Yearly report 2018



BINCKBANK

- Saxo Bank intends to make a public offer on the shares of BinckBank
- Intended public offer to be made by Saxo Bank for € 6.35 cum dividend per share
- Net result per share 18FY € 0.53
- Net result per share 18Q4 € 0.12

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Key figures (consolidated)

(amounts in € 000's)	18Q4	18Q3	ΔQ3	2018	2017	Δ17
Customer figures						
Number of transactions	2,651,078	2,229,746	19%	9,870,170	7,705,024	28%
Assets under administration	24,376,808	27,286,352	-11%	24,376,808	26,027,985	-6%
Assets under management	890,434	1,012,687	-12%	890,434	1,090,881	-18%
Financials						
Total income from operating activities	34,219	32,657	5%	142,794	148,969	-4%
Total operating expenses	32,363	25,859	25%	115,368	141,586	-19%
Result from operating activities	1,856	6,798	-73%	27,426	7,383	271%
Result after tax	7,857	5,393	46%	35,462	8,521	316%
Net earnings per share (in €)	0.12	0.08		0.53	0.13	
Cost / income ratio	95%	79%		81%	95%	
Capital adequacy						
Common equity Tier 1	248,998	254,859	-2%	248,998	249,522	0%
Capital ratio	31.8%	32.2%		31.8%	30.8%	
Leverage ratio	6.3%	6.2%		6.3%	6.6%	

Highlights 2018

- BinckBank and Saxo Bank A/S (Saxo Bank) have reached a conditional agreement (merger protocol) regarding a recommended all-cash public offer of EUR 6.35 (cum dividend) per issued and outstanding ordinary share
- Distributed interim dividend € 0.13 per share (€ 8.7 million)
- Net result 2018 € 35.5 million (2017: € 8.5 million)
- Net result including one-off effects of € 12.9 million after tax:
    - advisory expenses related to the offer of Saxo Bank (€ 2.4 million pre-tax)
    - sale of the share in Think ETF Asset Management in June 2018 and earn-out arrangement relating to the sale of Able contribute to the 2018 annual result for € 8.4 million
    - one-off positive tax benefit amounting to € 6.3 million on deferred tax liabilities as a result of changes in future corporate tax rates
- Net result per share 2018 € 0.53 (2017: € 0.13)
- The offer price of the public offer of Saxo Bank has taken account of dividends (cum-dividend). For that reason, the entire 2018 result, after deduction of the distributed interim dividend, will be added to the reserves. As a result, BinckBank will not pay a final dividend for 2018
- Commercial proposal of online brokerage improved due to launch of new price plan
- At the end of 2018 the brand name Alex has been fully phased out
- Transaction numbers in 2018 increased to 9.9 million (+28%) as a result of offering free trades in Binck turbo's and the improved commercial proposal
- Assets under management decreased to € 0.9 billion as per 2018 (2017: € 1.1 billion). Assets under management in new propositions increase to € 170 million (2017: € 115 million)
- 19% decrease of operating expenses 2018 compared to 2017, amongst others due to lower amortisation relating to fully amortised intangible assets (Alex Beleggersbank)
- 18Q4 reflects higher operating expenses, largely due to advisory expenses related to the offer of Saxo Bank (€ 2.4 million), project expenses as relating to law and regulation (€ 1.5 million) and marketing campaigns (€ 0.7 million)

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Chairman's message



The first results of the strategic repositioning and commercial relaunch did not go unnoticed and resulted in an intended offer by Saxo Bank for the shares of BinckBank. The combination of the two companies can thus claim a leading role in the expected consolidation within the sector.

BinckBank had a lively year. On the one hand we made good progress with the relaunch of BinckBank by focusing on the commercialization of our new 'Laten Beleggen' (discretionary management) services and the further strengthening of our position in 'Zelf Beleggen' (self-investment) services. We invested in the brand and the strengthening of our positioning; in the future we will operate exclusively under the BinckBank name. A great deal of time and energy was also devoted to making the organisation more effective. A lot of attention was focused on cost control and the further rollout of the 'agile' working method. In the second half of 2018 we entered into discussions with Saxo Bank and in December we concluded that in Saxo Bank we had found a good strategic partner for the future.

The offer Saxo Bank and BinckBank jointly announced on 17 December 2018 comes at a time when the sector is facing a range of challenges, including fierce competition, increased regulation and low interest rates, on the eve of an expected consolidation in the European market. Achieving economies of scale is an important factor in strengthening our future position. Joining forces with Saxo Bank offers the necessary perspectives for customers and employees to take on the challenges mentioned above. The two companies' innovative products and services, the combination of BinckBank's customer knowledge with the economies of scale of the Saxo Bank platforms and geographic complementarity will ultimately secure a strong position in the European market. Moreover, we have very similar businesses. Saxo Bank and BinckBank are both fintech pioneers with leading positions in online investing. Saxo Bank also endorses our mission, vision and strategy and will support a further rollout thereof.

Saxo Bank intends to make an all-cash public offer of € 6.35 per share (cum dividend). In assessing the offer we considered factors such as the realizable value for shareholders if BinckBank were to continue operating independently versus the premium for shareholders resulting from the offer by Saxo Bank. We have concluded that Saxo Bank's offer is fair and attractive for shareholders, as it represents a premium of 35% over the closing price of 14 December 2018 (€ 4.72). Other stakeholder interests, such as those of our customers and our employees, were also taken specifically into account in evaluating the offer.

In order to improve our future and open up increased opportunities, BinckBank initiated a broadening strategy (Rethink Binck) in 2015 when I was appointed chairman of the executive board. We stated our desire to transform ourselves from a pure online broker to a broader wealth bank. Over the past few years we have introduced various new services such as the 'Laten Beleggen' (discretionary management) products 'Binck Comfort' and 'Binck Forward' and the 'Binck Sparen' savings product. As well as developing new products, we have made various adjustments to the earnings model, optimized the operational structure and changed the balance sheet structure to meet the challenges facing us and strengthen our competitive position. In the past years we have improved the focus of our business operations by disposing of activities no longer consistent with our core business. Although we have taken careful steps in our strategic transformation in recent years and remain optimistic about BinckBank's future potential, we have also been realistic in our evaluation. Both the executive board and the supervisory board have concluded that in the light of external factors the strategic transformation will require more time than was initially thought.

I would like to thank our customers and shareholders for their confidence in BinckBank. We trust that our shareholders will also consider the offer by Saxo Bank to be attractive and that they will therefore tender their shares within the specified periods. Finally, I would like to thank all our employees for their commitment during the past year.

Amsterdam, 4 February 2019

BinckBank N.V.

Vincent Germyns, chairman of the executive board

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Offer by Saxo Bank for the shares of BinckBank

On 17 December 2018 BinckBank and Saxo Bank announced that they had reached a conditional agreement (the Merger Protocol) on a recommended all-cash public offer (the Offer) by be made by Saxo Bank for the entire issued and outstanding share capital of BinckBank (the Shares) of € 6.35 per share (cum dividend) (the Offer Price). The Offer Price values 100% of the Shares of BinckBank at € 424 million and represents a premium of 35% over the closing price of 14 December 2018, and a premium of respectively 42%, 43% and 38% over the average volume weighted price per share over the last one, two and three calendar months, delivering immediate, certain and significant value to BinckBank shareholders. The issuing and consummation of the Offer are subject to the satisfaction of the conditions customary for a transaction of this kind. One of the conditions for declaring the offer unconditional is that a minimum of 95% of the shares have been tendered under the Offer, which percentage will be reduced to 80% if the BinckBank shareholders have adopted the resolution concerning the Post-Closing Merger at the extraordinary general meeting of shareholders, provided however that Saxo Bank may waive the minimum acceptance condition without the consent of BinckBank if the acceptance level is at least 67%.

Strategic rationale

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

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

Recommendation and support

Consistent with their further fiduciary responsibilities, the BinckBank executive and supervisory boards, with the support of their financial and legal advisers, have carefully reviewed the Offer, as well as the possible alternatives for BinckBank and the associated risks, challenges and uncertainties. Having taken the interests of all stakeholders into account the boards unanimously conclude that the Offer is in the long-term interests of the Company, the sustainable success of its business and clients, employees, shareholders and other stakeholders. Accordingly, the BinckBank boards decide to unanimously support the transaction and recommend that BinckBank's shareholders accept the offer and vote in favour of the resolutions relating to the Offer at general meeting of BinckBank, to be held during the offer period, subject to completion of consultations with the works council of BinckBank. Before the general meeting, the executive board and supervisory board of BinckBank will publish a motivated position determination. The respective resolutions of the executive and supervisory boards of BinckBank are subject to the completion of consultations with the works council.

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Other developments in 2018

In March 2018 BinckBank introduced a new price plan with a range of investment propositions for Binck 'Zelf Beleggen' in the Netherlands. The principle is the greater the investment activity, the more favourable the rates are. The new price plan results in a more stable income stream for BinckBank due to the fixed remuneration component. Furthermore, the effect of the offer of commission-free transactions in Binck turbos was clearly reflected in the 28% rise in the number of transactions in 2018 compared to 2017. The average net commission per transaction declined to € 7.73 per transaction (2017: € 10.21). This reduction was due on the one hand to the commission-free transactions in the Binck turbo and on the other hand to the lower rates resulting from the new price plan. The service fee included in the new price plan nevertheless compensates for the decrease in transaction-related fees. At the end of 2018 BinckBank had € 24.4 billion of assets under administration (2017: € 26.0 billion). The decrease was mainly due to the market correction that took place in 18Q4.

Assets under management at the end of 2018 amounted to € 0.89 billion (2017: € 1.09 billion). The net outflow in full-year 2018 amounted to € 115 million. In the second half of 2018 the outflow of 'Binck Select' increased, partly due to the change to the new 'Binck Select' name. This outflow remained within the expected conversion loss. The assets under management in 'Binck Select' amounted to € 720 million at the end of 2018. The new 'Laten Beleggen' propositions in Belgium and the Netherlands grew in 2018 with a net inflow of assets under management rising by € 62 million to € 170 million.

November 2018 saw the introduction of 'Binck Vie' for the French market. This discretionary management service is an online automated capital accumulation solution combined with a life insurance component (Assurance Vie) offering tax advantages for the investor. BinckBank has partnered with Generali for this product. 'Binck Vie' uses the same automated management functionality as 'Binck Forward' and 'Binck Pensioen'.

On 29 June 2018 BinckBank sold its 60% shareholding in Think ETF Asset Management B.V. The sale generated a book profit of € 8.1 million for BinckBank. In addition, the liquidation of TOM Holding N.V. was completed in 18Q4 and the BPO service was phased out entirely at the end of 2018, marking the completion of the phaseout of non-core activities.

As announced in the press release of 25 April 2016, the executive directors of BinckBank N.V. gave individual commitments with effect from 26 April 2016 to purchase BinckBank shares for their own account, upon each publication of quarterly figures, for amounts of € 25,000 (CEO), € 20,000 (CFRO) and € 15,000 (COO) respectively. This commitment to the automatic purchase BinckBank shares was intended to create shareholder alignment among the directors. They currently hold the following numbers of shares for their own account and risk (including shares granted as part of variable remuneration): 119,120 (CEO), 142,005 (CFRO) and 39,566 (COO). In view of the number of shares currently held, BinckBank has determined that the purpose of shareholder alignment has been sufficiently achieved. BinckBank and its directors have therefore agreed that with immediate effect directors will no longer be obliged to invest part of their personal assets in BinckBank shares every quarter. They will, however, continue to refrain from conducting any transaction involving the shares acquired under the aforementioned commitment, except to comply with their respective commitments to Saxo Bank to tender their shares under Saxo Bank's public offer for BinckBank announced on 17 December 2018.[1]

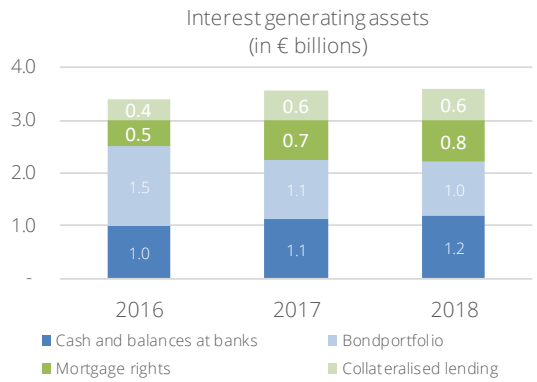
[1] If and to the extent applicable, the notice in this paragraph is also deemed to be a notice within the meaning of section 5(4) of the Decree on Public Offers under the Financial Supervision Act (*Besluit openbare biedingen Wft*).

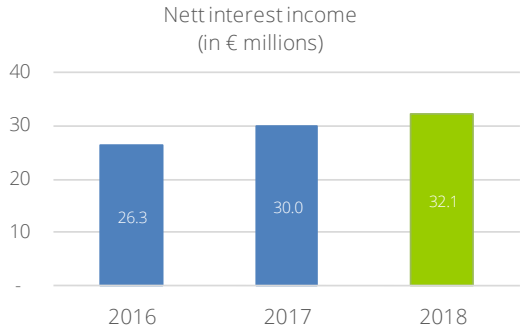
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Notes to the consolidated result for 2018

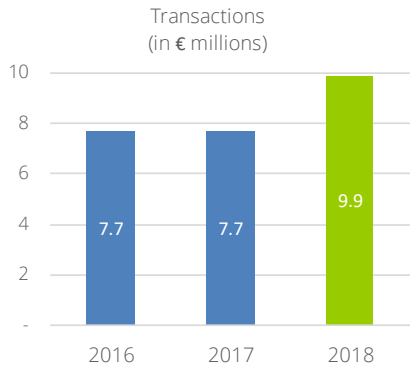
The consolidated net result for 2018 amounted to € 35.5 million, representing net earnings of € 0.53 per share. The net result was higher than the result of € 8.5 million (€ 0.13 per share) recorded in 2017.

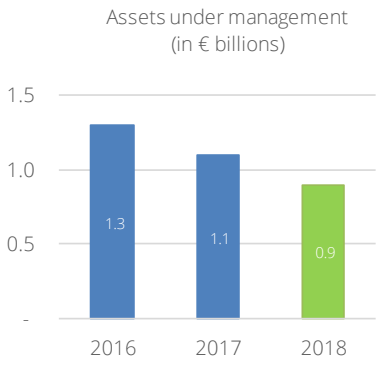
Net interest income increased by 7% to € 32.1 million (2017: € 30.0 million), mainly due to the larger average amount of outstanding loans and receivables in 2018 (both collateralised loans and mortgage rights) that have a better yield in the current market than the bond portfolio and cash balances. BinckBank has had an intensive discussion during 2018 with relevant experts and stakeholders about the maximum size and further growth of the mortgage portfolio. Given the current balance sheet composition and taking into account the existing capital structure and liquidity requirements BinckBank does not see any possibilities of growing the mortgages portfolio further than the current value of € 800 million.

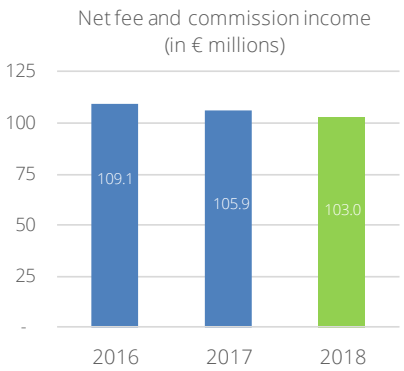




Net fee and commission income decreased by 3% to € 103.0 million compared to 2017 (2017: € 105.9 million). In 2018 the transaction numbers increased by 28% compared to 2017. As a result of the new price plan and the commission-free trades in Binck turbos the average revenue per transaction reduced to € 7.73 (2017: € 10.21). The service fee introduced in the new price plan largely compensated for the decrease in transaction-related fees. Asset management revenues continued to be under pressure due to lower assets under management compared to previous years.



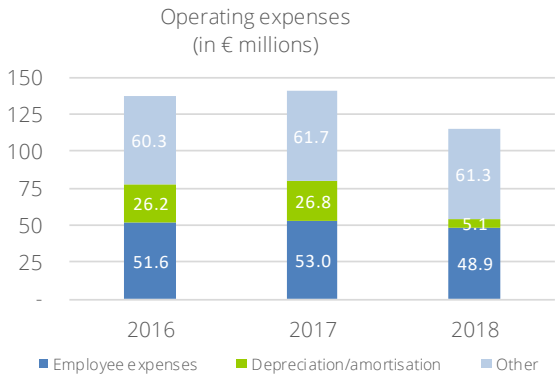




Furthermore, the other operating income decreased as a result of the sale of Able Holding B.V. in October 2017 and the phasing-out of BPO services in 2018. The result from financial instruments, including the Binck turbos and hedge accounting results increased by 14% to € 7.0 million (2017: € 6.2 million).

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The total operating expenses for 2018 decreased by 19% from € 141.6 million to € 115.4 million compared to 2017. Employee expenses decreased by 8% to € 48.9 million (2017: € 53.0 million) mainly due to a decrease in the number of FTE, amongst others as a result of the sale of Able in 2017. Depreciation and amortisation decreased by 81% from € 26.8 million to € 5.1 million. This is the result of the intangible assets acquired in the Alex Beleggersbank acquisition being fully amortised at the end of 2017. The other operating expenses for the year 2018 remained virtually unchanged compared to 2017. In the final quarter of 2018, the costs increased as a result of the costs incurred in connection with additional work and advisory services in the assessment of Saxo Bank's public offer (+ € 2.4 million), additional costs for projects such as relating to regulation (+ € 1.5 million) and marketing campaigns such as for 'Binck Vie' (+ € 0.7 million).



The result from associated companies includes a book profit of € 8.4 million resulting from the sale of the 60% interest in Think ETF Asset Management B.V. in June 2018 and the amount received from the earn-out scheme from the sale of Able.

The tax charge for 2018 amounts to € 0.4 million, which leads to an effective tax rate of 1.1%. In 2018, the tax charge includes a one-off positive tax result of € 6.3 million as a result of the application of lower corporate income tax rates on the deferred taxes. The new rates were announced in the Tax plan 2019, in which the corporate income tax rate gradually decreases from 25% in 2019 to 20.5% in 2021.

Reconciliation adjusted net result to IFRS-result

From the beginning of 2018, BinckBank no longer reports an adjusted result in the key figures, but only the IFRS result. In previous years, compared to the IFRS results, the total operating expenses and taxes have been adjusted for IFRS amortisation and the tax savings on the difference between the fiscal and commercial amortisation of the intangible assets acquired and goodwill paid on the acquisition of Alex Beleggersbank. At the end of 2017, these intangible assets, excluding paid goodwill, are fully amortised and the adjusted result is fully in line with the IFRS result. The key figures and comparative key figures therefore only present the IFRS result. A comparison of the adjusted result with the IFRS result is included below. This shows that no corrections to the IFRS result are applicable after 31 December 2017:

(amounts in € 000's)	2018	2017	2016
IFRS-resultaat	**35,462**	**8,521**	**4,621**
Adjustment IFRS amortisation	-	21,515	21,515
Adjustment for coproate tax on difference between fiscal and commercial amortisation	-	4,407	4,407
Adjusted net result	**35,462**	**34,443**	**30,543**

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Dividend proposal for 2018

The offer price of the public offer of Saxo Bank has taken account of dividends (cum-dividend). For that reason, the Stichting Prioriteit has determined in accordance with article 32, paragraph 3 of the articles of association that the entire 2018 result, after deduction of the distributed interim dividend, will be added to the reserves. As a result, no final dividend will be paid for 2018.

Financial position and ratio's

BinckBank has a solid capital and liquidity position. Total equity of BinckBank amounted to € 403.4 million (31 December 2017: € 394.9 million). Compared with 31 December 2017, the Tier 1 core capital decreased by € 0.5 million to € 249.0 million. This is due on the one hand to the amount of deferred tax assets (loss compensation) of € 5.8 million and on the other hand due to the adjustment of the deferred tax liabilities associated with goodwill for € 6.3 million following the changes to corporate income tax rates for future years. As of 31 December 2018, the capital ratio increased to 31.8% compared to the end of 2017 (2017: 30.8%). The leverage ratio amounted to 6.3% (2017: 6.6%).

As compared with the position as at 31 December 2017, the total risk-weighted exposure amounts decreased from € 809.4 million to € 783.1 million, caused by lower capital requirements due to adjustments in the investment portfolio and lower capital requirements from operational risk.

(amounts in € 000's)	31 December 2018	31 December 2017
Total equity	**403,384**	**394,889**
Less: goodwill	(153,865)	(153,865)
Plus: deferred tax liabilities related to goodwill	29,798	36,064
Less: other intangible fixed assets	(3,349)	(4,085)
Less: prudent valuation adjustment	(2)	(788)
Less: non-controlling interests	-	(933)
Less: deferred tax assets	(468)	(6,235)
Less: unappropriated profit adjusted for dividends	(26,500)	(15,525)
Common equity Tier 1 (CET1) (A)	**248,998**	**249,522**
Risk weighted exposure amount - Pillar I (B)	**783,077**	**809,380**
Capital ratio (=A/B)	31.8%	30.8%
Exposure measure	4,070,993	3,923,818
Prudential adjustments	(123,898)	(144,997)
Risk measure in accordance with CRR (C)	**3,947,095**	**3,778,821**
Leverage ratio (=A/C)	6.3%	6.6%

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Realisation of 2018 targets

In 2014 BinckBank defined medium term targets to be reached by the end of 2018. The realisation at the end of 2018 of these targets is set out in the table below. In conclusion, it can be stated that the target for the end of 2018 regarding the assets under administration has been achieved but the other objectives have not been achieved by the end of 2018, which should be seen in view of the developments in recent years.

Medium term targets 2018	Target 2018	Realisation year-end 2018	Realisation year-end 2017	Realisation year-end 2016
Customer satisfaction	>= 8 weigthed average	7.4 weigthed average	7.5 weigthed average	7.3 weigthed average
Number of transactions	11.0 million	9.9 million	7.7 million	7.7 million
Assets under administration	€ 21,0 billion	€ 24.4 billion	€ 26.0 billion	€ 22.8 billion
Assets under management	€ 3,5 billion	€ 0.9 billion	€ 1.1 billion	€ 1.3 billion
Cost/Income ratio (ex IFRS-amortisation)	<65%	81%	79%	79%
More balanced revenue flow	>66.6%	43.7%	39.4%	35.6%

Outlook

Public offer by Saxo Bank

The upcoming period will mainly focus on the developments surrounding Saxo Bank's public offer for BinckBank's shares.

Financial outlook 2019

For the ongoing operating activities, BinckBank results depends heavily on its customers trading activity. In addition to the volatility and the direction of the stock exchange, the interest rates on the money and capital markets are also strong determining factors for the financial results. All these factors are currently unpredictable and for that reason BinckBank does not give any specific outlook for 2019.

Amsterdam, 4 February 2019

Vincent Germyns (chairman of the executive board)
Evert-Jan Kooistra (member of the board and CFRO)
Steven Clausing (member of the board and COO)

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Financial yearly report 2018

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I. Condensed consolidated statement of financial position

(amounts in € 000's)	31 December 2018	31 December 2017
ASSETS		
Cash and balances at central banks	1,096,838	1,003,537
Banks	134,675	133,968
Derivatives	24,277	37,311
Financial asets at fair value through proft and loss	13,721	16,613
Financial assets at amortised cost	1,033,590	-
Financial assets available-for-sale	-	797,294
Financial assets held-to-maturity	-	342,190
Loans and receivables	1,409,649	1,303,297
Associates	-	485
Intangible assets	157,214	157,950
Property, plant and equipment	32,006	33,969
Current tax assets	16,622	16,725
Deferred tax assets	468	6,279
Other assets	138,526	58,754
Prepayments and accrued income	13,407	15,446
Total assets	**4,070,993**	**3,923,818**
LIABILITIES		
Banks	5,274	2,538
Derivatives	26,759	37,055
Financial liabilities at fair value through profit and loss	161	231
Funds entrusted	3,562,200	3,383,507
Provisions	3,394	8,134
Current tax liabilities	12	10
Deferred tax liabilities	29,996	36,443
Other liabilities	28,040	52,084
Accruals and deferred income	11,773	8,927
Total liabilities	**3,667,609**	**3,528,929**
Equity attributable to:		
Owners of the parent	403,384	393,956
Non-controlling interests	-	933
Total equity	**403,384**	**394,889**
Total equity and liabilities	**4,070,993**	**3,923,818**

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II. Condensed consolidated income statement

(amounts in € 000's)	18Q4	17Q4	2018	2017
INCOME				
Interest income	10,632	9,400	41,241	36,439
Interest expense	(2,540)	(1,847)	(9,171)	(6,400)
Net interest income	8,092	7,553	32,070	30,039
Fee and commission income	28,434	33,358	119,593	124,839
Fee and commission expense	(4,117)	(4,504)	(16,618)	(18,981)
Net fee and commission income	24,317	28,854	102,975	105,858
Other income	550	44	943	7,014
Result from financial instruments	1,281	2,242	7,013	6,150
Impairment of financial assets	(21)	(15)	(207)	(92)
Total income from operating activities	**34,219**	**38,678**	**142,794**	**148,969**
EXPENSES				
Employee expenses	12,821	12,675	48,905	53,048
Depreciation and amortisation	1,265	6,847	5,118	26,792
Other operating expenses	18,277	16,403	61,345	61,746
Total operating expenses	**32,363**	**35,925**	**115,368**	**141,586**
Result from operating activities	**1,856**	**2,753**	**27,426**	**7,383**
Result from associates	(1)	2,368	8,436	864
Result before tax	**1,855**	**5,121**	**35,862**	**8,247**
Income tax expense	6,002	(865)	(400)	274
Net result	**7,857**	**4,256**	**35,462**	**8,521**
Result attributable to:				
Onwers of the parent	7,857	4,328	35,180	8,971
Non-controlling interests	-	(72)	282	(450)
Net result	**7,857**	**4,256**	**35,462**	**8,521**
Basic and diluted earnings per share	0.12	0.07	0.53	0.13

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III. Condensed consolidated statement of comprehensive income

(amounts in € 000's)	18Q4	17Q4	2018	2017
Net result from income statement	**7,857**	**4,256**	**35,462**	**8,521**
Other comprehensive income recognised through profit and loss on realisation				
Net gain/(loss) on available-for-sale financial assets	-	(1,328)	-	(645)
Income tax relating to components of other comprehensive income	-	263	-	116
Other comprehensive income, net of tax	**-**	**(1,065)**	**-**	**(529)**
Total comprehensive income, net of tax	**7,857**	**3,191**	**35,462**	**7,992**
BinckBank has no other comprehensive income that will not be recognised through profit and loss on realisation.				
Result attributable to:				
Owners of the parent	7,857	3,263	35,180	8,442
Non-controlling interests	-	(72)	282	(450)
Total realised and unrealised results, net of tax	**7,857**	**3,191**	**35,462**	**7,992**

IV. Condensed consolidated statement of cash flows

(amounts in € 000's)	2018		2017	
Cash flow from operating activities		114,019		185,918
Cash flow from investing activities		5,470		(9,233)
Cash flow from financing activities		(25,251)		(14,681)
Net cash flows		**94,238**		**162,004**
Opening balance of cash and cash equivalents	1,137,641		977,853	
Net cash flows	94,238		162,004	
Effect of exchange rate changes on cash and cash equivalents	78		(2,216)	
Closing balance of cash and cash equivalents		**1,231,957**		**1,137,641**
The cash and cash equivalents presented in the consolidated statement of cash flows are included in the consolidated balance sheet under the following heading at the amounts stated below:				
Cash	1,096,838		1,003,537	
Banks	134,675		133,968	
Banks - non cash equivalents	444		136	
Total cash equivalents		**1,231,957**		**1,137,641**

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V. Condensed consolidated statement of changes in equity

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

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

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VI Selected explanatory notes

1. General information

BinckBank N.V. is an online bank for investors and savers, established in the Netherlands and listed on the Euronext Amsterdam exchange (Smallcap Index (AScX)). BinckBank N.V. has its registered office at Barbara Strozzilaan 310, 1083 HN in Amsterdam and is registered with the Chamber of Commerce under number 33162223. In addition to the head office, local services are deployed from our branches in Belgium, France, and Italy, and representation in Spain. BinckBank N.V. offers services in self-investing, asset management and savings, and targets its services to retail customers, businesses/legal entities, and independent asset managers. An important feature of BinckBank N.V.'s online services is a platform that gives users access to important financial markets, professional trading facilities, and analysis tools. 'BinckBank' hereinafter refers to BinckBank N.V. and to its subsidiaries.

The condensed consolidated financial statements for the financial period ending 31 December 2018 have been prepared by the executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 4 February 2019.

2. Principles for financial reporting

Presentation of the financial yearly statements and basis for measurement

BinckBank applies the International Financial Reporting Standards as adopted by the European Union, known as 'IFRS-EU'. The condensed consolidated financial statements are presented in euros, with all amounts rounded to the nearest thousand (€'000), unless otherwise stated. This report does not contain all the information required for full financial statements, and consequently should be read in combination with the consolidated financial statements 2017 or the consolidated financial statements 2018, which will be made available on 11 March 2019. BinckBank's consolidated financial statements are available via www.binck.com or on request from the Investor Relations department, (telephone +31 (0)20 522 0378).

Implications of new, amended and improved standards

In the current year, BinckBank has applied a number of new or amended IFRS standards and IFRIC interpretations effective for financial years commencing on or after 1 January 2018. New or amended standards take effect for annual periods beginning on or after the date as stated by IFRS and after ratification by the EU, whereby earlier application is permitted in some cases. The new standards and modifications in standards that become effective in the current financial year are incorporated into the current reporting principles. An overview of the new standards is published in the interim half year report 2018 and in the consolidated financial statements 2018, which will be made available on 11 March 2019.

Voluntary change in accounting principle relating to accrued interest for financial instruments

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

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Overview of financial impact of application of new accounting principles and standards

The effect of the changes described above on the comparative figures at the end of 2017 and the implementation of IFRS 9 – Financial instruments on the opening balance sheet of BinckBank as of 1 January 2018 are shown in the following table:

	31 December 2017			1 January 2018		
(amounts in € 000's)	Closing balance before change in accounting principle	Change in accounting principle	Closing balance after change in accounting principle	IFRS 9 Classif. & Measur.	IFRS 9 ECL	Opening balans after adjustments
ASSETS						
Cash and balances at central banks	1,003,673	(136)	1,003,537		(200)	1,003,337
Banks	133,968	-	133,968		(100)	133,868
Derivatives	37,418	(107)	37,311			37,311
Financial asets at fair value through profit and loss	16,613	-	16,613			16,613
Financial assets at amortised cost	-	-	-	1,138,828	(277)	1,138,551
Financial assets available-for-sale	787,743	9,551	797,294	(797,294)		-
Financial assets held-to-maturity	340,179	2,011	342,190	(342,190)		-
Loans and receivables	1,297,830	5,467	1,303,297		(1,343)	1,301,954
Associates	485	-	485			485
Intangible assets	157,950	-	157,950			157,950
Property, plant and equipment	33,969	-	33,969			33,969
Current tax assets	16,725	-	16,725		480	17,205
Deferred tax assets	6,279	-	6,279			6,279
Other assets	58,754	-	58,754			58,754
Prepayments and accrued income	32,475	(17,029)	15,446			15,446
Total assets	**3,924,061**	**(243)**	**3,923,818**	**(656)**	**(1,440)**	**3,921,722**
LIABILITIES						
Banks	2,538	-	2,538			2,538
Derivatives	37,055	-	37,055			37,055
Financial liabilities at fair value through profit and loss	231	-	231			231
Funds entrusted	3,383,383	124	3,383,507			3,383,507
Provisions	8,134	-	8,134			8,134
Current tax liabilities	10	-	10			10
Deferred tax liabilities	36,443	-	36,443	(164)		36,279
Other liabilities	52,084	-	52,084			52,084
Accruals and deferred income	9,294	(367)	8,927			8,927
Total liabilities	**3,529,172**	**(243)**	**3,528,929**	**(164)**	**-**	**3,528,765**
Equity attributable to:						
Owners of the parent	393,956	-	393,956	(492)	(1,440)	392,024
Non-controlling interests	933	-	933			933
Total equity	**394,889**	**-**	**394,889**	**(492)**	**(1,440)**	**392,957**
Total equity and liabilities	**3,924,061**	**(243)**	**3,923,818**	**(656)**	**(1,440)**	**3,921,722**

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3. Selected explanatory notes to the condensed consolidated financial figures

Sale of Think ETF Asset Management and liquidation of TOM Holding

On 29 June 2018, BinckBank completed the sale of her 60% share in Think ETF Asset Management B.V. On completion of the sale, BinckBank lost control and subsequently the entity was deconsolidated. Due to the deconsolidation, the minority interest (40%) presented as part of equity, was also reduced to nil. As part of the sale an amount of € 2.4 million cash and cash equivalents of the entity has been transferred. The sale resulted in a profit of € 8.1 million which is reflected in the item result from associates.

In 2017 TOM Holding N.V. had already ceased its activities and had started the liquidation process. In 2018, the latest current account balances have been settled and the liquidation of the entity has been completed.

Financial assets at amortised cost

As of 31 December 2018, the investment portfolio presented as financial assets at amortised cost amount to € 1,033.6 million. Before the implementation of IFRS 9 – Financial Instruments as of 1 January 2018, the investment portfolio was presented as balance sheet item Financial assets available for sale and Financial assets held to maturity. The fair value of the investment portfolio as of 31 December 2018 amounts to € 1,032.3 million.

Loans and receivables

The loans and receivables as of 31 December 2018 include € 605.0 million in collateralised loans (31 December 2017 € 567.0 million) and an amount of € 804.6 million in mortgage receivables (31 December 2017 € 736.3 million). The increase of these loans and mortgage receivables results in a positive contribution to the net interest result.

Credit loss provisions on financial instruments at amortised cost

The provisions for the expected credit loss under IFRS 9 for financial instruments measured at amortised cost as at 31 December 2018 are as follows:

(amounts in € 000's)	Stage 1	Stage 2	Stage 3	Gross exposure value	ECL Provision	Bookvalue as per 31 December 2018
Cash and balances at central banks	1,097,008	-	-	1,097,008	(170)	1,096,838
Banks	134,789	-	-	134,789	(114)	134,675
Financial assets at amortised cost	1,033,817	-	-	1,033,817	(227)	1,033,590
Loans and receivables	1,410,389	224	1,252	1,411,864	(2,215)	1,409,649
Total	**3,676,003**	**224**	**1,252**	**3,677,478**	**(2,726)**	**3,674,752**
ECL Provision	(1,959)	(11)	(756)	(2,726)		
Bookvalue as per 31 December 2018	**3,674,044**	**213**	**496**	**3,674,752**		

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Intangible assets

At the end of 2017, the intangible assets, excluding goodwill, initially recognised from the acquisition of Alex Beleggersbank have been fully amortised. The remaining intangible assets comprise the goodwill related to the acquisition of Alex Beleggersbank and the intangible assets and goodwill recognised from the acquisition of Fundcoach and Pritle.

The goodwill amounting to € 153.9 million is the result of the acquisitions of Alex Beleggersbank, Fundcoach and Pritle and is allocated to the cashflow generating unit Retail Netherlands. In 2018 an impairment test was conducted on the goodwill. The test showed that the fair value of the cashflow generating unit was well above the carrying amount (headroom 30%). For that reason, there was no indication of any impairment of the intangible assets.

Other assets and other liabilities

The other assets and other liabilities contain significant items related to client transactions still to be settled. As such, this item depends on the client transaction volumes around the end of the period and can therefore fluctuate.

Provisions

BinckBank is involved in disputes with contract parties and customers. In some cases, these disputes lead to legal proceedings. BinckBank assesses each case individually and forms a provision if there is a reasonable chance of an expected outflow of assets for the financial settlement of the case in question. BinckBank does not provide any further details on current legal proceedings.

Other income

The other income comprised the income from operations of Able and BPO servicing. The other income for 2018 decreased due to the sale of the operations of Able in 2017 and the migration of BPO servicing to external parties in 2018.

Depreciation and amortisation

As of 31 December 2017, the intangible assets recognised from the acquisition of Alex Beleggersbank have been fully amortised. As a result, the amortisation amounting to € 5.1 million for 2018 decreased compared to the comparable period in previous year (2017: € 26.8 million).

Taxation

Taxes are calculated based on the estimated average tax rate for the entire year 2018. The estimated average tax rate takes into account the participation exemptions and other tax facilities. The effective tax rate is 1,1% (2017: -3.3%) and is lower than the nominal tax rate, which is mainly the result of the participation exemptions and due to the reduction of the corporate income tax rate in the valuation of deferred taxes. The new tax rates used are based on the Tax plan 2019, in which the corporate income tax rate gradually decreases from 25% in 2019 to 20.5% in 2021.

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Fair value of financial instruments

For the determination of the fair value of the financial instruments, reference is made to the financial statements. No changes to the determination of fair value have taken place in the year 2018. Likewise, in this period no financial assets were reclassified between the various levels of valuation. The valuation levels of the financial instruments measured at fair value are as follows:

	31 December 2018			
(amounts in € 000's)	Level 1	Level 2	Level 3	Totaal
Derivatives	24,229	48	-	24,277
Financial assets at fair value through proft and loss	13,721	-	-	13,721
Total	**37,950**	**48**	**-**	**37,998**
Derivatives	24,266	2,493	-	26,759
Financial liabilities at fair value through profit and loss	161	-	-	161
Total	**24,427**	**2,493**	-	**26,920**

	31 December 2017			
(amounts in € 000's)	Level 1	Level 2	Level 3	Totaal
Derivatives	36,912	399	-	37,311
Financial asets at fair value through proft and loss	16,613	-	-	16,613
Financial assets available-for-sale	-	797,294	-	797,294
Total	**53,525**	**797,693**	**-**	**851,218**
Derivatives	36,928	127	-	37,055
Financial liabilities at fair value through profit and loss	231	-	-	231
Total	**37,159**	**127**	-	**37,286**

For those financial instruments measured at amortised cost, the fair value of these instruments is in line with the amortised cost.

Commitments and contingent liabilities

The commitments and contingent liabilities listed below are current issues that may change from the situation as described in the financial statements for 2017 over time and accordingly further explanation is provided. There are no further matters of interest to report regarding commitments and contingent liabilities appearing in the 2017 financial statements.

Legal proceedings

BinckBank is involved in various legal proceedings. Although it is not possible to predict the outcome of current or impending lawsuits, the board believes – based on information currently available and after consulting legal counsel – that it does not seem likely that the outcomes will have material adverse effects on BinckBank's financial position or results, other than those that have already led to a provision.

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All-cash public offer from Saxo Bank

On 17 December 2018, BinckBank N.V. and Saxo Bank A/S announced that they had reached conditional agreement on a recommended all-cash public offer of € 6.35 (cum dividend) per issued and outstanding ordinary share and priority share in BinckBank. For the purpose of this agreement, BinckBank hired external consultants. Certain conditions have been laid down in the agreements with Saxo Bank and the external advisers that could have financial consequences for BinckBank in the event of the success or failure of the transaction.

A termination fee has been agreed in the merger protocol with Saxo Bank. If the merger protocol is terminated by Saxo Bank because the management board and/or the supervisory board of BinckBank have withdrawn their recommendation of Saxo Bank's bid or have revised them negatively, or if the merger protocol is terminated by BinckBank because a superior competitive bid has been announced or issued, BinckBank will forfeit a termination fee of € 4.3 million to Saxo Bank. If the merger protocol is terminated because the regulatory clearances have not been obtained by 1 April 2020, Saxo Bank will forfeit a termination fee of € 4.3 million to BinckBank.

Contracts with external advisers can contain fees that are conditional on completion of the transaction. In that case BinckBank will have to pay these success fees to its advisers. These fees are based on the total transaction amount and will be material.

If the offer is declared unconditional and after settlement of the transaction, working out the details of the acquisition and the associated integration of processes may lead to the redundancy of BinckBank employees. In the merger protocol with Saxo Bank, agreement has been reached on the principles and starting points of a social plan which still has to be drafted. As of settlement, a social plan will be effective for at least three years, applicable to employees with an employment agreement with BinckBank at the time of announcement who become redundant or are confronted with a fundamental change in function as a result of changes in the organisation that arise from (the preparation of) the integration of the BinckBank organisation into the Saxo Bank group. In addition, insofar as necessary subject to approval by DNB, retention packages can be offered to selected employees to ensure their motivation and commitment and the ongoing continuation of the company after the transaction has been effected. The basic principles of the social plan and the retention package have been coordinated between Saxo Bank, BinckBank and the BinckBank works council. A reliable estimate of the contingent liabilities arising from the above that BinckBank has vis-à-vis the staff cannot be reliably estimated at this time but are expected to have a material impact on the financial results of BinckBank.

Segmented information

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

The business segments are:

- The Netherlands
- Belgium
- France
- Italy
- Group operations

The segment reporting provided below is prepared in accordance with the principles applied for the financial statements for 2017.

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(amounts in € 000's)	1-1-2018 t/m 31-12-2018					
	Netherlands	Belgium	France	Italy	Group-operations	Total
INCOME STATEMENT						
Net interest income	26,039	1,572	2,566	1,893	-	32,070
Net fee and commission income	76,549	13,557	7,234	3,935	1,700	102,975
Other income	437	-	22	-	484	943
Result from financial instruments	5,602	941	-	-	470	7,013
Impairment of financial assets	(237)	(14)	(27)	(2)	73	(207)
Total income from operating activities	**108,390**	**16,056**	**9,795**	**5,826**	**2,727**	**142,794**
Employee expenses	8,822	2,992	3,744	1,708	31,639	48,905
Depreciation and amortisation	873	80	30	9	4,126	5,118
Other operating expenses	19,000	5,737	5,955	2,368	28,285	61,345
Total operating expenses	**28,695**	**8,809**	**9,729**	**4,085**	**64,050**	**115,368**
Result from operating activities	**79,695**	**7,247**	**66**	**1,741**	**(61,323)**	**27,426**
Internal cost allocation	(39,828)	(7,314)	(5,759)	(4,567)	57,468	-
Result from operating activities after internal cost allocation	**39,867**	**(67)**	**(5,693)**	**(2,826)**	**(3,855)**	**27,426**
Result from associates						8,436
Result before taxes						**35,862**
Taxes						(400)
Net result						**35,462**

(amounts in € 000's)	1-1-2017 t/m 31-12-2017					
	Netherlands	Belgium	France	Italy	Group-operations	Total
INCOME STATEMENT						
Net interest income	23,909	2,101	2,378	1,659	(8)	30,039
Net fee and commission income	82,372	11,615	6,193	2,880	2,798	105,858
Other income	1,365	1	14	-	5,634	7,014
Result from financial instruments	4,923	806	-	-	421	6,150
Impairment of financial assets	(21)	(1)	(29)	3	(44)	(92)
Total income from operating activities	**112,548**	**14,522**	**8,556**	**4,542**	**8,801**	**148,969**
Employee expenses	10,151	2,794	3,519	1,389	35,195	53,048
Depreciation and amortisation	22,211	52	20	20	4,489	26,792
Other operating expenses	18,124	6,293	4,792	2,179	30,358	61,746
Total operating expenses	**50,486**	**9,139**	**8,331**	**3,588**	**70,042**	**141,586**
Result from operating activities	**62,062**	**5,383**	**225**	**954**	**(61,241)**	**7,383**
Internal cost allocation	(49,201)	(7,330)	(5,660)	(4,420)	66,611	-
Result from operating activities after internal cost allocation	**12,861**	**(1,947)**	**(5,435)**	**(3,466)**	**5,370**	**7,383**
Result from associates						864
Result before taxes						**8,247**
Taxes						274
Net result						**8,521**

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VI. Paid and proposed dividends

(amounts in € 000's)	2018	2017
Approved and paid dividend during the year		
Dividend on ordinary shares:		
Final dividend 2017: € 000 (2016: € 000)	15,356	12,679
The proposed interim dividend 2018 was approved by the 'Stichting Prioriteit' on 19 July 2018		
Dividend on ordinary shares:		
Interim dividend 2018: € 000 (2017: € 000)	8,680	2,002
Proposed for approval by the general meeting of shareholders		
Dividend on ordinary shares:		
Final dividend 2018: € NIHIL (2017: € 000)	-	15,525

VII. Events after balance sheet date

There were no events after the balance sheet date that would lead to material changes.

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Important dates BinckBank N.V

Publication dates *

- Publication annual report 2018 — 11 March 2019
- Publication trading update Q1 2019 — 23 April 2019
- General Meeting — 23 April 2019
- Publication half yearly report 2019 — TBD

**** Dates can be subject to change***

Webcast

Today, 4 February 2019, there will be an audio webcast at 10:00 AM. The accompanying spreadsheet with financial data can be found on www.binck.com under Investor Relations/Financial Results. At the latest on, on 6 February 2019, the transcript of the audio webcast will be available on www.binck.com under Investor Relations/Financial Results.

About BinckBank N.V.

BinckBank N.V. (BinckBank) is an online financial services provider, founded in 2000 and since 2003 holder of a banking permit under the supervision of De Nederlandsche Bank. The bank is listed on Euronext Amsterdam and is part of the Amsterdam Smallcap Index (AScX). BinckBank's services are directed towards private individual clients and independent asset managers. BinckBank offers services in Trading, Investing (asset management), and Saving, for which it relies on a central European base IT platform. BinckBank has offices in the Netherlands, Belgium, France, Italy, and Spain.

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