



BinckBank N.V.

ANALYST & INVESTOR CALL FY17 RESULTS

Amsterdam, February 5, 2018

Vincent Germyns, Chairman of the Executive Board
Evert Kooistra, Board Member, Chief Financial & Risk Officer



AGENDA



Business
update

Financial
highlights

Wrap up
and Q&A

Key points

STRATEGIC TRANSFORMATION ON TRACK

- Core business performing very well
- We've put in place the first building blocks – more to come
- Now full focus on Relaunch Binck 2018
- Further derisking of the company in 2017

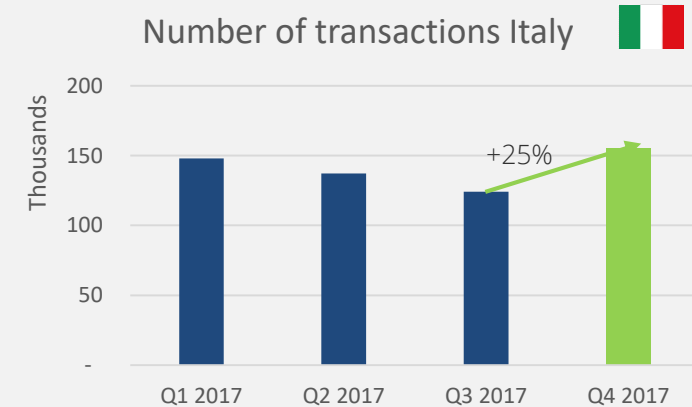
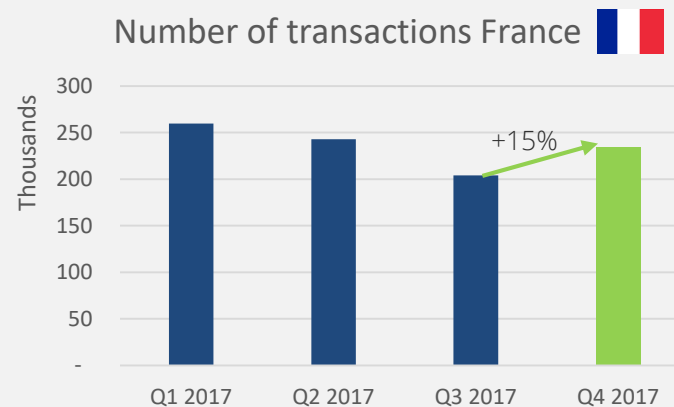
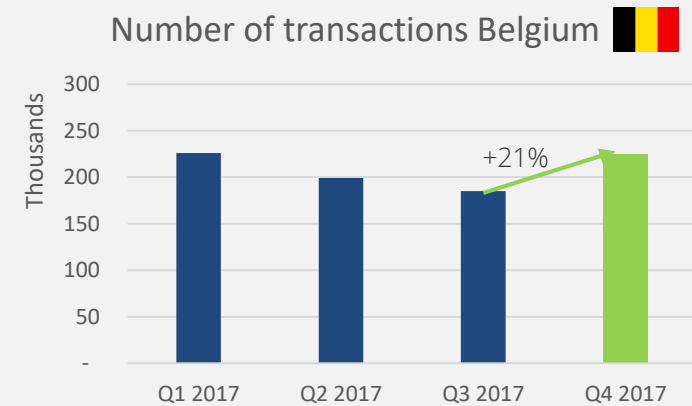
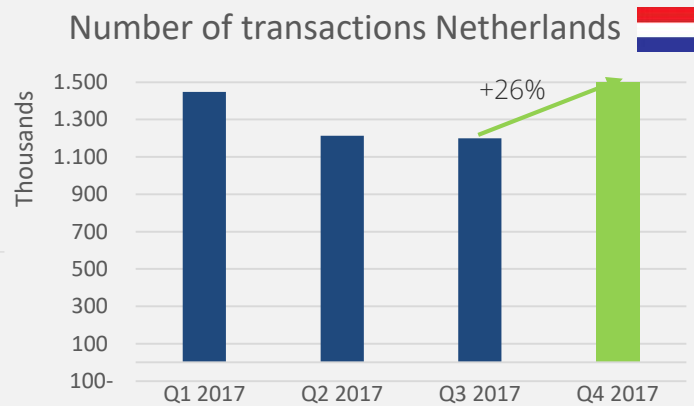
SOLID ANNUAL RESULT 2017

- Adjusted annual result increased +15% - above consensus
- FY17 € 34.9m (FY16 € 30.5m)
- EPS FY17 € 0.52 (FY16 0.45)
- Proposed dividend € 0.26

TRADING (1/2)

TRADING ACTIVITY PER COUNTRY

- All countries perform well in 17Q4. All time high in transactions Binck Italy
- Belgium strong recovery in 2017 after ban on 'speculation tax'
- Strong growth $\uparrow +20\%$ in assets for Independent Asset Managers with € 1.6bn to € 9.5bn
New business IAM Belgium counted for $\uparrow +45\%$ growth





TRADING (2/2) NEW BUSINESS INITIATIVES IN 2017

- New ProTrader webbased trading app introduced in all countries
- New MVC website for all Binck customers
- Binck turbo: zero trading fees in the Netherlands, increase in revenue to € 5.7m (FY2016: 2.5m)
- Start with opt in Securities Lending service based on 50/50 revenue sharing for customers in Belgium and the Netherlands.
- Optimization of online opening process improves conversion from lead to first trade
- Pilots in area of Trade with Color: ProBeleggen in NL & BE, Trade Ideas in NL
- Mobile app increasingly popular. Logins > 35% and Trades up to >25% via mobile apps
- Award winning in all countries:
 - The Netherlands: IEX Netprofiler award (8th consecutive time - Best broker)
 - Belgium: investor bank of the year
 - France: best customer services of France
 - Italy: best online broker for investing in Certificates and Structured Products

INVESTING POSITIVE PERFORMANCES FOR OUR CUSTOMERS

Alex Asset management – asymmetric risk profile:

- Alex Asset Management performed positively for our customers
 - Performance fee of € 1.9m over 2017
 - High watermark > 63% customers in Dec. 2017/ positive start in January 2018

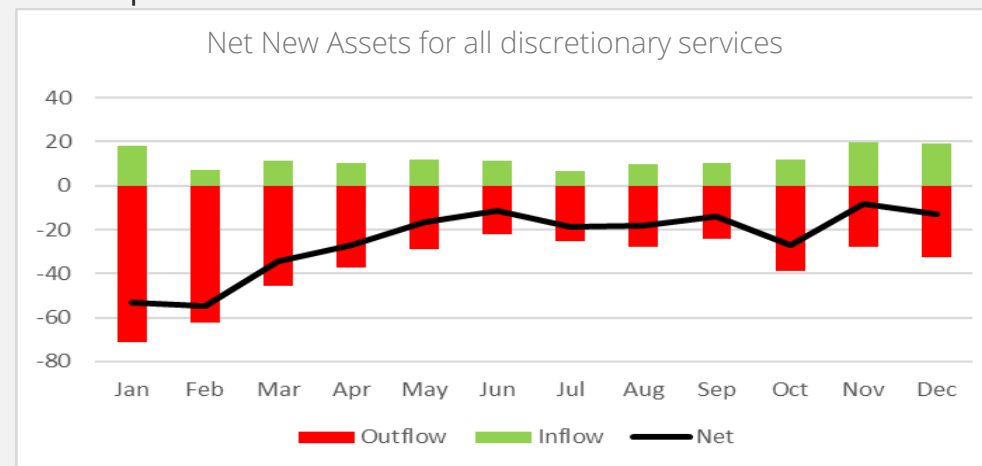
Binck Comfort – asymmetric risk profile:

- Good start of track record with positive performance in BE

Binck Forward – symmetric risk profile:

- Cashcow Award for Binck Forward as best online wealth manager

Development Net New Assets:



SAVINGS SAVINGS BROKER READY FOR LAUNCH

- Technically operational
- Search for extra partnerbanks continues
- Ready for commercial launch in february



The screenshot displays the Binck website's savings broker interface. At the top, the Binck logo is on the left, and 'Word klant' and 'Log in' buttons are on the right. A green navigation bar contains links: 'Zelf beleggen', 'Fondsbeleggen', 'Laten beleggen', 'Sparen', 'Beter beleggen', and 'Waarom Binck'. Below this, a sub-navigation bar shows 'Overzicht' and 'Werking'. The main banner features a couple and the text 'EENVOUDIG DEPOSITO'S OPENEN EN BEHEREN' with a 'Start met Binck Sparen' button. The first step, '1. Open in een paar stappen uw account.', includes a description of the online process and a user icon. The second step, '2. Kies uw deposito's.', includes instructions on choosing a bank and interest rate, and a document icon with a percentage sign.

***BINCK** Word klant Log in

Zelf beleggen Fondsbeleggen Laten beleggen Sparen Beter beleggen Waarom Binck

Overzicht Werking

EENVOUDIG DEPOSITO'S OPENEN EN BEHEREN

Kiezen, storten, veilig sparen

Start met Binck Sparen

1. Open in een paar stappen uw account.

Dit kan geheel online. Met het openen van uw Binck Sparen rekening, sluit u ook direct de overeenkomsten af met onze Service partners Raisin en MHB bank. Dit gaat heel eenvoudig in één en hetzelfde openingsproces. Wij helpen u er doorheen aan de hand van een paar online vragen, waarmee we uw profiel vaststellen. Log daarna in met uw gebruikersnaam en wachtwoord.

Heeft u meerdere rekeningen bij Binck? Na het inloggen switcht u rechtsboven in uw scherm eenvoudig tussen uw rekeningen.

2. Kies uw deposito's.

Maak uw keuze uit de bank, rentepercentage en looptijd van de verschillende deposito's. Heeft u een keus gemaakt, dan stort u het gewenste spaarbedrag op uw rekening.

Dan gaan wij voor u aan de slag om de spaardeposito('s) zo snel mogelijk te openen. U heeft hier verder geen omkijken naar.

Increased customer satisfaction

User-friendly platform, low costs and high customer satisfaction are key reasons customers choose for and stay with Binck

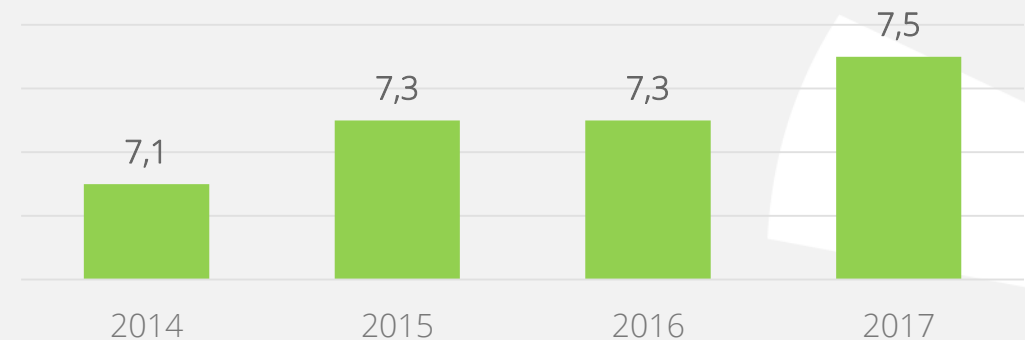
Commentary

Steadily increasing customer satisfaction driven by focus on customer centricity

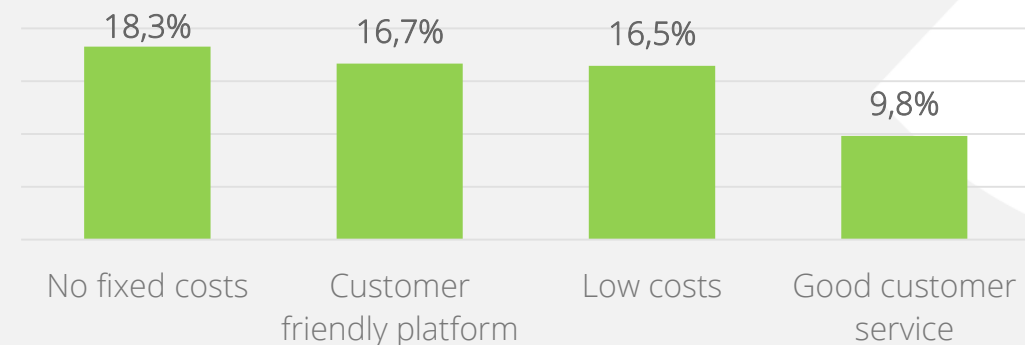
User friendly platform is key to pleasant user experience, and is further enhanced by strong customer support

Together with lower cost than traditional banks, this is the key reason customers switch to Binck

Increasing customer satisfaction¹















Reasons for switching to Binck²



¹ For Binck as a whole, based on customer surveys. ² For Binck as a whole, based on cumulative figures across last four years in customer surveys

Strategic transformation proces

Concept	Country	'17Q1	'17Q2	'17Q3	'17Q4
Trading (Trade with colour)			Pilot TWC ProBeleggen	New customer website/ Sec. lending Online opening	Zero fee Binck turbo/ pilot Trade idea ProTrader webapp
				New customer website/ Sec lending	Pilot TWC ProBeleggen/ Pro Trader webapp
		Commercial partnership Zonebourse, Boursier.com & Amiral Gestion			ProTrader webapp
		Securities Lending 16Q4		New customer website	ProTrader webapp
Investing (Track it Easy)			Binck Forward	Binck Comfort Binck Pension	
		Laten beleggen 16Q4			
					
					
Saving (Save it smarter)				Technically operational	Wait for partner approval by regulator
					
					
					

Organisation & IT: deliver on UX as USP with shorter time to market at lower cost

Deliverables of our innovation strategy:

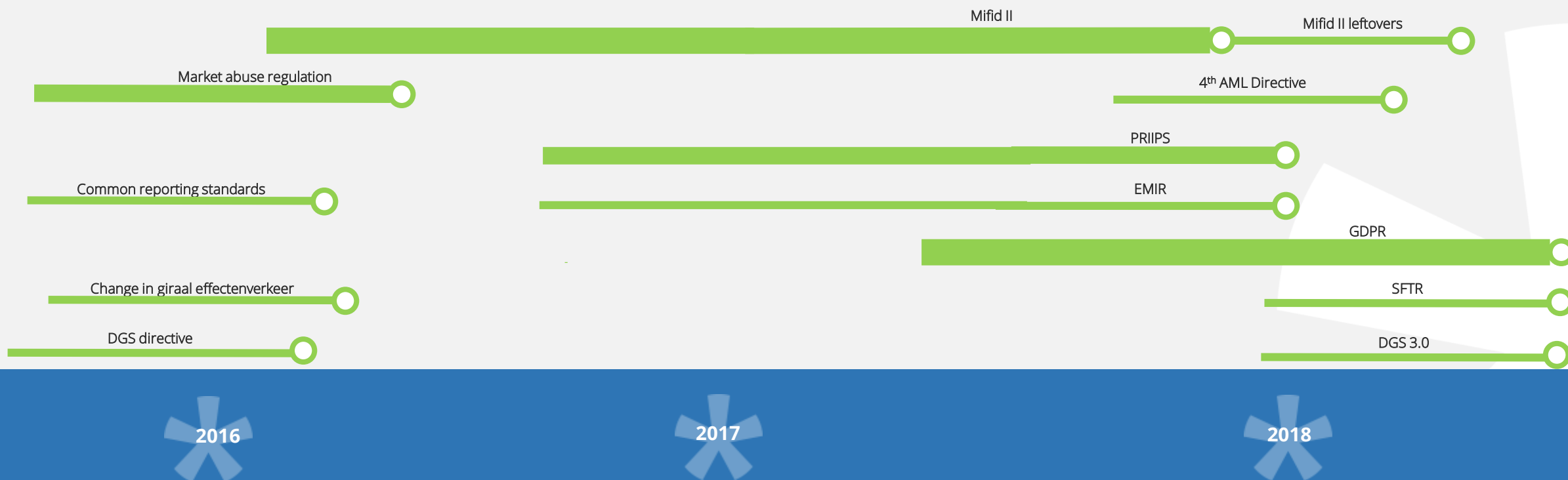
- New products & services
- Agile way of working with multidisciplinary teams
- Release cycles shortened to (bi)weekly delivery
- Customer centric and iterative prototyping
- Migration to new datacenter in March 2017, saving 60% on energy & costs
- API for external partnerships
- Infrastructure in place to support artificial intelligence (AI) and machine learning – important for Navigator

IT organization and innovation:

- Removal of legacy
- Decrease complexity
- Execute our cloud strategy
- UX driven and Design Thinking methodology
- Challenge and stimulate innovative culture

Regulatory challenges


TOPICS



- MiFIDII, market abuse regulation, PRIIPS and other new regulations required many resources
- MiFIDII aims to protect the retail investor & to increase transparency in financial markets
- In 2017 BinckBank managed to bring many innovations to the market despite the high pressure from regulatory side

Corporate divestment process (non core assets) completed


TOM
Wind down


Sale
of Able

BPO
Phase out


Sale
Think ETF's

2017

June

Oct

Dec

2018

Winddown TOM

- Activities stopped in June 2017
- Total provision for winddown was €1.5m in FY17Q1
- Winddown reveals positive liquidation surplus of €0.5m in FY17Q4
- Net winddown cost FY17 TOM €1.0m
- Court cases Euronext dropped

Sale of software company Able

- Sale to strategic buyer Topicus
- Positive impact FY17Q4 adjusted EPS: €0.03 per share

Phase out BPO business

- Concluded off boarding agreements with all 4 BPO clients
- 2 BPO clients already off-boarded, remaining 2 to be off-boarded before FY18Q4
- No material BPO revenues anymore in FY17Q4 (€0.35m)

Sale of 60% shareholding in Think Capital

- On January 19, 2018 we announced the sale of 60% share in Think Capital.
- Sale is subject to regulator approval (expected end FY18Q1)
- Financial details will be disclosed at publication of FY18H1 results

Sale of ThinkETF's completes the divestment process of non core assets that started with the sale of BeFrank in 2014

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FY17 Financial highlights

- Adjusted net result FY17 € 34.9m (+15% FY16 € 30.5m)
- Adjusted net earnings per share FY17 € 0.52 (FY16 € 0.45)
- Adjusted net earnings per share 17Q4 € 0.16 (16Q4 € 0.11)
- Analyst consensus net earnings per share FY17 € 0.50
- Analyst consensus net earnings per share 17Q4 € 0.15

KEY FIGURES (CONSOLIDATED)

(amounts in € 000's)

	17Q4	17Q3	ΔQ3	2017	2016	Δ16
Customer figures						
Number of transactions *	2.119.087	1.711.952	24%	7.705.024	7.726.110	0%
Assets under administration	26.027.985	25.483.425	2%	26.027.985	22.793.380	14%
Assets under management	1.090.881	1.139.575	-4%	1.090.881	1.279.980	-15%
Adjusted income statement						
Net interest income	7.553	7.614	-1%	30.039	26.325	14%
Net fee and commission income	28.854	23.527	23%	105.858	109.076	-3%
Other income from operational activities	2.271	3.840	-41%	13.072	12.324	6%
Total income from operating activities	38.678	34.981	11%	148.969	147.725	1%
Total adjusted operating expenses **	30.546	30.089	2%	120.071	116.634	3%
Adjusted result from operating activities	8.132	4.892	66%	28.898	31.091	-7%
Adjusted tax **	237	3.730		4.681	2.273	
Share in results from associates	2.368	0		864	(2.821)	
Adjusted result after tax	10.737	8.622	25%	34.443	30.543	13%
Result attributable to non-controlling interests	72	385		450	(87)	
Adjusted net-result attributable to the shareholders BinckBank	10.809	9.007	20%	34.893	30.456	15%
Adjusted net earnings per share (in €)	0,16	0,13		0,52	0,45	
Cost / income ratio	79%	86%	-8%	81%	79%	
Capital adequacy						
Common equity Tier 1	249.522	245.917	1%	249.522	245.542	2%
Capital ratio	30,8%	30,7%		30,8%	31,9%	
Leverage ratio	6,6%	6,6%		6,6%	6,7%	

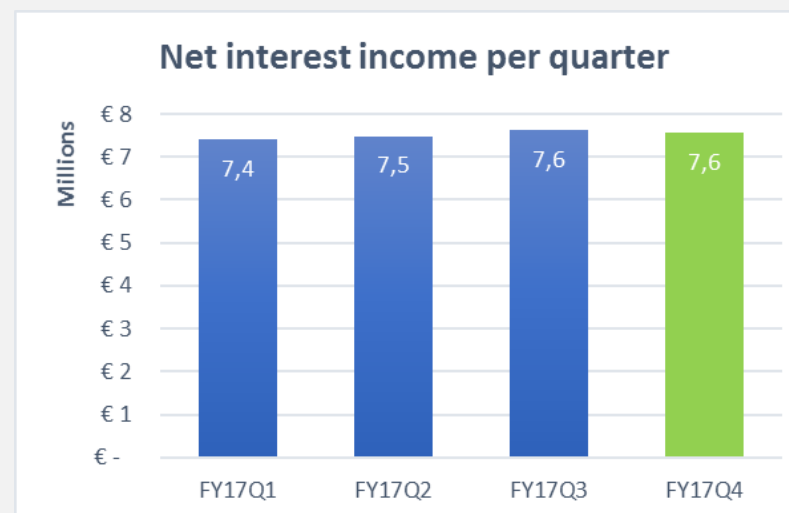
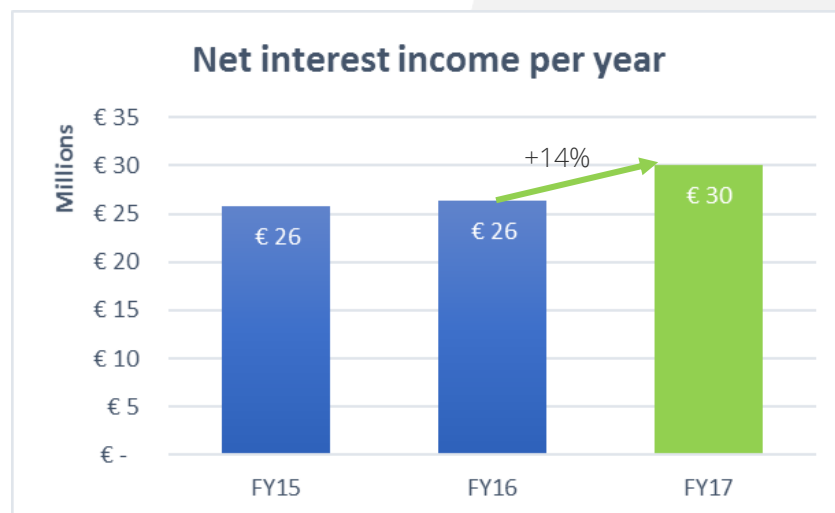
* Transaction number include transactions which do not have a direct commission income, such as the transactions in Binck Turbo's that have been offered free of charge since October 2017.

** Compared to the IFRS-results, within the adjusted result the total operating expenses and taxes are adjusted for IFRS-amortisation and tax savings on the difference between fiscal and commercial amortisation of the intangible assets acquired with the acquisition of Alex and goodwill paid.

Group level

Net Interest Income (NII)

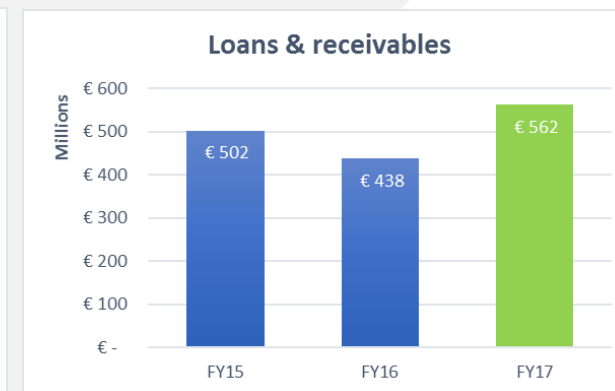
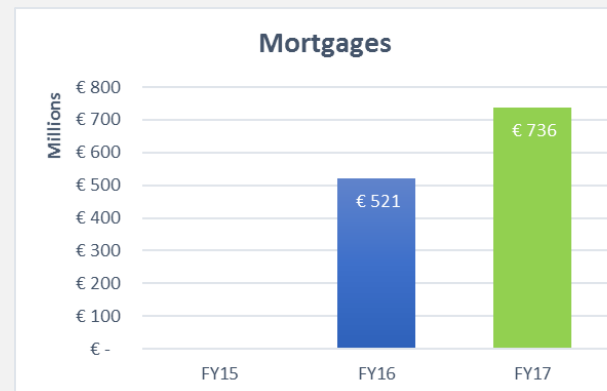
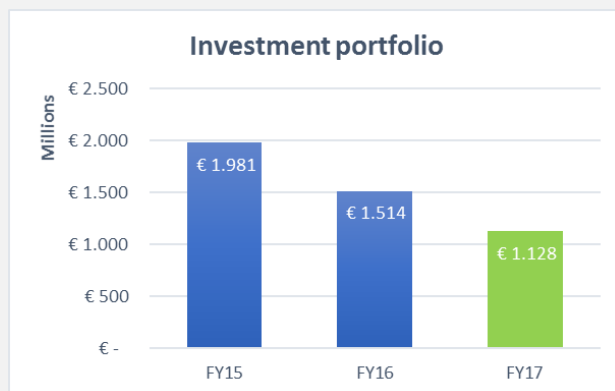
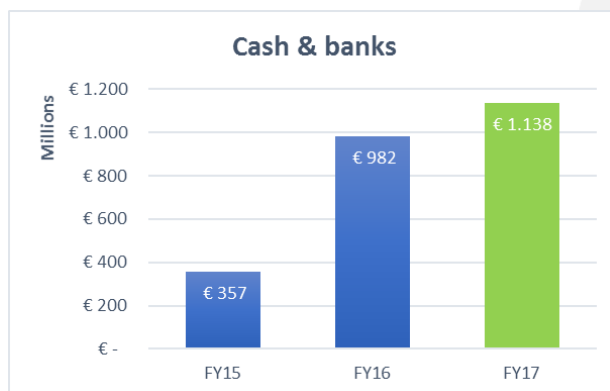
- Net Interest Income FY17 increased with 14% from €26.3m (FY16) to €30.0m (FY17)
- Increase NII primarily driven by investments in Dutch Residential mortgages
- NII in FY17Q4 remained stable around €7.6m (FY17Q3: €7.6m)



Group level

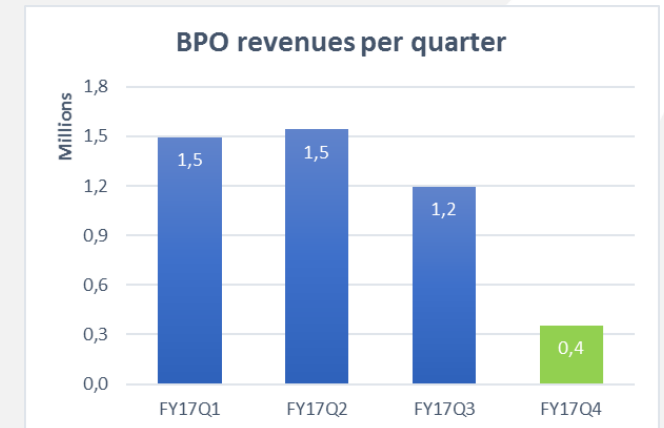
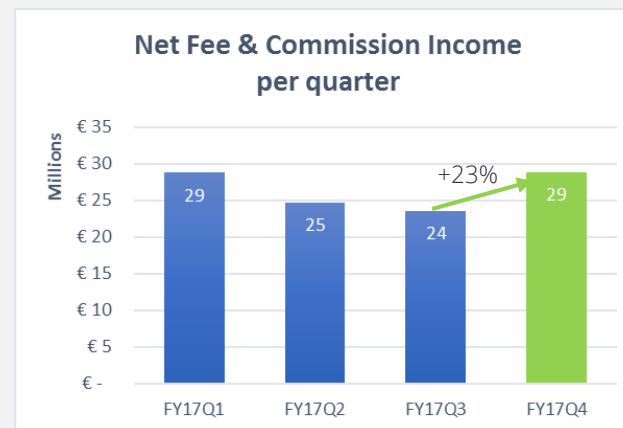
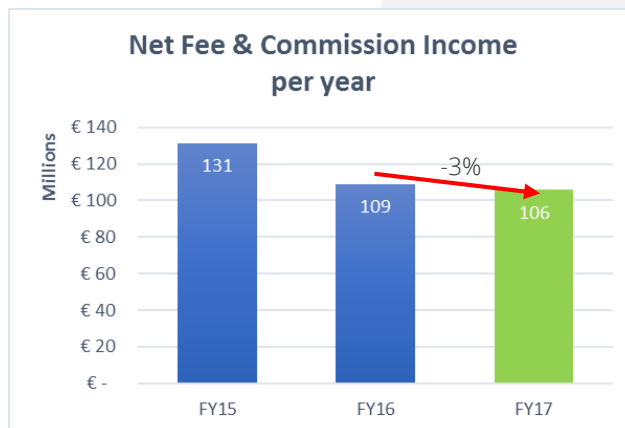
Interest generating assets

- Year end Cash & banks still high at €1.1 billion (yield -0,40%)
- Size of the Investment portfolio year end FY17 €1.1 billion
- Average yield Investment portfolio is 34 bps, duration 1.5 years
- Dutch residential mortgage book: FY17 €736m, avg yield 179 bps, duration 6.1 years
- Collateralised lending in FY17 increased to € 562m (FY16 € 438m), growth of 28%
- FY17 Average yield on collateralised loans: approx. 343 bps (FY16 369 bps)

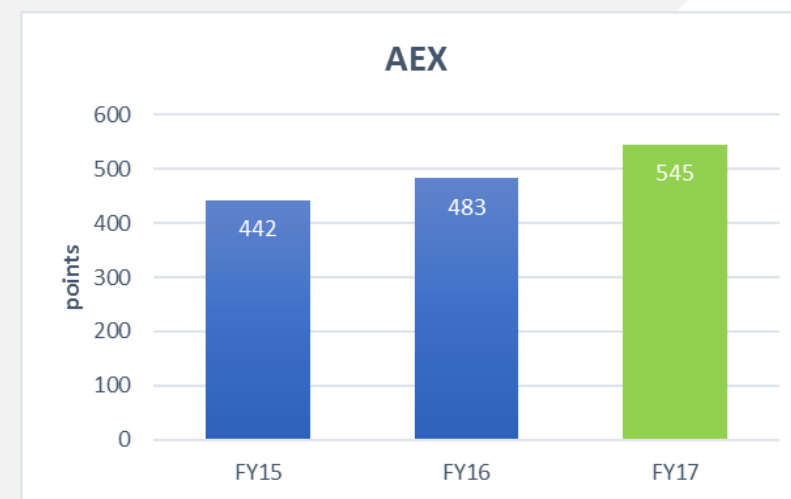
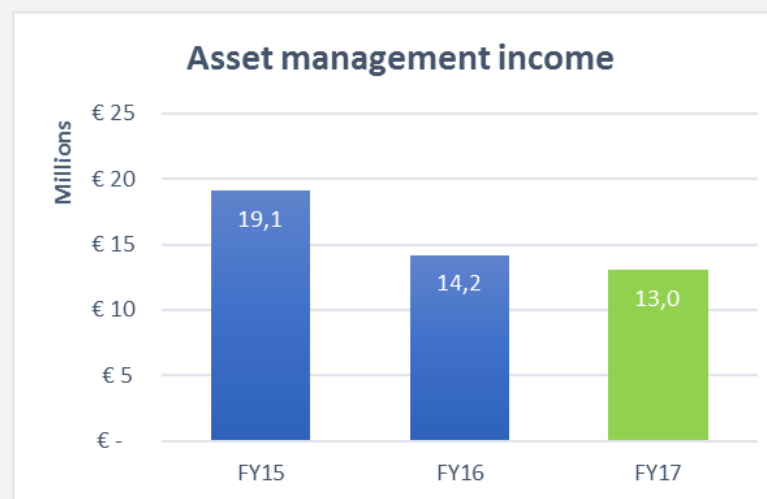
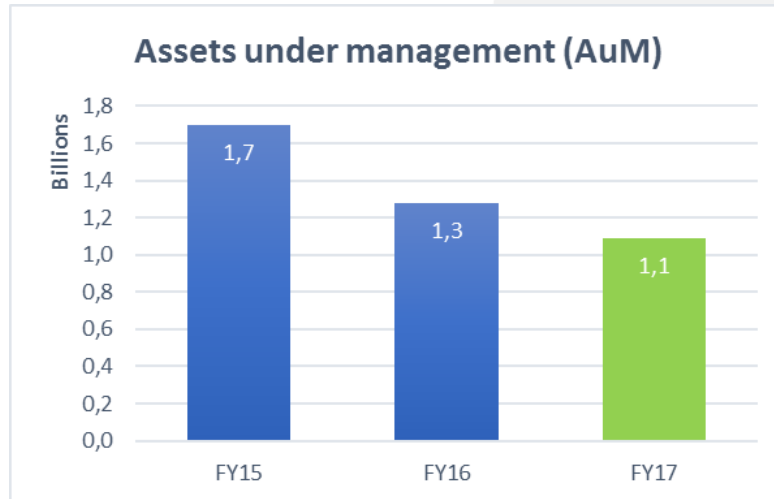
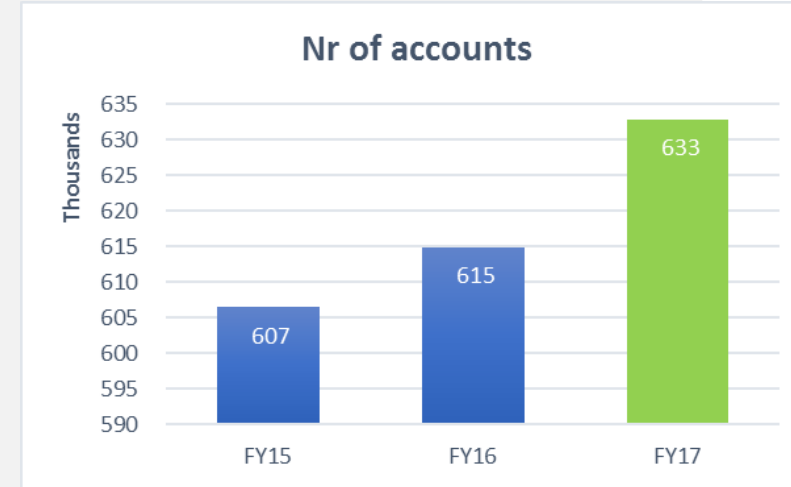
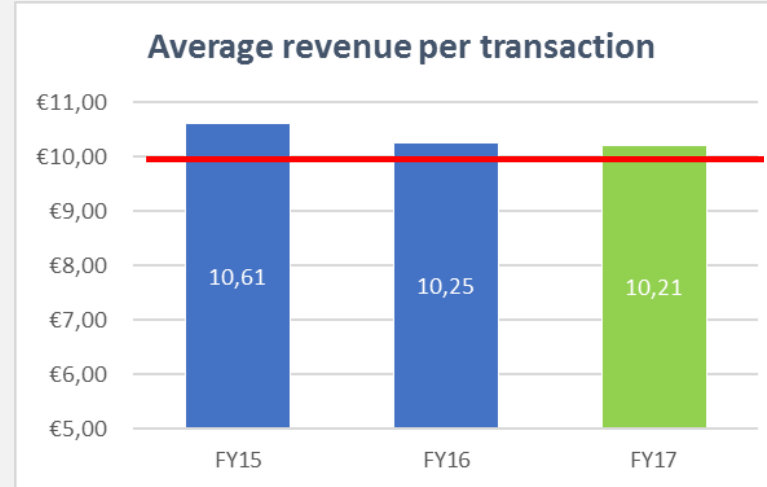
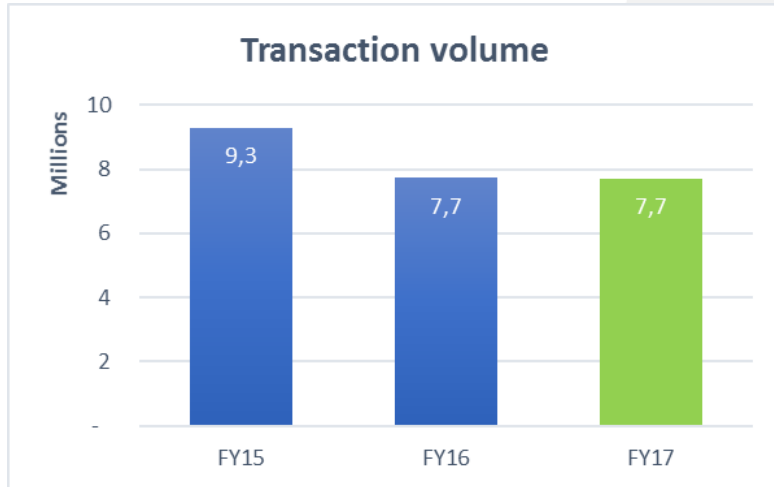


Net Fee & Commission Income

- Net Fee & Commission Income FY17 decreased by 3% from €109.1m to €105.9m due to:
 - phase out of BPO business (no material BPO revenues recorded in FY17Q4: €0.35m)
 - lower income from asset management activities (AuM outflow Alex asset management)
 - change of earnings model for Binck Turbo (as from FY17Q4 reported in “Results from Financial Instruments”)
- Net fee & Commission Income FY17Q4 increased with 23% from €23.5m to €28.9 due to:
 - increase of transactions (24%)
 - performance fee for Alex Asset Management €1.9m
- Alex Asset Management is still an area of concern, net outflow still significant in FY17 (€350m)

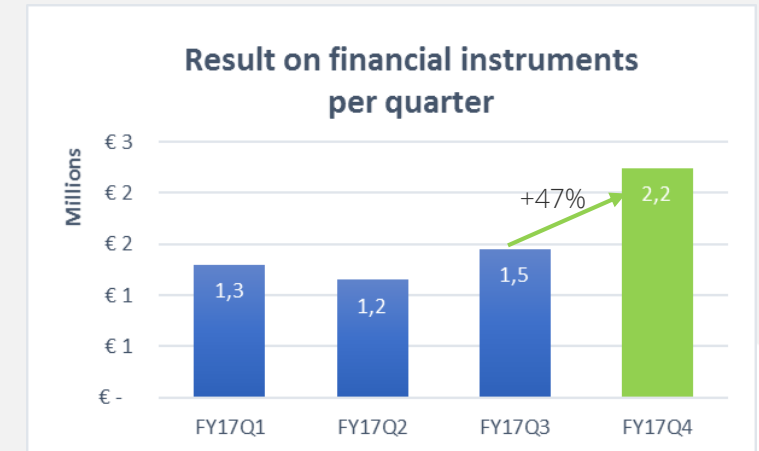
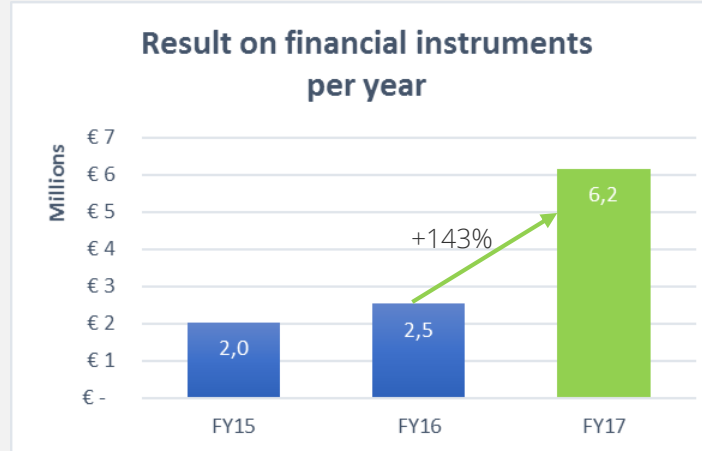


Drivers Net Fee & Commission Income



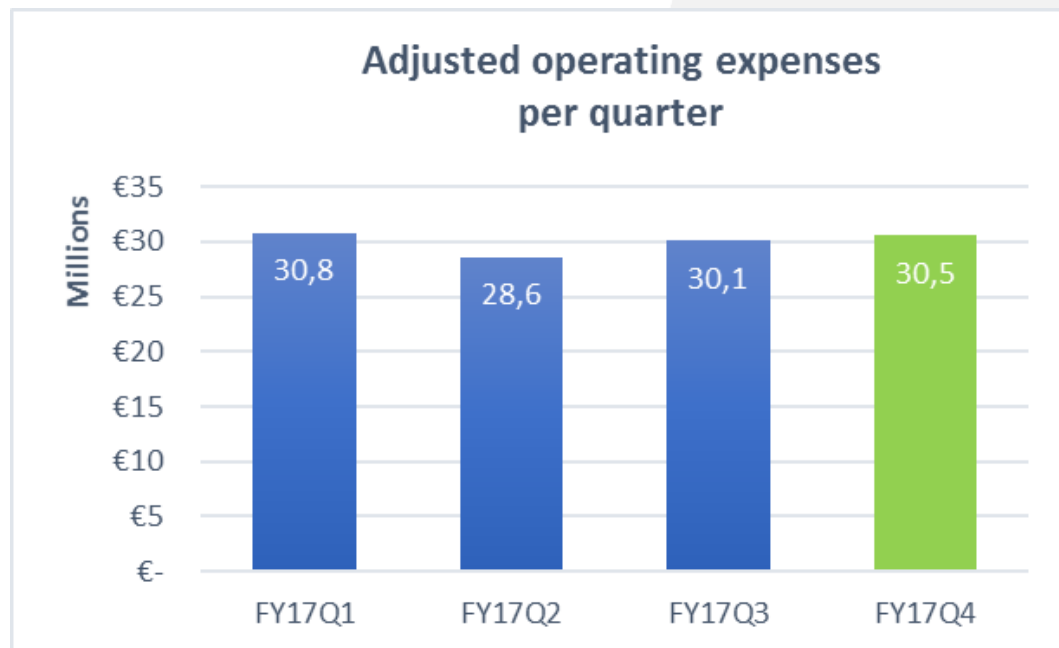
Other income from operating activities

- Results on financial instruments:
 - income Binck turbo's
 - gains & losses on other financial instruments (incl one off 0.35m)
- Since FY17Q4 BinckBank offers zero fee trading on turbo's which has a positive effect on result from financial instruments
- No Able revenues in FY17Q4 due to sale of Able

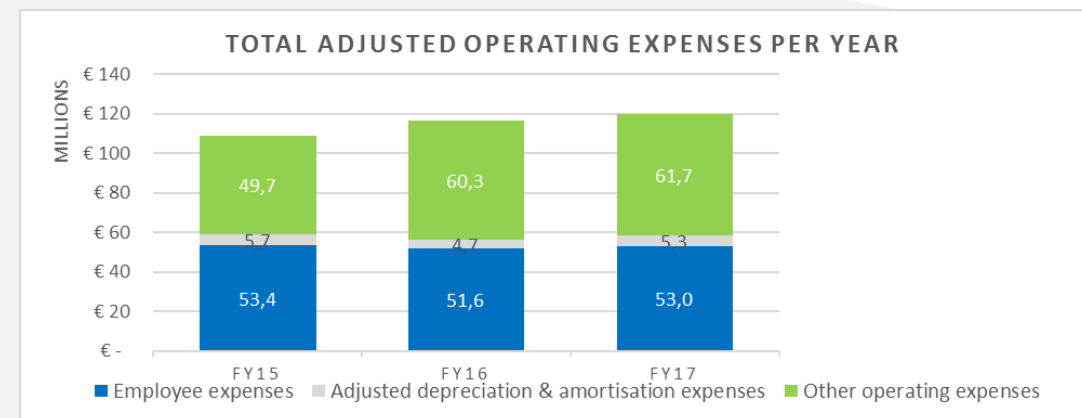
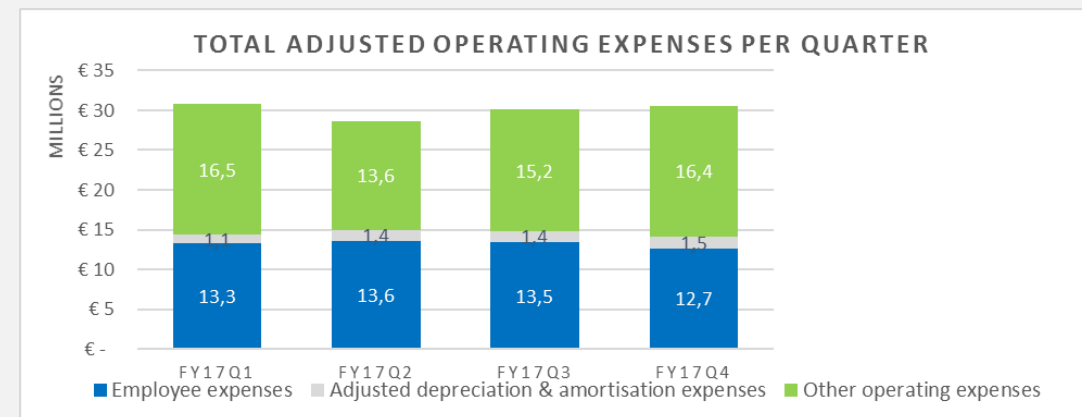


Group level

Adjusted operating expenses



- Reduction in operating expenses due to sale of Able in FY17Q4 (approximately € 2.0m) fully offset by one off charges in FY17Q4
- Employee expenses decreased by 6% in FY17Q4 due to sale of Able (74 FTE's less). 579FTE's per FY17Q4
- Other operating expenses increased by 8% from €15.2m (FY17Q3) to €16.4m in FY17Q4. Due to Q4 provisions for onerous contracts and legal claims (in ordinary course of business)



Group level

Share in result of associates

- The share in profit/(loss) of associates and joint ventures shows a positive balance of € 2.4m in FY17Q4
- This is the result on sale of Able for €1.9m and a positive liquidation surplus on TOM for € 0.5m
- Able is sold for Euro 4.5 million in cash
- Able had a net equity of Euro 2.6 million at the moment of sale
- The profit booked in Q4 on Able is 1.9 million euro, approximately 3 cents per share

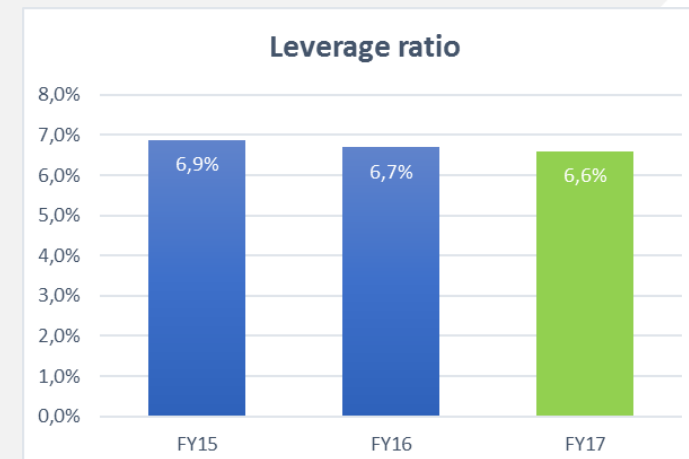
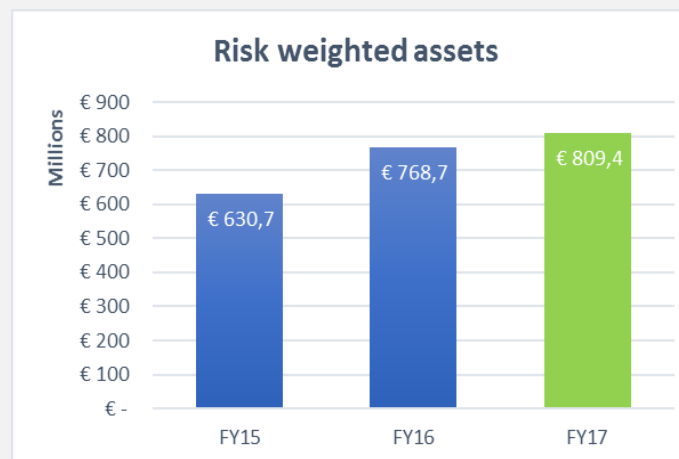
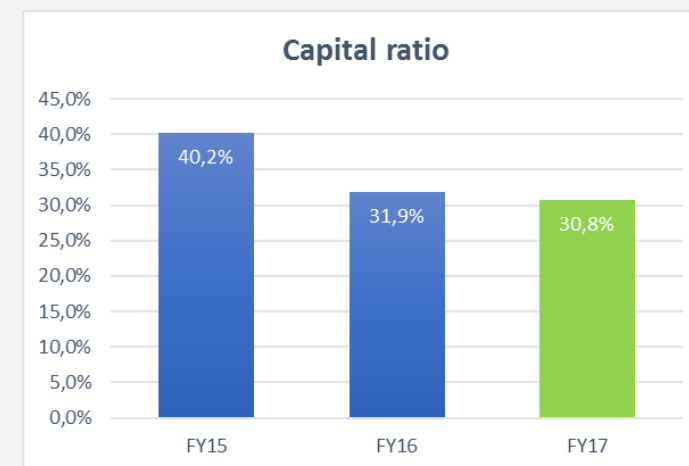
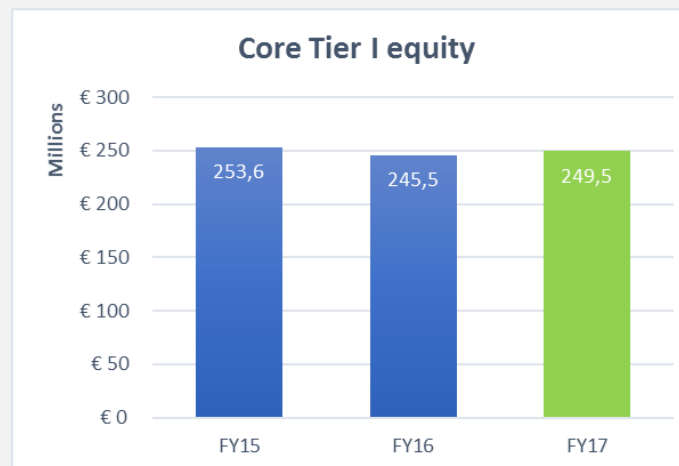
Group level Financial position

Capital

- IFRS Equity FY17 €394.9m (FY16: €397.0m)
- Tier 1 Capital FY17 €249.5m (FY16: €245.5m)

Ratio's

- Capital ratio FY17 30.8% (FY16: 31.9%)
- Leverage ratio FY17 6.6% (FY16: 6.7%)
- Risk weighted assets FY17: €809.4m



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WRAP UP FOLLOWED BY Q&A

- Core business performing very well
- Strategic transformation on schedule: well positioned for Relaunch Binck by having broadened our products & service portfolio
- Full focus on Relaunch Binck and commercial roll out & optimization of the cost structure
- Low interest rate environment puts net interest income under pressure
- Result sale Think ETF's at first publication after the closing
- Regulatory challenges 2018: leftovers MiFIDII and implementation GDPR

