interest expense	(1,055)	(46)	(41)	(126)	(2,588)	(3,856)
Net interest income	20,592	1,332	2,546	1,094	160	25,724
Fees and commission income	123,565	15,897	10,040	3,801	2,523	155,826
Fees and commission expense	(16,694)	(2,948)	(2,301)	(2,224)	(198)	(24,365)
Net fee and commission income	106,871	12,949	7,739	1,577	2,325	131,461
Other income	2,040	2	24	0	8,881	10,947
Result from financial instruments	2,045	12	0	0	(26)	2,031
Impairment of financial assets	10	1	3	1	0	15
Total income from operating activities	131,558	14,296	10,312	2,672	11,340	170,178
Employee expenses	9,261	2,610	2,695	1,288	37,161	53,015
Depreciation and amortisation	21,828	11	5	75	5,334	27,253
Other operating expenses	16,140	4,243	3,502	1,956	24,269	50,110
Total operating expenses	47,229	6,864	6,202	3,319	66,764	130,378
Result from operating activities	84,329	7,432	4,110	(647)	(55,424)	39,800
Internal cost allocation	(45,563)	(5,025)	(5,405)	(3,396)	59,389	0
Result from operating activities after Internal Cost Allocation	38,766	2,407	(1,295)	(4,043)	3,965	39,800
Share in results of associates and joint ventures						(730)
Result before tax						39,070
Income tax expense						(8,368)
Net result						30,702
Investments in intangible fixed assets	188,668	85	20	91	36,526	225,390
Total assets	2,696,943	387,983	181,731	114,345	55,333	3,436,335
Total liabilities	2,317,648	379,813	176,509	111,879	13,006	2,998,855

Segmentation of financial information by region (continued)

(figures in EUR 1,000, unless otherwise stated)	2014					Inter- company activities	Total
	Netherlands	Belgium	France	Italy			
Company profit and loss account							
Interest income	25,343	1,760	3,336	843	844		32,126
Interest expense	(2,345)	(60)	(93)	(311)	(820)		(3,629)
Net interest income	22,998	1,700	3,243	532	24		28,497
Fees and commission income	122,137	14,999	10,259	3,122	1,947		152,464
Fees and commission expense	(18,901)	(2,866)	(2,280)	(2,156)	(310)		(26,513)
Net fee and commission income	103,236	12,133	7,979	966	1,637		125,951
Other income	2,051	2	23	0	9,026		11,102
Result from financial instruments	501	0	0	0	(150)		351
Impairment of financial assets	(123)	(5)	(36)	(4)	0		(168)
Total income from operating activities	128,663	13,830	11,209	1,494	10,537		165,733
Employee expenses	11,097	2,918	2,852	1,202	38,517		56,586
Depreciation and amortisation	21,728	31	7	81	5,828		27,675
Other operating expenses	25,098	4,549	4,491	2,778	20,208		57,124
Total operating expenses	57,923	7,498	7,350	4,061	64,553		141,385
Result from operating activities	70,740	6,332	3,859	(2,567)	(54,016)		24,348
Internal cost allocation	(43,408)	(4,032)	(3,277)	(3,089)	53,806		0
Result from operating activities after Internal Cost Allocation	27,332	2,300	582	(5,656)	(210)		24,348
Share in results of associates and joint ventures							12,674
Result before tax							37,022
Income tax expense							(5,555)
Net result							31,467
Investments in intangible fixed assets	210,341	258	7	164	41,162		251,932
Total assets	2,621,618	364,230	194,505	78,685	52,626		3,311,664
Total liabilities	2,229,641	358,268	190,549	76,703	16,256		2,871,417

43. Post balance sheet events

Share Buy-back Program

In accordance with her capital management policies BinckBank launched a share repurchase program. The current capital and liquidity position and the economic outlook provides a good basis for the program. BinckBank will commence with the share buy-back program while maintaining a robust capital position and an attractive dividend yield. In the period to July 2017 BinckBank will repurchase shares up to a total consideration of € 25 million. Each Friday after closing of Euronext Amsterdam BinckBank will disclose the number of shares repurchased during that week through a press release. The buy-back program will be executed taking into account the authorization provided for this purpose by the General Meeting of April 30, 2015.

There were no other events after the balance sheet date that result in material adjustments.

Company balance sheet (before appropriation of profit)

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

Note

31 December 2015

31 December 2014

Assets

Cash and balances at central banks	c	178,365	72,427
Banks	d	170,420	150,094
Loans and receivables	e	502,006	498,728
Bonds and other fixed-income securities	f	1,980,605	1,934,254
Equities and other non-fixed-income securities	g	15,564	16,041
Investment in associates and joint ventures	h	6,759	3,151
Intangible assets	i	190,300	213,235
Property, plant and equipment	j	34,363	37,836
Current tax	k	7,635	7,011
Other assets	m	38,335	107,009
Prepayments and accrued income	n	48,727	51,708
Derivative positions held on behalf of customers	19	260,505	218,107
Total assets		3,433,584	3,309,601

Liabilities

Banks	d	23,582	25,587
Funds entrusted	o	2,589,714	2,545,420
Current tax	k	19	37
Deferred tax	l	27,874	24,404
Other liabilities	p	77,638	38,032
Accruals and deferred income	q	10,184	10,102
Derivative positions held on behalf of customers	19	260,505	218,107
Provisions	r	7,884	7,885
Total liabilities		2,997,400	2,869,574

Issued share capital		7,100	7,100
Share premium		361,379	361,379
Treasury shares		(4,979)	(5,570)
Revaluation reserve		1,526	3,777
Other reserves		51,371	48,807
Unappropriated profit		19,787	24,534
Equity	s	436,184	440,027
Total liabilities		3,433,584	3,309,601

Company income statement

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

2015

2014

Share in results in associates and joint ventures (after tax)		2,944	15,820
Other results (after tax)		26,682	15,734
Net result		29,626	31,554

Company statement of changes in equity

(figures in EUR 1,000, unless otherwise stated)	Note	Issued share capital	Share premium reserve	Treasury share	Revalu- ation reserve	Other reserves	Unappro- priated profit	Total equity
1 January 2015		7,100	361,379	(5,570)	3,777	48,807	24,534	440,027
Unrealised gain on available-for-sale assets (after tax)	s	-	-	-	(2,251)	-	-	(2,251)
Realisation of revaluations through profit and loss	s	-	-	-	-	-	-	-
Result recognised directly in equity		-	-	-	(2,251)	-	-	(2,251)
Result for the year		-	-	-	-	-	29,626	29,626
Total income and expenses		-	-	-	(2,251)	-	29,626	27,375
Payment of final dividend FY14	s	-	-	-	-	-	(21,787)	(21,787)
Payment of interim dividend FY15	s	-	-	-	-	-	(9,839)	(9,839)
Grant of rights to shares	s	-	-	-	-	408	-	408
Issue of shares to executive board and employees	s	-	-	591	-	(591)	-	-
Transfer of retained earnings to other reserves		-	-	-	-	2,747	(2,747)	-
31 December 2015		7,100	361,379	(4,979)	1,526	51,371	19,787	436,184

(figures in EUR 1,000, unless otherwise stated)	Note	Issued share capital	Share premium reserve	Treasury share	Revalu- ation reserve	Other reserves	Unappro- priated profit	Total equity
1 January 2014		7,450	373,422	(30,340)	2,124	59,720	19,248	431,624
Unrealised gain on available-for-sale assets (after tax)	s	-	-	-	1,659	-	-	1,659
Realisation of revaluations through profit and loss	s	-	-	-	(6)	-	-	(6)
Result recognised directly in equity		-	-	-	1,653	-	-	1,653
Result for the year		-	-	-	-	-	31,554	31,554
Total income and expenses		-	-	-	1,653	-	31,554	33,207
Payment of final dividend FY13	s	-	-	-	-	-	(18,251)	(18,251)
Payment of interim dividend FY14	s	-	-	-	-	-	(7,020)	(7,020)
Grant of rights to shares	s	-	-	-	-	467	-	467
Issue of shares to executive board and employees	s	-	-	545	-	(545)	-	-
Buy-back shares	s	(350)	(12,043)	24,225	-	(11,832)	-	-
Transfer of retained earnings to other reserves		-	-	-	-	997	(997)	-
31 December 2014		7,100	361,379	(5,570)	3,777	48,807	24,534	440,027

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 Strozzielaan 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 services. Hereinafter, 'BinckBank' refers to BinckBank N.V. and to its various subsidiaries.

The company financial statements for BinckBank for the period ending on 31 December 2015 have been prepared by the executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 10 March 2016.

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)
C.J. van der Weerdt-Norder
L. Deuzeman
J.M.A. Kemna
A. Soederhuizen

b. Accounting policies

General

The company financial statements of BinckBank N.V. have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. As the income statement of BinckBank N.V. for 2015 is included in the consolidated financial statements, a summary income statement is sufficient in accordance with Section 402 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 following:

Associates

The investments in group companies 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

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

31 December 2015

31 December 2014

c. Cash and balances at central banks

178,365

72,427

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.

d. Banks

Bank balances

170,420

150,094

This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by bank regulators.

This item comprises:

Credit balances available on demand

139,170

121,216

Call money

11

11

Mandatory reserve deposits

27,162

25,544

Receivable from DNB in relation to the Deposit Guarantee Scheme for DSB Bank

4,077

3,323

170,420

150,094

The call money receivables have original maturities of less than three months. Interest is received on these balances at a variable rate based on market rates.

For the receivable from DNB in relation to the Deposit Guarantee Scheme for DSB Bank pertains to the cash-converted receivable of the future expected cash flows. In 2015, no payments from the estate were made (2014: 6.1 million euros). As from 31 December 2015, no loss against this claim is to be expected, and the provision previously created for this is entirely released.

Due to banks

23,582

25,587

BinckBank has sweeping arrangements with various banks whereby the debit and credit balances in a large number of bank accounts are regulated with a fixed treasury contra-account. This is only visible on the statement for the next business day. Therefore at year-end BinckBank may have a liability on a single bank account for a very short period.

e. Loans and receivables

This item comprises receivables from clients, including overnight loans and overdrafts that are collateralised by securities and bank guarantees (lending against securities).

The analysis is as follows:

	502,006	498,728
Public sector loan	-	138,000
Receivables collateralised by securities	498,722	357,637
Receivables collateralised by bank guarantees	3,242	3,047
Other receivables	503	525
Loans and receivables, gross	502,467	499,209
Less: impairment provision	(461)	(481)
	502,006	498,728

The interest rate is based on EURIBOR or EONIA. Other receivables refers to remaining amounts receivable after execution of collateral (securities and bank guarantees).

f. Bonds and other fixed-income securities

This comprises the investment portfolio consisting of:

	1,980,605	1,934,254
- Available-for-sale financial assets	1,167,121	1,389,146
- Held-to-maturity financial assets	813,484	545,108
	1,980,605	1,934,254

Available-for-sale financial assets

This item comprises:

Government bonds / government-guaranteed bonds	317,184	473,624
Other bonds	849,937	915,522
	1,167,121	1,389,146

This item concerns a portfolio of interest-bearing securities with remaining maturities of between 0 and 3.5 years. At year-end 2015 the effective yield on this portfolio was 0.54% (2014: 0.67%).

Held-to maturity financial assets

This item comprises:

Government bonds / government-guaranteed bonds	464,556	332,031
Other bonds	348,928	213,077
	813,484	545,108

BinckBank maintains a portfolio of financial assets until maturity, with the primary object of covering the cash flows from interest and redemption.

This item concerns a portfolio of interest-bearing securities with remaining maturities of between 1 and 3 years. At year-end 2015 the effective yield on this portfolio was 0.33% (2014: 0.45%).

g. Equities and other non-fixed-income securities

15,564 16,041

The trading portfolio comprises:

SRD derivatives liabilities	159	99	
Equity positions in relation to SRD liabilities	15,405	15,942	
	15,564	16,041	

BinckBank offers SRD (Service de Règlement Différé) contracts in France. For further information regarding this financial instrument, see note 8 to the consolidated financial statements.

h. Investment in associates

6,759 3,151

This item comprises:

Group companies	5,532	1,858	
Other associates	1,227	1,293	
	6,759	3,151	

Movements during the year were as follows:

Balance at 1 January	3,151	4,774	
Capital increases and acquisitions	664	4,859	
Divestments (BeFrank)	-	(19,500)	
Dividends, capital refunds and dissolutions	-	(1,000)	
Reclassification as a result of intercompany transactions	-	(1,802)	
Result in associates and joint ventures	2,944	15,820	
Balance at 31 December	6,759	3,151	

The item investment in associates and joint ventures includes among others investments in TOM Holding N.V. in 2015 and TOM Holding N.V. and Think ETF Asset Management B.V. (formerly ThinkCapital Holding B.V.) in 2014.

The item divestments relates to the sale of the share in the joint venture BeFrank in July 2014.

The item dividends, capital refunds and dissolutions relates to the dividends received from Able Holding B.V.

Overview of group companies

The following statement lists the group companies.

	Place	Land	Interest year-end 2015	Interest year-end 2014
Bewaarbedrijf BinckBank B.V.	Amsterdam	Nederland	100%	100%
Able Holding B.V.	Reeuwijk	Nederland	100%	100%
Think ETF Asset Management B.V.	Amsterdam	Nederland	60%	60%

For the capital holdings mentioned above, see note 12 to the consolidated statement of financial position on associates.

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

31 December 2015

31 December 2014

i. Goodwill and intangible assets

The movements in 2015 were as follows:

	Handels-naam	Toevertrouwde middelen	Klant relaties	Software	Goodwill	Total
Balance as at 1 January 2015	315	25,228	39,912	2,898	144,882	213,235
Investments	-	-	-	25	-	25
Disposals - cost	-	-	-	-	-	-
Disposals - cumulative amortisation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Amortisation	(70)	(8,409)	(13,238)	(1,243)	-	(22,960)
Balance as at 31 December 2015	245	16,819	26,674	1,680	144,882	190,300
Cumulative cost	31,755	84,095	131,708	9,997	144,882	402,437
Cumulative depreciation and impairment	(31,510)	(67,276)	(105,034)	(8,317)	-	(212,137)
Balance as at 31 December 2015	245	16,819	26,674	1,680	144,882	190,300
Amortisation period (years)	5	10	5 - 10	5		

The movements in 2014 were as follows:

	Handels-naam	Toevertrouwde middelen	Klant relaties	Software	Goodwill	Total
Balance as at 1 January 2014	-	33,638	52,423	3,691	142,882	232,634
Investments	350	-	650	524	2,000	3,524
Disposals - cost	-	-	-	(13)	-	(13)
Disposals - cumulative amortisation	-	-	-	13	-	13
Impairment	-	-	-	-	-	-
Amortisation	(35)	(8,410)	(13,161)	(1,317)	-	(22,923)
Balance as at 31 December 2014	315	25,228	39,912	2,898	144,882	213,235
Cumulative cost	31,755	84,095	131,708	9,972	144,882	402,412
Cumulative depreciation and impairment	(31,440)	(58,867)	(91,796)	(7,074)	-	(189,177)
Balance as at 31 December 2014	315	25,228	39,912	2,898	144,882	213,235
Amortisation period (years)	5	10	5 - 10	5		

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

31 December 2015

31 December 2014

j. Property, plant and equipment

34,363

37,836

The movements in 2015 were as follows:

	Onroerende zaken	Inrichting en inventarisatie	Computer hardware	Overig	Total
Balance as at 1 Januari 2015	27,058	5,203	5,572	3	37,836
Investments	-	112	487	48	647
Disposals - cost	-	(226)	-	-	(226)
Disposals - cumulative depreciation	-	46	-	-	46
Depreciation	(619)	(1,106)	(2,212)	(3)	(3,940)
Balance as at 31 December 2015	26,439	4,029	3,847	48	34,363
 Cumulative cost	 29,827	 9,603	 24,199	 60	 63,689
Cumulative depreciation and impairment	(3,388)	(5,574)	(20,352)	(12)	(29,326)
Balance as at 31 December 2015	26,439	4,029	3,847	48	34,363
 Depreciation period in years	 50	 5 - 10	 5	 5	

The movements in 2014 were as follows:

	Onroerende zaken	Inrichting en inventarisatie	Computer hardware	Overig	Total
Balance as at 1 Januari 2014	27,677	5,713	5,440	5	38,835
Investments	-	618	2,759	-	3,377
Disposals - cost	-	(6)	(20)	-	(26)
Disposals - cumulative depreciation	-	6	20	-	26
Depreciation	(619)	(1,128)	(2,627)	(2)	(4,376)
Balance as at 31 December 2014	27,058	5,203	5,572	3	37,836
 Cumulative cost	 29,827	 9,717	 23,712	 12	 63,268
Cumulative depreciation and impairment	(2,769)	(4,514)	(18,140)	(9)	(25,432)
Balance as at 31 December 2014	27,058	5,203	5,572	3	37,836
 Depreciation period in years	 50	 5 - 10	 5	 5	

The investment in real estate includes prepayments in relation to a leasehold (operating lease) which expires on 15 April 2056. In 2015, an amount of € 256,000 in relation to amortisation of the leasehold is included in depreciation and amortisation (2014: € 256,000).

The depreciation of 2015 includes € 269,000 as additional depreciation on part of the fixed assets based on the annual reassessment of the depreciation period.

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

31 December 2015

31 December 2014

k. Current tax

Current tax assets		7,635		7,011
Current tax liabilities		(19)		(37)
Total asset/(liabilities)		7,616		6,974

The balance at year-end relates to the last two financial years.

l. Deferred tax

Deferred tax liability		27,874		24,404
Origin of deferred tax liabilities:				
Available-for-sale financial assets	418		1,035	
Goodwill and other intangible assets	27,177		22,862	
Afschrijvingstermijnverschillen vaste activa	879		1,281	
Temporary differences as a result of intercompany transactions	(697)		(929)	
Other obligations	97		155	
Net tax liability	27,874		24,404	

m. Other assets

This item comprises:		38,335		107,009
Trade receivables	194		262	
Receivables relating to securities sold, but not yet delivered	16,721		95,235	
Derivative financial instruments	12,138		8,110	
Other receivables	9,282		3,402	
	38,335		107,009	

Trade receivables, receivables relating to securities sold but not yet delivered and other receivables will be settled within 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 marketvalue of the turbo's purchased by BinckBank as hedge of the market risk on the issued turbo's. The market value of these derivative financial instruments contains a haircut for the counterparty credit risk exposure. The other receivables pertain primarily to prepaid customer charges and a receivable for securities in the Italian branch.

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

31 December 2015

31 December 2014

n. Prepayments and accrued income

48,727

51,708

This item comprises:

Interest receivable	27,268	31,750
Commission receivable	11,007	7,885
Other prepayments and accrued income	10,452	12,073
	48,727	51,708

The commission receivable contains in addition to the regular commission also the receivable relating to the performance related management fee. The other prepayments and accrued income contains mainly the prepaid IT licenses and maintenance contracts.

o. Funds entrusted

2,589,714

2,545,420

This item comprises:

Demand deposits in customer savings accounts	221,225	290,366
Demand deposits in customer current accounts	2,368,489	2,255,054
	2,589,714	2,545,420

p. Other liabilities

77,638

38,032

This item comprises:

SRD derivatives liabilities	142	177
Derivative financial instruments	12,144	8,113
Equity positions in relation to SRD liabilities	46	139
Liabilities in respect of securities transactions not yet settled	51,774	17,231
Tax and social security contributions	4,644	5,236
Amounts owed to group companies	124	124
Trade payables	3,204	4,034
Other liabilities	5,560	2,978
	77,638	38,032

BinckBank offers SRD (Service de Règlement Différé) contracts in France. For further information regarding this financial instrument, see note 8 to the consolidated financial statements. The derivative financial instruments contain the market value of the turbo's issued by BinckBank. The market risk of these turbos is hedged by purchasing a turbo with identical characteristics. The market value of these derivative financial instruments contains a haircut for the own credit risk exposure. The item liabilities in respect of securities transactions not yet settled can fluctuate on a daily basis in line with movements in the market and the total size of the number of transactions. The other liabilities pertain primarily a receivable for securities in the Italian branch.

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

31 December 2015

31 December 2014

q. Accruals and deferred income

This item comprises:

	10,184	10,102
Accrued interest	350	619
Personnel costs	6,319	6,040
Stock exchange and clearing costs payable	518	854
Other accruals and deferred income	2,997	2,589
	<hr/> 10,184	<hr/> 10,102

Employee expenses mostly concern performance-related pay to board members and employees of BinckBank.

r. Provisions

This item comprises:

	7,884	7,885
Provision for legal disputes	<hr/> 7,884	<hr/> 7,885

The movement in the provision for legal provisions was as follows:

Balance at 1 January	7,885	4,532	4,532
Arising during the year	8,011	4,759	4,759
Utilised	(819)	(731)	(731)
Unused amounts reversed	(7,193)	(675)	(675)
Balance as at 31 December	<hr/> 7,884	<hr/> 7,885	<hr/> 7,885

The provision is an estimate of the potential loss for BinckBank as a result of legal proceedings instituted against BinckBank.

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

31 December 2015

31 December 2014

s. Equity

436,184

440,027

Issued share capital

7,100

7,100

The share capital comprise of a number of 100,000,000 ordinary shares and 50 priority shares each of a nominal value of € 0.10. A total of 71,000,000 ordinary shares were in issue. The share capital is fully paid up.

	Number	Amount	Number	Amount
Balance as at 1 January	71,000,000	7,100	74,500,000	7,450
Cancellation of shares	-	-	(3,500,000)	(350)
Balance as at 31 December	71,000,000	7,100	71,000,000	7,100

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

Share premium reserve

361,379

361,379

Balance as at 1 January	361,379	373,422
Repurchase treasury shares	-	(12,043)
Balance as at 31 December	361,379	361,379

The share premium is exempt from tax and freelydistributable.

Treasury shares

(4,979)

(5,570)

	Number	Amount	Number	Amount
Balance as at 1 January	804,674	(5,570)	4,383,380	(30,340)
Issued to executive board and employees	(85,397)	591	(78,706)	545
Cancellation of shares	-	-	(3,500,000)	24,225
Balance as at 31 December	719,277	(4,979)	804,674	(5,570)

As at 1 January 2015, the number of treasury shares held was 804,674, acquired at an average purchase price of € 6.92.

In 2015, 85,397 shares were granted to the executive board and employees in connection with the settlement of the remuneration policy at an average purchase price of € 6.92.

The carrying amount of the treasury shares at year-end 2015 are measured at the average purchase price of € 6.92. The change in equity in respect of treasury shares reflects the amounts bought and sold. The quoted share price at year-end 2015 was € 7.95 (2014: € 7.05).

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

31 December 2015

31 December 2014

Revaluation reserve		1,526		3,777
Balance as at 1 January	3,777		2,124	
Movement in fair value	(2,869)		1,986	
Realised revaluation through the income statement	-		(6)	
Tax on unrealised result on available-for-sale financial assets	618		(327)	
Balance as at 31 December	1,526		3,777	

The reserve comprises the fair value changes, after tax, on available-for-sale financial assets.

In the determination of the distributable profit, any negative revaluation reserve is deducted from the reserves available for distribution.

Other reserves		51,371		48,807
Balance as at 1 January	48,807		59,720	
Grant of rights to shares	408		467	
Shares sold to executive board and employees	(591)		(545)	
Cancellation of shares	-		(11,832)	
Appropriation of result for previous year	2,747		997	
Balance as at 31 December	51,371		48,807	

Unappropriated result		19,787		24,534
Balance as at 1 January	24,534		19,248	
Payment of final dividend	(21,787)		(18,251)	
Addition to/(reduction from) other reserves	(2,747)		(997)	
Result for the year	29,626		31,554	
Payment of interim dividend current year	(9,839)		(7,020)	
Balance as at 31 December	19,787		24,534	

t. Employee data

	2015	2014
<i>Number of employees (including executive directors)</i>		
Average during the financial year (number of FTE) of which located in the Netherlands	598 504	586 495
End of the financial year (number of employees) of which located in the Netherlands	608 510	587 495
(figures in EUR 1,000, unless otherwise stated)		
<i>Employee expenses in the financial year – executive and supervisory directors</i>		
Salaries	814	1,085
Social security contributions	20	30
Pension costs	163	217
Performance-related pay	589	732
Severance payments	-	400
Remuneration of supervisory directors	294	180
Total	1,880	2,644

The information on the remuneration of members of the executive board and members of the supervisory board is presented in the consolidated financial statements.

u. 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 Netherlands Civil Code:

(figures in EUR 1,000, unless otherwise stated)	Deloitte Accountants B.V.	Deloitte affiliates	Total
2015			
Audit of the financial statements	393	42	435
Other audit assignments	79	18	97
Other non-audit services	-	-	-
	472	60	532
2014			
Audit of the financial statements	393	42	435
Other audit assignments	79	18	97
Other non-audit services	-	-	-
	472	60	532

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

2015

2014

v. Commitments and contingent liabilities

Contingent liabilities

Liabilities in respect of contracts of suretyship and guarantees	1,738	2,181
Liabilities in respect of commitments that could result in lending	817	-
Liabilities in respect of irrevocable facilities	-	-

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 (the VEB). If BinckBank terminates the VEB agreement, it will be liable to pay an amount equal to the custody fee and dividend commission paid by each customer of Alex Bottom-Line on entry into the agreement plus the amount of any custody fee and dividend commission additionally paid by each customer on exceeding set limits.

Lease commitments

The company has leases and service contracts for office premises in the Netherlands, Belgium, France, Spain and Italy. It has also entered into operating lease contracts for the vehicle fleet for periods of less than five years and other long term contracts. The combined annual expense relating to office rents, operating lease payments and other long term contracts at year-end 2015 was € 3.6 million (2014: € 1.5 million).

The remaining maturity of the outstanding liabilities is as follows:

(figures in EUR 1,000, unless otherwise stated)	2015	2014
De verplichtingen naar resterende looptijd zijn als volgt:		
Within one year	2,288	1,704
One to five years	2,150	1,594
Longer than five years	443	501

Legal proceedings

BinckBank is involved in various legal proceedings. Although it is not possible to predict the outcome of current or impending lawsuits, the executive board believes – on the basis of information currently available and after taking legal counsel – that the outcomes are unlikely to have material adverse effects on BinckBank's financial position or results, with the exception of the cases reported under the note on provisions.

Alex Asset Management

In 2015, BinckBank received complaints from customers stating that they have suffered losses on their investments through the Alex Asset Management product. The Vermogensmonitor, which has announced it is prepared to bring proceedings on behalf of customers against BinckBank with regard to Alex Asset Management, has announced that it will collaborate with the Dutch Investors' Association (Vereniging voor Effectenbezitters, or 'VEB NCVB') to take joint action against Alex Asset Management. As a result, the risk of class actions or individual legal proceedings brought by customers of Alex Asset Management, and not included in the provision has become realistic.

Legal proceedings concerning TOM

On 22 July 2015, the Court of The Hague issued its judgment in the case brought by Euronext N.V. and Euronext Amsterdam N.V. against TOM Holding N.V., TOM Broker B.V., TOM B.V. and BinckBank N.V. The Court found in favour of Euronext regarding a number of claims. BinckBank has had to cease certain actions, namely an infringement of Euronext's databank rights regarding option series, misleading advertising regarding Smart Execution and the use of certain ticker symbols and data of Euronext. Lastly, BinckBank has placed a text established by the Court on some of its websites. BinckBank is moreover ordered to compensate Euronext for damages to be determined in follow-up proceedings. The executive board has decided to appeal against this Court ruling. The executive board is of the opinion – based on information currently available and after taking legal counsel – that the amount of the damages cannot be reliably established at this time.

International services subject to foreign legislation

BinckBank procures international services from data and other suppliers that may be subject to foreign legislation, meaning there is an inherent risk of differences in interpretation. The executive board believes that while the outcome of discussions regarding such differences in interpretation is uncertain when they do arise, there is currently no reason to assume that this could have material adverse effects on BinckBank's financial position or results.

Deposit guarantee scheme

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

As from 26 November 2015, the funding of the deposit guarantee scheme was changed from an ex-post basis to an ex-ante basis. As from the first quarter of 2016, the banks will have to contribute a sum to a fund for the deposit guarantee scheme. The Stichting Depositogarantiefonds is the owner of the fund and its resources are not refundable. De Nederlandsche Bank manages the assets of the deposit guarantee fund and thereby acts as the agent of the Stichting. The deposit guarantee fund should increase to 1% of the deposits guaranteed under the DGS in approximately 10 years, which equates approximately to € 4 billion. The intended capital of 1% of the guaranteed deposits is determined per bank. If the resources of the deposit guarantee fund are not sufficient for compensation, the remainder will be recovered from the banks on a pro rata basis.

Investor Compensation Scheme

The investor compensation scheme protects private investors and “small” businesses who have entrusted money or financial instruments (such as securities or options) to a licensed bank or investment institution on the basis of an investment service. While banks and investment firms in the Netherlands are subject to regulation by DNB and the AFM, the possibility that a bank or investment firm will encounter payment problems cannot be ruled out. In this case, the investor compensation system guarantees a minimum level of protection in the event that the bank or investment firm cannot meet its obligations arising from the investment services it provides to its clients. Briefly, claims (in cash or securities) relating to the performance of certain services and investment services are eligible for payment. This concerns investor’s cash or securities held in connection with these investment or other services, which cannot be repaid to the investor in the event that a bank or investment firm is unable to meet its obligations to its investment clients. Investment losses on financial instruments are not covered by the scheme.

The investor compensation scheme provides a guarantee of up to € 20,000 per person per institution.

Other information

Post balance sheet events

Share Buy-back Program

In accordance with her capital management policies BinckBank launched a share repurchase program. The current capital and liquidity position and the economic outlook provides a good basis for the program. BinckBank will commence with the share buy-back program while maintaining a robust capital position and an attractive dividend yield. In the period to July 2017 BinckBank will repurchase shares up to a total consideration of € 25 million. Each Friday after closing of Euronext Amsterdam BinckBank will disclose the number of shares repurchased during that week through a press release. The buy-back program will be executed taking into account the authorization provided for this purpose by the General Meeting of April 30, 2015.

There were no other events after the balance sheet date that result in material adjustments.

Independent auditor's report

To: The shareholders and Supervisory Board of BinckBank N.V.

Report on the audit of the financial statements 2015

Our opinion

We have audited the financial statements 2015 of BinckBank N.V. (the company), based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the consolidated financial statements give a true and fair view of the financial position of BinckBank N.V. as at December 31, 2015, and of its result and its cash flows for 2015 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 company financial statements give a true and fair view of the financial position of BinckBank N.V. as at December 31, 2015, and of its result for 2015 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 December 31, 2015;
2. the following statements for 2015: the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated changes in equity; and
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 December 31, 2015;
2. the company income statement and the company changes in equity for 2015; and
3. the notes comprising a summary of the significant 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 "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" ('ViO') and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" ('VGBA').

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

As part of our audit we have determined materiality and used it to identify the risk of a material misstatement in the financial statements. In particular we have assessed those accounts with a relatively high level of subjectivity; there where estimates with regard to uncertain future developments occur. We specifically paid attention to the risk of management overriding internal controls and to the risk of material misstatements as a result of fraud. Additionally, we have taken continuity and reliability of the information technology environment into account during our audit procedures.

Materiality

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.

Based on our professional judgment we determined the materiality for the financial statements as a whole at € 1.950.000. The materiality is based on 5% of profit before tax. 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.

Overview materiality

Materiality for the financial statements as a whole	EUR 1,950,000
Benchmark for materiality	5% of profit before tax
Threshold for clearly trivial misstatements	EUR 97,500

We agreed with the Supervisory Board that misstatements in excess of € 97.500, 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 head of a group of entities. The financial information of this group is included in the consolidated financial statements of BinckBank N.V.

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.

The Dutch group entities have been audited by us. We have made use of component auditors from the Deloitte network to perform specific audit procedures on the branches in Belgium, France and Italy. With respect to the other parts we have performed review or specific audit procedures.

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 on the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, 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, completeness and accuracy of interest income and fee and commission income

Key audit matter

BinckBank N.V. has several income sources of which interest income and fee and commission income are the most significant.

Audit procedures performed

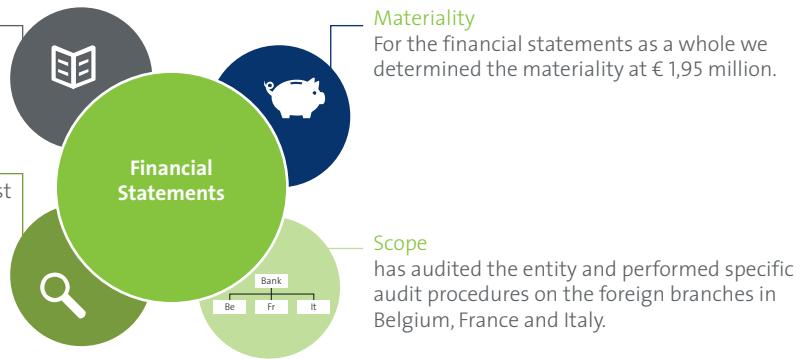
We have tested the design, implementation and operating effectiveness of the (application) controls with

Executive report

- Prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code
- Is consistent with the financial statements

Key matters

- Cut-off, completeness and accuracy of interest income and commission fee income
- Valuation of intangible fixed assets
- Reliability and continuity of the automated systems
- Legal disputes and compliance with law and regulations



respect to the cut-off, completeness 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 based on the underlying pricing arrangements. Finally, we have evaluated the internal accounting policies for compliance with EU-IFRS.

Valuation of goodwill

Key audit matter

BinckBank N.V. has capitalized € 145 million of goodwill. Given the relative size of this balance in combination with the estimation uncertainty we have decided to classify the valuation of goodwill as a key audit matter.

Audit procedures performed

We have tested the assumptions of management and the impairment model with respect to goodwill including the projected cash flows, the discount rate and the expected growth percentages. The impairment model was prepared by the external expert deployed by management. We have obtained information from management and the external expert and have discussed and reviewed the input and assumptions. Furthermore, we tested the arithmetic accuracy of the impairment model and we tested the sensitivity analysis. The impairment test and the assumptions used are described in note 13 of the annual report.

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.

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 controls 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 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.

Responsibilities of Executive Board 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, and for the preparation of the management board report in accordance with 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 have detected all errors and fraud.

For an overview of our responsibilities we refer to NBA's website:

www.nba.nl/standaardteksten-controleverklaring.

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 identify during our audit.

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 those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, when non-mentioning is in the public interest.

Report on other legal and regulatory requirements

Report on the report of the executive board and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the report of the executive board and other information):

- We have no deficiencies to report as a result of our examination whether the report of the executive board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the report of the executive board, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the shareholders as auditor of BinckBank N.V. on 22 April 2014 as of the audit for year 2014 and have operated as statutory auditor ever since that date.

Amsterdam, 10 March 2016

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

C.J. van der Weert-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 – and only insofar as profits allow – an amount equal to six percent (6%) of the nominal value of the priority shares will be distributed on these shares.
3. The foundation will determine the extent to which the remaining profits will be transferred to reserves. Profits remaining after application of subsection 2 and the first sentence of this subsection will be at the disposal of the general meeting of shareholders.
Any amounts not distributed will be transferred to the company's reserves.
4. Withdrawals from distributable reserves may be made pursuant to a resolution by the general meeting of shareholders, subject to the prior consent of the foundation.
5. The executive board may resolve to allow the company to make interim distributions, providing it demonstrates in the form of an interim statement of assets and liabilities as referred to 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.

Proposal for profit appropriation

On the proposal of the foundation, € 2,037,000 will be transferred to the reserves. The remainder is at the disposal of the General Meeting of Shareholders. An interim dividend of € 0.14 per share has already been paid in respect of 2015. It is proposed to distribute a final dividend of € 0.25 per ordinary share.

The profit appropriation and the proposed dividend distribution will then be as follows:

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

Profit in 2015	29,626
Less: addition to the general reserves	(2,037)
At shareholders' disposal	27,589
Less: Paid interim dividend	(9,839)
Proposed dividend	17,750

This proposal is not reflected in the balance sheet.

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Pillar 3





BINCK

Pillar 3 report 2015

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1. Introduction

1.1 General

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

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

Drawn up in compliance with the reporting requirements of the European Directive, i.e. the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) IV, the Pillar 3 report discloses information on all topics mentioned in the Directive to the extent that they apply to BinckBank.

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

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

1.2 Detailed index of Pillar 3 references

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

CRR §	Pillar 3 disclosure requirements	Location in Pillar 3 report	Notes
435	Risk management objectives and policies		The In-control statement is included on page 106 of the annual report. The section Risk management of the annual report addresses risk-, capital- and liquidity management. This section covers subjects such as strategy, policy, risk profile, governance, organisation, reporting and standards. Information on directorships, recruitment policy and diversity of the board and the supervisory board is included in the annual report in the section Corporate Governance and the report of the supervisory board.
436	Scope of application	1.3 Scope of application	
437	Own funds	2. Own funds and leverage	
438	Capital requirements	3. Capital requirements	
439	Exposure to counterparty credit risk	6. Counterparty credit risk	
440	Capital buffers	4. Capital buffers	
441	Indicators of global systemic importance	Not included	BinckBank is not considered an institution of global systemic importance.
442	Credit risk adjustments	3.2.2 Credit risk adjustments	
443	Unencumbered assets	7. Liquidity risk	
444	Use of ECAs	5. Use of ECAs	
445	Exposure to market risk	3.3 Capital requirement for market risk, 3.4 Capital requirement for settlement risk	
446	Operational risk	3.5 Capital requirement for operational risk	
447	Exposures in equities not included in the trading book	8. Exposures in equities not included in the trading book	
448	Exposure to interest rate risk on positions not included in the trading book	9. Exposure to interest rate risk on positions not included in the trading book	
449	Exposure to securitisation positions	Not included	BinckBank has no exposure to securitisation positions.
450	Remuneration policy	10. Remuneration	
451	Leverage	2. Own funds and leverage	
452	Use of the IRB Approach to credit risk	Not included	BinckBank does not use the IRB Approach to credit risk. BinckBank uses the Standardised Approach to credit risk.
453	Use of credit risk mitigation techniques	3.2.3 Credit risk mitigation	
454	Use of the Advanced Measurement Approaches to operational risk	Not included	BinckBank does not use internal operational risk models. The Standardised Approach (TSA) to operational risk is used.
455	Use of Internal Market Risk Models	Not included	BinckBank does not use internal market risk models. The Standardised Approach is used.

1.3 Scope of application

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

Consolidation base	IFRS	Basel III
BinckBank N.V. including foreign branches	yes	yes
Binck Bewaarbedrijf B.V.	yes	yes*
Think ETF Asset Management B.V.	yes	yes*
Able Holding B.V.	yes	no
Able B.V.	yes	no
Fintegration B.V.	yes	no

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

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

On the introduction of CRD IV DNB has withdrawn all existing waivers and reassessed the situation for each company. Able B.V. and its subsidiaries do not carry out any licensed financial business and are not part of the prudential consolidation base. In the determination of the risk weighted exposure amount under CRD IV, the net asset value of these subsidiaries is weighted at 100%. After having obtained the approval of DNB, BinckBank has chosen to apply article 19 of the CRR for subsidiaries Binck Bewaarbedrijf B.V. and Think ETF Asset Management B.V., whereby these companies are not included in the prudential consolidation base. In the determination of the risk weighted exposure amount under CRD IV, the net asset value of these subsidiaries is weighted at 250%. As a consequence of the aforementioned adjustments supervisory reporting is done at solo level, i.e. at company level.

2. Own funds and leverage

2.1 Reconciliation own funds and calculation CET1-capital

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

The reconciliation of the own funds elements in the financial statements to the regulatory own funds of BinckBank is disclosed in the table below. The disclosure is drawn up in compliance with CRR article 437 (1) (a) and article 2 in the Commission implementing regulation (EU) No 1423/2013.

(figures in EUR 1,000, unless otherwise stated)	Reference row Own funds disclosure template	2015	2014
Issued share capital	1	7,100	7,100
Share premium	1	361,379	361,379
Treasury shares	16	(4,979)	(5,570)
Fair value reserve	3	1,526	3,777
Other reserves	2	51,371	48,807
Unappropriated profit	2	19,786	24,534
Shareholders' equity attributable to shareholders of BinckBank N.V.		436,184	440,027
Less: goodwill	8	(144,882)	(144,882)
Plus: deferred tax liabilities related to goodwill	8	28,651	25,029
Less: other intangible assets	8	(45,418)	(68,353)
Less: prudent valuation adjustment	7	(1,167)	(1,389)
Less: proposed dividend	2	(17,750)	(22,010)
Less: unappropriated profit adjusted for interim dividend and proposed final dividend	2	(2,036)	(2,524)
Common Equity Tier 1 capital (CET1)	29	253,582	225,898
Additional Tier 1 capital (AT1)	44	0	0
Tier 1 capital (T1)	45	253,582	225,898
Tier 2 capital (T2)	58	0	0
Total capital	59	253,582	225,898

BinckBank's capital position as at 31 December 2015 was sound. BinckBank's shareholders' equity at the end of December 2015 stood at € 436.2 million (year-end 2014: € 440.0 million). Common Equity Tier 1 capital at year-end 2015 amounted to € 253.6 million (2014: 225.9 million).

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

2.2 Own funds disclosure template

The own funds disclosure template reflects the fully phased in detailed capital position of BinckBank. BinckBank does not apply the phasing in period (transition phase from 1 January 2014 to 31 December 2017) of the regulatory adjustments (deductions and filters). Therefore the transitional disclosure template for own funds is not applicable. The disclosure is drawn up in compliance with CRR article 437 (1) (d) (e) and article 4 in the Commission implementing regulation (EU) No 1423/2013.

Common Equity Tier 1 (CET1) capital: instruments and reserves

1	Capital instruments and the related share premium accounts of which: Ordinary shares issued by a public limited liability company	368,479 368,479	368,479 368,479	26 (1), 27, 28, 29 EBA list 26 (3)
2	Retained earnings	51,371	48,807	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	1,526	3,777	26 (1)
3a	Funds for general banking risk	-	-	26 (1) (f)
5	Minority interests (amount allowed in consolidated CET1)	-	-	84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	421,376	421,063	

Common Equity Tier 1 (CET1) capital: regulatory adjustments

7	Additional value adjustments (negative amount)	(1,167)	(1,389)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(161,648)	(188,206)	36 (1) (b), 37
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-	36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges	-	-	33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)	-	-	32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)	-	-	36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(4,979)	(5,570)	36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	36 (1) (g), 44
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	36 (1) (h), 43, 45, 46, 49 (2) (3), 79

Own funds disclosure template (continued)
(figures in EUR 1,000, unless otherwise stated)

Regulation (EU)
No 575/2013 Article
Reference

		2015	2014	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-	36 (1) (k)
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-	36 (1) (k) (i), 89 to 91
20c	of which: securitisation positions (negative amount)	-	-	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
20d	of which: free deliveries (negative amount)	-	-	36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-	36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 15% threshold (negative amount)	-	-	48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-	36 (1) (i), 48 (1) (b)
25	of which: deferred tax assets arising from temporary differences	-	-	36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)	-	-	36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	-	36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-	36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(167,794)	(195,165)	
29	Common Equity Tier 1 (CET1) capital	253,582	225,898	

Additional Tier 1 (AT1) capital: instruments

36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	-	
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Additional Tier 1 (AT1) capital: regulatory adjustments

43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-	
44	Additional Tier 1 (AT1) capital	-	-	
45	Tier 1 capital (T1 = CET1 + AT1)	253,582	225,898	

Tier 2 (T2) capital: instruments and provisions

51 Tier 2 (T2) capital before regulatory adjustments

2015

2014

Tier 2 (T2) capital: regulatory adjustments

57 Total regulatory adjustments to Tier 2 (T2) capital

-

-

58 Tier 2 (T2) capital

-

-

59 Total capital (TC = T1 + T2)

253,582

225,898

60 Total risk weighted assets

630,663

609,103

Capital ratios and buffers

61 Common Equity Tier 1 (as a percentage of total risk exposure amount)

40.21%

37.09%

92 (2) (a)

62 Tier 1 (as a percentage of total risk exposure amount)

40.21%

37.09%

92 (2) (b)

63 Total capital (as a percentage of total risk exposure amount)

40.21%

37.09%

92 (2) (c)

64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)

0.00%

0.00%

CRD 128, 129, 130, 131, 133

65 of which: capital conservation buffer requirement

0.00%

0.00%

66 of which: countercyclical buffer requirement

0.00%

0.00%

67 of which: systemic risk buffer requirement

0.00%

0.00%

68 Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)

35.71%

32.59%

CRD 128

Amounts below the thresholds for deduction (before risk weighting)

72 Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)

-

-

36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 69, 70

73 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)

2,716

2,528

36 (1) (i), 45, 48

75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)

778

626

36 (1) (c), 38, 48

2.3 Capital instruments' main features template

The capital instruments' main features template describes the main features of the capital instruments of BinckBank and is drawn up in compliance with CRR article 437 (1) (b) and article 3 in the Commission implementing regulation (EU) No 1423/2013.

Capital instruments' main features template (x € 1,000,000)

		Common Equity Tier 1 instruments: Share capital
1	Issuer	Binck Bank N.V.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NL0000335578
3	Governing law(s) of the instrument	Dutch law
	<i>Regulatory treatment</i>	
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo / (sub-) consolidated / solo & (sub-) consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares issued by a public limited liability company
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	253.6. For a specification see paragraph 2.1 The nominal amount per share is € 0.10. At reporting date 71 million shares were issued and fully paid up, so that the total nominal amount is € 7.1 million.
9	Nominal amount of instrument	Resultant of issuances in the past, on average € 5.19
9a	Issue price	N/A
9b	Redemption price	Shareholders' equity
10	Accounting classification	24 January 2003 (granted banking license)
11	Original date of issuance	Perpetual
12	Perpetual or dated	No maturity
13	Original maturity date	No
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Most subordinated position
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

2.4 Capital ratios Pillar I

CRD IV/CRR provides guidelines for the calculation of the Pillar I capital requirements that, according to the supervisors, a bank must hold for credit risk, market risk, settlement risk and operational risk. CRD IV/CRR permits various approaches for the implementation of the requirements under Pillar I with regard to the aforementioned risks. BinckBank applies the Standardised Approach for credit risk, market risk and settlement risk, using risk weights and techniques to mitigate credit risk as stated in the CRR. BinckBank also applies the Standardised Approach for operational risk, whereby the required capital is calculated based on the average operational income per business line over the preceding three financial years.

The next table presents the relevant capital ratios. The risk weighted exposure amount and the capital requirements are disclosed in the next chapter.

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

	2015	2014
Common Equity Tier 1 capital (CET1)	253,582	225,898
Tier 1 capital (T1)	253,582	225,898
Total capital	253,582	225,898
Risk weighted exposure amount	630,663	609,103
Exposure amount as defined for leverage ratio	3,560,357	3,390,085
CET1 capital ratio	40.2%	37.1%
T1 capital ratio	40.2%	37.1%
Total capital ratio	40.2%	37.1%
Leverage ratio	7.1%	6.7%

2.5 Leverage ratio

The table underneath presents the leverage ratio for BinckBank.

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

	2015	2014
Tier 1 capital (T1)	253,582	225,898
Derivatives: Market value	488,299	442,862
Derivatives: Add-on Mark-to-Market Method	63,654	46,609
Other off-balance sheet items	2,341	2,181
Other assets	3,173,857	3,093,597
Exposure values	3,728,151	3,585,249
Regulatory adjustments Tier 1 capital	(167,794)	(195,164)
Exposure amount as defined for leverage ratio	3,560,357	3,390,085
Leverage ratio	7.1%	6.7%

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

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

Based on the CDR the CRR leverage ratio as at 31 December 2015 was 7.1% (2014: 6.7%). The increase of the leverage ratio compared to 2014 is mainly caused by the increase in own funds as a consequence of the decrease of the deductible intangible assets. Also of influence are the changes in balance sheet total caused by the mutations in funds entrusted of customers.

3. Capital requirements

3.1 Minimum capital requirements

In this paragraph BinckBank's capital requirements are described. The Standardised Approach, as described in the CRR, is used by BinckBank to calculate the capital requirements for the following types of risk: credit risk, market risk, settlement risk and operational risk.

The total Pillar I capital requirements as at 31 December 2015 have increased by 3.5% to € 50.5 million (2014: € 48.7 million). The increase is mainly due to a shift in the investment portfolio and the associated credit risk as a consequence of adjustments in the investment policy.

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

The next table shows the risk weighted exposure amounts and capital requirements by type of risk and by the exposure classes specified in CRR article 112.

(figures in EUR 1,000, unless otherwise stated)	Exposure net of value adjustments and provisions		Risk weighted exposure amount		8% Pillar 1 capital requirement	
	2015	2014	2015	2014	2015	2014
Credit risk						
Exposures to central governments or central banks	385,613	267,479	1,945	1,565	156	125
Exposures to regional governments or local authorities	601,093	770,573	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	17,473	21,873	-	-	-	-
Exposures to international organisations	-	-	-	-	-	-
Exposures to institutions	736,958	593,546	231,083	209,829	18,487	16,786
Exposures to corporates	339,673	242,439	25	663	2	53
Retail exposures	672,682	582,984	1,002	365	80	29
Exposures secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	42	44	42	44	3	4
Exposures associated with particularly high risk	-	-	-	-	-	-
Exposures in the form of covered bonds	556,036	611,758	55,604	61,176	4,448	4,894
Items representing securitisation positions	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	126,306	187,363	25,046	21,518	2,004	1,721
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Equity exposures	6,759	3,151	10,833	14,108	867	1,129
Other items	71,476	65,119	60,760	61,660	4,861	4,933
Total credit risk	3,514,110	3,346,329	386,339	370,928	30,907	29,674
Market risk						
Position risk	-	-	-	-	-	-
Foreign exchange risk	-	-	-	-	-	-
Commodities risk	-	-	-	-	-	-
Total market risk	-	-	-	-	-	-
Settlement risk	-	-	72	250	6	20
Operational risk	-	-	244,252	237,925	19,540	19,034
Total	-	-	630,663	609,103	50,453	48,728

3.2 Capital requirement for credit risk

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

The tables underneath show the exposure net of value adjustments and provisions by exposure class and by:

- risk weight;
- significant geographical area;
- counterparty type;
- residual maturity.

Breakdown by risk weight*:

(figures in EUR 1,000, unless otherwise stated)	Exposure net of value adjustments and provisions by risk weight					
	0%	4%	10%	20%	50%	75%
As at 31 December 2015						
Credit risk						
Exposures to central governments or central banks	384,835	-	-	-	-	-
Exposures to regional governments or local authorities	601,093	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	17,473	-	-	-	-	-
Exposures to international organisations	-	-	-	-	-	-
Exposures to institutions	-	63,654	-	353,702	315,489	-
Exposures to corporates	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	672,682
Exposures secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-
Exposures associated with particularly high risk	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	556,036	-	-	-
Items representing securitisation positions	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	10,742	-	-	113,485	1,218	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-
Other items	10,716	-	-	-	-	-
Total credit risk	1,024,858	63,654	556,036	467,187	316,707	672,682
% distribution	29%	2%	16%	13%	9%	19%

(* risk weights in which BinckBank has no exposure are not shown)

	Exposure net of value adjustments and provisions by risk weight					Average 2015
This table continues from the left page	100%	150%	250%	1250%	Total	
As at 31 December 2015						
Credit risk						
Exposures to central governments or central banks	-	-	778	-	385,613	326,546
Exposures to regional governments or local authorities	-	-	-	-	601,093	685,833
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	17,473	19,673
Exposures to international organisations	-	-	-	-	-	-
Exposures to institutions	-	4,112	-	-	736,958	665,252
Exposures to corporates	339,673	-	-	-	339,673	291,056
Retail exposures	-	-	-	-	672,682	627,833
Exposures secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	42	-	-	-	42	43
Exposures associated with particularly high risk	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	556,036	583,897
Items representing securitisation positions	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	861	-	-	-	126,306	156,834
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Equity exposures	4,043	-	2,716	-	6,759	4,955
Other items	60,760	-	-	-	71,476	68,298
Total credit risk	405,380	4,112	3,494	-	3,514,110	3,430,220
% distribution	12%	0%	0%	0%	100%	

Exposure net of value adjustments and provisions by risk weight

(figures in EUR 1,000, unless otherwise stated)	0%	4%	10%	20%	50%	75%
As at 31 December 2014						
Credit risk						
Exposures to central governments or central banks	266,853	-	-	-	-	-
Exposures to regional governments or local authorities	770,573	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	21,873	-	-	-	-	-
Exposures to international organisations	-	-	-	-	-	-
Exposures to institutions	-	48,087	-	210,725	331,356	-
Exposures to corporates	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	582,984
Exposures secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-
Exposures associated with particularly high risk	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	611,758	-	-	-
Items representing securitisation positions	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	91,778	-	-	92,658	1,410	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-
Other items	3,459	-	-	-	-	-
Total credit risk	1,154,536	48,087	611,758	303,383	332,766	582,984
% distribution	35%	1%	18%	9%	10%	17%

Exposure net of value adjustments and provisions by risk weight

	100%	150%	250%	1250%	Total	Average 2014
This table continues from the left page						
As at 31 December 2014						
Credit risk						
Exposures to central governments or central banks	-	-	626	-	267,479	710,736
Exposures to regional governments or local authorities	-	-	-	-	770,573	385,644
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	21,873	10,937
Exposures to international organisations	-	-	-	-	-	6,744
Exposures to institutions	-	3,378	-	-	593,546	521,419
Exposures to corporates	242,439	-	-	-	242,439	121,220
Retail exposures	-	-	-	-	582,984	685,596
Exposures secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	44	-	-	-	44	22
Exposures associated with particularly high risk	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	611,758	542,090
Items representing securitisation positions	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	1,517	-	-	-	187,363	93,682
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Equity exposures	-	-	2,528	623	3,151	4,049
Other items	61,660	-	-	-	65,119	71,868
Total credit risk	305,660	3,378	3,154	623	3,346,329	3,154,004
% distribution	9%	0%	0%	0%	100%	

Breakdown by significant geographical area:

(figures in EUR 1,000, unless otherwise stated)	Exposure net of value adjustments and provisions by geographical area							
	Supra-national	Nether-lands	Belgium, France, Italy	Germany	Other EU countries	North America	Other countries	Total
As at 31 December 2015								
Credit risk								
Exposures to central governments or central banks	-	242,596	63,791	23,931	-	55,294	-	385,613
Exposures to regional governments or local authorities	-	-	26,459	548,408	-	26,226	-	601,093
Exposures to public sector entities	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	17,473	-	-	-	-	-	-	17,473
Exposures to international organisations	-	-	-	-	-	-	-	-
Exposures to institutions	-	111,528	99,759	36,492	246,782	174,049	68,347	736,958
Exposures to corporates	-	326,485	13,152	-	34	-	2	339,673
Retail exposures	-	475,272	187,729	3,672	4,030	1	1,978	672,682
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-
Exposures in default	-	32	10	-	-	-	-	42
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	556,036	-	-	-	556,036
Items representing securitisation positions	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	64,955	11,365	-	9,247	40,048	690	126,306
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-
Equity exposures	-	6,759	-	-	-	-	-	6,759
Other items	-	65,819	5,600	-	57	-	-	71,476
Total credit risk	17,473	1,293,447	407,866	1,168,539	260,149	295,619	71,018	3,514,110
% distribution	0%	37%	12%	33%	7%	8%	2%	100%

Exposure net of value adjustments and provisions by geographical area								
(figures in EUR 1,000, unless otherwise stated)	Supra-national	Nether-lands	Belgium, France, Italy	Germany	Other EU countries	North America	Other countries	Total
As at 31 December 2014								
Credit risk								
Exposures to central governments or central banks	-	136,069	72,922	17,200	-	41,288	-	267,479
Exposures to regional governments or local authorities	-	138,000	16,137	601,172	-	15,264	-	770,573
Exposures to public sector entities	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	21,873	-	-	-	-	-	-	21,873
Exposures to international organisations	-	-	-	-	-	-	-	-
Exposures to institutions	-	109,227	78,077	27,375	189,329	139,184	50,354	593,546
Exposures to corporates	-	234,308	7,437	-	149	299	246	242,439
Retail exposures	-	436,733	136,107	3,490	3,880	13	2,761	582,984
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-
Exposures in default	-	33	11	-	-	-	-	44
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	611,758	-	-	-	611,758
Items representing securitisation positions	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	132,400	33,382	-	2,338	18,673	570	187,363
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-
Equity exposures	-	3,151	-	-	-	-	-	3,151
Other items	-	64,044	1,057	-	18	-	-	65,119
Total credit risk	21,873	1,253,965	345,130	1,260,995	195,714	214,721	53,931	3,346,329
% distribution	1%	37%	10%	38%	6%	6%	2%	100%

Breakdown by counterparty type:

(figures in EUR 1,000, unless otherwise stated)	Exposure net of value adjustments and provisions by counterparty type							Total	
	Central banks	General govern- ments	Credit institu- tions	Other financial corpora- tions	Non- financial corpora- tions	House- holds	Other		
As at 31 December 2015									
Credit risk									
Exposures to central governments or central banks	205,525	180,088	-	-	-	-	-	385,613	
Exposures to regional governments or local authorities	-	601,093	-	-	-	-	-	601,093	
Exposures to public sector entities	-	-	-	-	-	-	-	-	
Exposures to multilateral development banks	-	-	17,473	-	-	-	-	17,473	
Exposures to international organisations	-	-	-	-	-	-	-	-	
Exposures to institutions	-	-	682,039	54,919	-	-	-	736,958	
Exposures to corporates	-	-	-	47,905	291,768	-	-	339,673	
Retail exposures	-	-	-	-	-	672,682	-	672,682	
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	
Exposures in default	-	-	-	-	-	42	-	42	
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	
Exposures in the form of covered bonds	-	-	556,036	-	-	-	-	556,036	
Items representing securitisation positions	-	-	-	-	-	-	-	-	
Exposures to institutions and corporates with a short-term credit assessment	-	-	84,886	41,419	-	-	-	126,306	
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	
Equity exposures	-	-	-	2,716	4,043	-	-	6,759	
Other items	2	4,734	1,664	6,485	-	9,034	49,557	71,476	
Total credit risk	205,526	785,915	1,342,099	153,444	295,812	681,758	49,557	3,514,110	
% distribution	6%	22%	38%	4%	8%	19%	1%	100%	

	Exposure net of value adjustments and provisions by counterparty type							
(figures in EUR 1,000, unless otherwise stated)	Central banks	General govern- ments	Credit institu- tions	Other financial corpora- tions	Non- financial corpora- tions	House- holds	Other	Total
As at 31 December 2014								
Credit risk								
Exposures to central governments or central banks	97,968	169,510	-	-	-	-	-	267,479
Exposures to regional governments or local authorities	-	770,573	-	-	-	-	-	770,573
Exposures to public sector entities	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	21,873	-	-	-	-	21,873
Exposures to international organisations	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	530,698	62,849	-	-	-	593,547
Exposures to corporates	-	-	-	27,633	214,806	-	-	242,439
Retail exposures	-	-	-	-	-	582,984	-	582,984
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	44	-	44
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	611,758	-	-	-	-	611,758
Items representing securitisation positions	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	169,177	18,187	-	-	-	187,363
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	2,528	623	-	-	3,151
Other items	2	-	1,402	3,797	-	6,344	53,573	65,119
Total credit risk	97,971	940,083	1,334,907	114,994	215,429	589,372	53,573	3,346,329
% distribution	3%	28%	40%	3%	6%	18%	2%	100%

The main component under counterparty type 'Other' are the tangible fixed assets.

Breakdown by residual maturity:

(figures in EUR 1,000, unless otherwise stated)	Exposure net of value adjustments and provisions by residual maturity					
	On demand	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
As at 31 December 2015						
Credit risk						
Exposures to central governments or central banks	205,525	20,567	72,305	87,216	-	385,613
Exposures to regional governments or local authorities	-	43,658	174,134	383,300	-	601,092
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	9,200	8,274	-	17,474
Exposures to international organisations	-	-	-	-	-	-
Exposures to institutions	63,689	86,556	176,409	406,226	4,077	736,957
Exposures to corporates	339,673	-	-	-	-	339,673
Retail exposures	672,682	-	-	-	-	672,682
Exposures secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	42	-	-	-	-	42
Exposures associated with particularly high risk	-	-	-	-	-	-
Exposures in the form of covered bonds	-	65,619	176,204	314,213	-	556,036
Items representing securitisation positions	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	126,306	-	-	-	-	126,306
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Equity exposures	-	-	-	-	6,759	6,759
Other items	-	31,314	2,338	3,461	34,363	71,476
Total credit risk	1,407,917	247,714	610,590	1,202,690	45,199	3,514,110
% distribution	40%	7%	17%	34%	1%	100%

Exposure net of value adjustments and provisions by residual maturity

(figures in EUR 1,000, unless otherwise stated)	On demand	< 3 months	> 3 months < 1 year	> 1 year < 5 year	> 5 year	Total
As at 31 December 2014						
Credit risk						
Exposures to central governments or central banks	97,968	23,113	-	146,398	-	267,479
Exposures to regional governments or local authorities	20,000	195,431	86,659	468,483	-	770,573
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	6,183	15,690	-	21,873
Exposures to international organisations	-	-	-	-	-	-
Exposures to institutions	48,142	26,632	143,959	371,490	3,323	593,546
Exposures to corporates	242,439	-	-	-	-	242,439
Retail exposures	582,984	-	-	-	-	582,984
Exposures secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	44	-	-	-	-	44
Exposures associated with particularly high risk	-	-	-	-	-	-
Exposures in the form of covered bonds	-	77,112	114,974	419,672	-	611,758
Items representing securitisation positions	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	187,363	-	-	-	-	187,363
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Equity exposures	-	-	-	-	3,151	3,151
Other items	-	18,242	3,353	5,688	37,836	65,119
Total credit risk	1,178,940	340,530	355,128	1,427,421	44,310	3,346,329
% distribution	35%	10%	11%	43%	1%	100%

3.2.2 Credit risk adjustments

BinckBank offers customers loans, i.e. advances, against securities collateral in various forms. These advances can be used to cover margin requirements or to purchase securities. Given the nature of these advances and the surplus of collateral received the credit risk is limited. In the case of lending against securities collateral, the amount of credit advanced among other things depends on the liquidity and price of the security in question.

BinckBank checks for each customer on a daily basis whether the securities collateral adequately covers the collateralised loans and/or requirements (margin and current orders). As soon as a deficit is identified, the deficit procedure is initiated automatically. Depending on the reason for the origin of the deficit, a customer with a deficit must make up the shortfall within one to five business days. If the customer still has a deficit on the last day on which the shortfall must be made up, BinckBank will start to close the customers' securities positions on its own initiative until the shortfall has been made up. Should there remain a deficit after closing all securities positions of a customer, a collection procedure is started and the exposure is treated immediately as impaired.

Provisions for impaired exposures are determined on an individual basis. There are no collective provisions. The amount of the provision depends on the repayment terms agreed with the customer.

The next tables present the specific and general credit risk adjustments by counterparty type and by significant geographical area and the movement of the aforementioned credit risk adjustments.

Breakdown by counterparty type:

(figures in EUR 1,000, unless otherwise stated)	Original exposure	Specific credit risk adjustments Ytd	General credit risk adjustments Ytd	Specific credit risk adjustments during the year	General credit risk adjustments during the year	Original exposure amount of exposures that are past due but not impaired
As at 31 December 2015						
Counterparty type:						
Central banks	-	-	-	-	-	-
General governments	-	-	-	-	-	-
Credit institutions	4,077	-	-	(779)	-	-
Other financial corporations	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-
Households	503	461	-	(20)	-	-
Other	-	-	-	-	-	-
Total	4,581	461	-	(799)	-	-

(figures in EUR 1,000, unless otherwise stated)	Original exposure	Specific credit risk adjustments Ytd	General credit risk adjustments Ytd	Specific credit risk adjustments during the year	General credit risk adjustments during the year	Original exposure amount of exposures that are past due but not impaired
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As at 31 December 2014

Counterparty type:

Central banks	-	-	-	-	-	-
General governments	-	-	-	-	-	-
Credit institutions	4,102	779	-	(1,448)	-	-
Other financial corporations	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-
Households	525	481	-	78	-	-
Other	-	-	-	-	-	-
Total	4,627	1,260	-	(1,370)	-	-

Breakdown by significant geographical area:

(figures in EUR 1,000, unless otherwise stated)	Original exposure	Specific credit risk adjustments Ytd	General credit risk adjustments Ytd	Specific credit risk adjustments during the year	General credit risk adjustments during the year	Original exposure amount of exposures that are past due but not impaired
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As at 31 December 2015

Geographical area:

Supranational	-	-	-	-	-	-
Netherlands	4,459	350	-	(795)	-	-
Belgium, France, Italy	122	112	-	(4)	-	-
Germany	-	-	-	-	-	-
Other EU countries	-	-	-	-	-	-
North America	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
Total	4,581	461	-	(799)	-	-

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

(figures in EUR 1,000, unless otherwise stated)	Original exposure	Specific credit risk adjustments Ytd	General credit risk adjustments Ytd	Specific credit risk adjustments during the year	General credit risk adjustments during the year	Original exposure amount of exposures that are past due but not impaired
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As at 31 December 2014

Geographical area:

Supranational	-	-	-	-	-	-
Netherlands	4,500	1,144	-	(1,388)	-	-
Belgium, France, Italy	127	116	-	18	-	-
Germany	-	-	-	-	-	-
Other EU countries	-	-	-	-	-	-
North America	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
Total	4,627	1,260	-	(1,370)	-	-

The movement in specific and general credit risk adjustments was as follows:

(figures in EUR 1,000, unless otherwise stated)	2015		2014	
	Specific credit risk adjustments	General credit risk adjustments	Specific credit risk adjustments	General credit risk adjustments
The movement in the credit risk adjustments was as follows:				
Opening balance	1,260	-	2,630	-
Increases due to amounts set aside for estimated probable losses on exposures	210	-	321	-
Decreases due to amounts reversed for estimated probable losses on exposures	(223)	-	(158)	-
Decreases due to amounts taken against the credit risk adjustments	(6)	-	(85)	-
Transfers between credit risk adjustments	-	-	-	-
Other adjustments	-	-	-	-
Closing balance	1,240	-	2,708	-
Recoveries recorded directly to the statement of profit or loss	2	-	-	-
Credit risk adjustments recorded directly to the statement of profit or loss	-	-	-	-

3.2.3 Credit risk mitigation

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

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

The following table shows the credit risk exposure before and after credit risk mitigation:

(figures in EUR 1,000, unless otherwise stated)	Exposure net of value adjustments and provisions	Credit risk mitigation techniques				Exposure after credit risk mitigation		
		Guarantees	Credit derivatives	Financial collateral	Substitution			
As at 31 December 2015								
Credit risk								
Exposures to central governments or central banks	385,613	-	-	-	4,077	389,690		
Exposures to regional governments or local authorities	601,093	-	-	-	-	601,093		
Exposures to public sector entities	-	-	-	-	-	-		
Exposures to multilateral development banks	17,473	-	-	-	-	17,473		
Exposures to international organisations	-	-	-	-	-	-		
Exposures to institutions	736,958	-	-	(4,077)	(4,077)	732,880		
Exposures to corporates	339,673	-	-	(339,649)	-	25		
Retail exposures	672,682	(3,242)	-	(667,451)	(3,242)	1,989		
Exposures secured by mortgages on immovable property	-	-	-	-	-	-		
Exposures in default	42	-	-	-	-	42		
Exposures associated with particularly high risk	-	-	-	-	-	-		
Exposures in the form of covered bonds	556,036	-	-	-	-	556,036		
Items representing securitisation positions	-	-	-	-	-	-		
Exposures to institutions and corporates with a short-term credit assessment	126,306	-	-	-	3,242	129,547		
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-		
Equity exposures	6,759	-	-	-	-	6,759		
Other items	71,476	-	-	-	-	71,476		
Total credit risk	3,514,110	(3,242)	-	(1,011,177)	-	2,507,011		

(figures in EUR 1,000, unless otherwise stated)	Exposure net of value adjustments and provisions	Credit risk mitigation techniques				Exposure after credit risk mitigation		
		Guarantees	Credit derivatives	Financial collateral	Substitution			
As at 31 December 2014								
Credit risk								
Exposures to central governments or central banks	267,479	-	-	-	3,323	270,802		
Exposures to regional governments or local authorities	770,573	-	-	-	-	770,573		
Exposures to public sector entities	-	-	-	-	-	-		
Exposures to multilateral development banks	21,873	-	-	-	-	21,873		
Exposures to international organisations	-	-	-	-	-	-		
Exposures to institutions	593,546	-	-	(3,323)	(3,323)	590,223		
Exposures to corporates	242,439	-	-	(241,776)	-	663		
Retail exposures	582,984	(3,047)	-	(579,451)	(3,047)	486		
Exposures secured by mortgages on immovable property	-	-	-	-	-	-		
Exposures in default	44	-	-	-	-	44		
Exposures associated with particularly high risk	-	-	-	-	-	-		
Exposures in the form of covered bonds	611,758	-	-	-	-	611,758		
Items representing securitisation positions	-	-	-	-	-	-		
Exposures to institutions and corporates with a short-term credit assessment	187,363	-	-	-	3,047	190,410		
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-		
Equity exposures	3,151	-	-	-	-	3,151		
Other items	65,119	-	-	-	-	65,119		
Total credit risk	3,346,329	(3,047)	-	(824,550)	-	2,525,102		

3.3 Capital requirement for market risk

The capital requirement for market risk is determined according to the Pillar I Standardised Approach (SA). BinckBank only executes transactions in commission of customers and does not have a own trading book in financial instruments. There is although a limited exposure possible in foreign currency caused by transactions of customers. BinckBank has no capital requirement for position risk, foreign exchange risk and commodities risk at year-end 2015 (2014: € 0).

3.4 Capital requirement for settlement risk

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

The capital requirement for settlement risk at year-end 2015 stood at € 6,000 (2014: € 20,000).

3.5 Capital requirement for operational risk

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

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

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

BinckBank calculates the capital requirement for operational risk according to the Standardised Approach (TSA), whereby the activities of BinckBank are divided into the following eight standardised business lines: corporate finance, trading & sales, retail brokerage, commercial banking, retail banking, payment & settlement, agency services and asset management.

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

BinckBank has only activities regarding the business lines retail brokerage, retail banking, agency services and asset management.

(figures in EUR 1,000, unless otherwise stated)	Operational income			Risk weight	Capital requirement
	2013	2014	2015		

As at 31 December 2015

Business line:

Retail Brokerage	101,788	98,933	107,254	12%	12,319
Retail Banking	27,634	28,479	25,702	12%	3,273
Agency Services	8,764	7,082	7,928	15%	1,189
Asset Management	29,385	20,407	19,204	12%	2,760
Total	167,571	154,901	160,088		19,540

(figures in EUR 1,000, unless otherwise stated)	Operational income			Risk weight	Capital requirement
	2012	2013	2014		

As at 31 December 2014

Business line:

Retail Brokerage	99,997	101,788	98,933	12%	12,029
Retail Banking	31,913	27,634	28,479	12%	3,521
Agency Services	5,393	8,764	7,082	15%	1,062
Asset Management	10,768	29,385	20,407	12%	2,422
Total	148,071	167,571	154,901		19,034

4. Capital buffers

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

Countercyclical capital buffer

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

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer as at 31 December 2015

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

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer as at 31 December 2014

	General credit exposures Exposure value for Standardised Approach	Trading book exposure Sum of long and short position of the trading book	Securitisation exposure Exposure value for Standardised Approach	Own funds requirement	Total				
					100				
Row									
010 Breakdown by country:									
Austria	10,769	-	-	-	-				
Belgium	66,430	-	-	-	73				
Canada	70,947	-	-	-	-				
Finland	19,907	-	-	-	-				
France	96,224	-	-	-	32				
Germany	1,257,505	-	-	-	4,894				
Italy	38,942	-	-	-	244				
Luxembourg	2,338	-	-	-	37				
Netherlands	587,111	-	-	-	7,139				
Norway	10,747	-	-	-	-				
Spain	73	-	-	-	1				
Sweden	102,729	-	-	-	-				
Switzerland	40,177	-	-	-	9				
United Kingdom	55,869	-	-	-	-				
United States	143,462	-	-	-	333				
Other countries	21,873	-	-	-	-				
020 Total	2,525,103	-	-	-	12,762				

Capital conservation buffer

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

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

5. Use of ECAs

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

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

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

ECAI credit assessments were used for the following exposure classes:

- exposures to central governments or central banks;
- exposures to regional governments or local authorities;
- exposures to institutions;
- exposures in the form of covered bonds;
- exposures to institutions and corporates with a short-term credit assessment.

The following tables show:

- the exposure net of value adjustments and provisions by credit quality step;
- the exposure after credit risk mitigation by credit quality step.

	Exposure net of value adjustments and provisions by credit quality step							
(figures in EUR 1,000, unless otherwise stated)	Credit quality step 1	Credit quality step 2	Credit quality step 3	Credit quality step 4	Credit quality step 5	Credit quality step 6	Unrated	Total
As at 31 December 2015								
Credit risk								
Exposures to central governments or central banks	171,675	-	-	-	-	-	213,938	385,613
Exposures to regional governments or local authorities	601,093	-	-	-	-	-	-	601,093
Exposures to public sector entities	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	17,473	-	-	-	-	-	-	17,473
Exposures to international organisations	-	-	-	-	-	-	-	-
Exposures to institutions	366,852	355,578	10,415	35	-	-	4,077	736,958
Exposures to corporates	-	-	-	-	-	-	339,673	339,673
Retail exposures	-	-	-	-	-	-	672,682	672,682
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	42	42
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	556,036	-	-	-	-	-	-	556,036
Items representing securitisation positions	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	113,485	1,218	861	-	-	-	10,742	126,306
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	6,759	6,759
Other items	-	-	-	-	-	-	71,476	71,476
Total credit risk	1,826,614	356,796	11,276	35	-	-	1,319,389	3,514,110
% distribution	52%	10%	0%	0%	0%	0%	38%	100%

	Exposure net of value adjustments and provisions by credit quality step							
(figures in EUR 1,000, unless otherwise stated)	Credit quality step 1	Credit quality step 2	Credit quality step 3	Credit quality step 4	Credit quality step 5	Credit quality step 6	Unrated	Total
As at 31 December 2014								
Credit risk								
Exposures to central governments or central banks	161,874	-	-	-	-	-	105,605	267,479
Exposures to regional governments or local authorities	632,573	-	-	-	-	-	138,000	770,573
Exposures to public sector entities	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	21,873	-	-	-	-	-	-	21,873
Exposures to international organisations	-	-	-	-	-	-	-	-
Exposures to institutions	241,719	348,449	-	55	-	-	3,323	593,546
Exposures to corporates	-	-	-	-	-	-	242,439	242,439
Retail exposures	-	-	-	-	-	-	582,984	582,984
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	44	44
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	611,758	-	-	-	-	-	-	611,758
Items representing securitisation positions	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	92,658	1,410	1,517	-	-	-	91,778	187,363
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	3,151	3,151
Other items	-	-	-	-	-	-	65,119	65,119
Total credit risk	1,762,454	349,859	1,517	55	-	-	1,232,444	3,346,329
% distribution	53%	10%	0%	0%	0%	0%	37%	100%

Exposure after credit risk mitigation by credit quality step

(figures in EUR 1,000, unless otherwise stated)	Credit quality step 1	Credit quality step 2	Credit quality step 3	Credit quality step 4	Credit quality step 5	Credit quality step 6	Unrated	Total
As at 31 December 2015								
Credit risk								
Exposures to central governments or central banks								
171,675	-	-	-	-	-	-	218,015	389,690
Exposures to regional governments or local authorities								
601,093	-	-	-	-	-	-	-	601,093
Exposures to public sector entities								
-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks								
17,473	-	-	-	-	-	-	-	17,473
Exposures to international organisations								
-	-	-	-	-	-	-	-	-
Exposures to institutions								
366,852	355,578	10,415	35	-	-	-	-	732,880
Exposures to corporates								
-	-	-	-	-	-	-	25	25
Retail exposures								
-	-	-	-	-	-	-	1,989	1,989
Exposures secured by mortgages on immovable property								
-	-	-	-	-	-	-	-	-
Exposures in default								
-	-	-	-	-	-	-	42	42
Exposures associated with particularly high risk								
-	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds								
556,036	-	-	-	-	-	-	-	556,036
Items representing securitisation positions								
-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment								
116,442	1,357	861	145	-	-	-	10,742	129,547
Exposures in the form of units or shares in collective investment undertakings (CIUs)								
-	-	-	-	-	-	-	-	-
Equity exposures								
-	-	-	-	-	-	-	6,759	6,759
Other items								
-	-	-	-	-	-	-	71,476	71,476
Total credit risk	1,829,572	356,935	11,276	180	-	-	309,048	2,507,010
% distribution	73%	14%	0%	0%	0%	0%	12%	100%

Exposure after credit risk mitigation by credit quality step								
(figures in EUR 1,000, unless otherwise stated)	Credit quality step 1	Credit quality step 2	Credit quality step 3	Credit quality step 4	Credit quality step 5	Credit quality step 6	Unrated	Total
As at 31 December 2014								
Credit risk								
Exposures to central governments or central banks	161,874	-	-	-	-	-	108,928	270,802
Exposures to regional governments or local authorities	632,573	-	-	-	-	-	138,000	770,573
Exposures to public sector entities	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	21,873	-	-	-	-	-	-	21,873
Exposures to international organisations	-	-	-	-	-	-	-	-
Exposures to institutions	241,719	348,449	-	55	-	-	-	590,223
Exposures to corporates	-	-	-	-	-	-	663	663
Retail exposures	-	-	-	-	-	-	486	486
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	44	44
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	611,758	-	-	-	-	-	-	611,758
Items representing securitisation positions	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	95,429	1,542	1,661	-	-	-	91,778	190,410
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	3,151	3,151
Other items	-	-	-	-	-	-	65,119	65,119
Total credit risk	1,765,225	349,991	1,661	55	-	-	408,170	2,525,102
% distribution	70%	14%	0%	0%	0%	0%	16%	100%

6. Counterparty credit risk

Pillar 1 method for calculating counterparty credit risk

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

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

Limiting exposure to counterparty credit risk

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

The following table indicates how the counterparty credit risk is reduced using credit risk mitigation techniques.

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

2015

2014

Current exposure (gross)	551,953	489,471
Decrease due to netting agreements / collateral	(488,299)	(442,862)
Current exposure (net)	63,654	46,609

7. Liquidity risk

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

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

Composition of liquidity buffer

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

	2015	2014
Liquid assets and central banks balances	205,527	97,970
Government bonds	594,030	627,855
Government guaranteed bonds	170,285	155,980
Supranational bonds	17,425	21,820
Covered bonds	550,691	602,653
Other	648,175	525,946
Total	2,186,133	2,032,224
% lendable	91%	93%
% EUR	91%	93%
% USD	9%	7%
LCR	>100%	>100%
NSFR	>100%	>100%

As part of management of the liquidity buffer BinckBank also supervises its encumbered assets. Encumbered assets represent the assets on the balance sheet which are pledged or used as collateral for liabilities of BinckBank. The tables underneath of encumbered and unencumbered assets are based on the CRR (Part Eight) and the accompanying directives of the European Banking Authority (EBA).

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

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

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

	Encumbered assets	Unencumbered assets	Total
As at 31 December 2014			
Loans on demand	3,756	72,424	76,180
Loans and advances other than loans on demand	25,544	502,052	527,596
Equity instruments	15,942	-	15,942
Debt securities	198,677	1,735,577	1,934,254
Other	-	755,629	755,629
Total assets	243,919	3,065,682	3,309,601

Received collateral

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

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

Year-end 2015 the collateral received by BinckBank to mitigate risks amounts to € 3.5 billion (2014: € 2.9 billion).

8. Exposures in equities not included in the trading book

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

9. Exposure to interest rate risk on positions not included in the trading book

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

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

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

10. Remuneration

Information with regard to the Remuneration Committee and the remuneration report can be found on the corporate website of BinckBank (www.binck.com).

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