

Half-year report 2014

- Adjusted net profit in FY14 H1: € 20.2 million (FY13 H1: € 21.9 million)
- Adjusted net profit in FY14 Q2: € 8.5 million (FY13 Q2: € 12.7 million)
- Interim dividend of € 0.10 per share
- Alex Asset Management AuM FY14 H1: € 2.5 billion (FY13 H1: € 1.5 billion)
- Number of transactions in FY14 H1: 4.1 million (FY13 H1: 3.8 million)

Contents

Key figures half-year comparison	3
Key figures quarterly comparison	4
Half-year comparison Retail and Professional Services	5
Report of the executive board	
Chairman's message	7
Notes to the consolidated result in FY14 H1	9
Review Retail business unit	12
Review Professional Services business unit	15
Financial position and risk management	16
Statement in accordance with Section 5:25d of the Financial Supervision Act (Wft)	18
Events after balance sheet date and outlook for 2014	19
Interim financial statements for 2014	
I Condensed consolidated statement of financial position	21
II Condensed consolidated income statement	22
III Condensed consolidated statement of comprehensive income	23
IV Condensed consolidated cash flow statement	24
V Condensed consolidated statement of changes in equity	25
VI Selected notes	26
Other information	
Review report	38
Key share data BinckBank N.V.	39
Important information BinckBank N.V.	40

Key figures half-year comparison

x € 1,000	FY14 H1	FY13 H1*	Δ
Customer figures			
Customer accounts	590,093	533,389	11%
Brokerage accounts	449,025	406,472	10%
Beleggersgiro accounts	2,220	2,191	1%
Asset management accounts	43,250	30,253	43%
Savings accounts	95,598	94,473	1%
Number of transactions	4,406,450	4,114,843	7%
Brokerage accounts	4,369,995	4,092,380	7%
Beleggersgiro accounts	36,455	22,463	62%
Assets under administration	18,056,533	14,226,240	27%
Brokerage accounts	17,586,883	13,713,223	28%
Beleggersgiro accounts	141,269	139,098	2%
Savings accounts	328,381	373,919	-12%
Assets under management	2,517,100	1,524,011	65%
Asset management accounts	2,517,100	1,524,011	65%
Income statement			
Net interest income	15,212	13,068	16%
Net commission income	63,349	55,724	14%
Other income	(176)	1,122	-116%
Result from financial instruments	-	-	0%
Impairment of financial assets	(1)	87	-101%
Total income from operating activities	78,384	70,001	12%
Employee expenses	20,911	17,708	18%
Depreciation and amortisation	13,753	14,144	-3%
Other operating expenses	29,382	25,718	14%
Total operating expenses	64,046	57,570	11%
Result from operating activities	14,338	12,431	15%
Tax	(4,408)	(3,302)	33%
Share in profit / (loss) of associates and joint ventures	(2,298)	140	-1741%
Result after tax from continuing operations	7,632	9,269	-18%
Result after tax from discontinued operations	(435)	(305)	43%
Net result	7,197	8,964	-20%
Result attributable to non-controlling interests	-	2	-100%
Net result attributable to shareholders BinckBank	7,197	8,966	-20%
IFRS amortisation	10,758	10,758	0%
Fiscal goodwill amortisation	2,204	2,204	0%
Adjusted net result	20,159	21,928	-8%
Average number of shares outstanding during the period	70,146,353	70,755,558	
Adjusted earnings per share	0.29	0.31	
Balance sheet & capital adequacy			
Balance sheet total	3,389,661	3,106,574	9%
Equity	422,931	431,692	-2%
Total available capital (Tier I)**	200,000	159,443	25%
Capital ratio**	36.5%	31.9%	
Cost / income ratio			
Cost / income ratio	82%	82%	
Cost / income ratio excluding IFRS amortisation	68%	67%	

*BinckBank BPO and software and licensing activities classified as "discontinued". In accordance with IFRS 5, the comparative figures have been adjusted.

**Based on Basel III, with the exception of FY13 H1 which is based on Basel II.

Key figures quarterly comparison

x € 1.000	FY14 Q2*	FY14 Q1*	FY13 Q2*	Δ Q1	Δ Q2
Customer figures					
Customer accounts	590,093	561,672	533,389	5%	11%
Brokerage accounts	449,025	422,675	406,472	6%	10%
Beleggersgiro accounts	2,220	2,228	2,191	0%	1%
Asset management accounts	43,250	41,237	30,253	5%	43%
Savings accounts	95,598	95,532	94,473	0%	1%
Number of transactions	1,878,550	2,527,900	1,987,419	-26%	-5%
Brokerage accounts	1,858,286	2,511,709	1,977,992	-26%	-6%
Beleggersgiro accounts	20,264	16,191	9,427	25%	115%
Assets under administration	18,056,533	17,070,750	14,226,240	6%	27%
Brokerage accounts	17,586,883	16,613,454	13,713,223	6%	28%
Beleggersgiro accounts	141,269	134,092	139,098	5%	2%
Savings accounts	328,381	323,204	373,919	2%	-12%
Assets under management	2,517,100	2,499,114	1,524,011	1%	65%
Asset management accounts	2,517,100	2,499,114	1,524,011	1%	65%
Income statement					
Net interest income	7,719	7,493	6,489	3%	19%
Net commission income	28,673	34,676	27,651	-17%	4%
Other income	(145)	(31)	568	368%	-126%
Result from financial instruments	-	-	-	0%	0%
Impairment of financial assets	(12)	11	59	-209%	-120%
Total income from operating activities	36,235	42,149	34,767	-14%	4%
Employee expenses	10,649	10,262	8,880	4%	20%
Depreciation and amortisation	6,809	6,944	7,096	-2%	-4%
Other operating expenses	13,697	15,685	11,531	-13%	19%
Total operating expenses	31,155	32,891	27,507	-5%	13%
Result from operating activities	5,080	9,258	7,260	-45%	-30%
Tax	(1,660)	(2,748)	(1,936)	-40%	-14%
Share in profit / (loss) of associates and joint ventures	(1,220)	(1,078)	1,176	13%	-204%
Result after tax from continuing operations	2,200	5,432	6,500	-59%	-66%
Result after tax from discontinued operations	(132)	(303)	(279)	-56%	-53%
Net result	2,068	5,129	6,221	-60%	-67%
Result attributable to non-controlling interests	-	-	-	0%	0%
Net result attributable to shareholders BinckBank	2,068	5,129	6,221	-60%	-67%
IFRS amortisation	5,379	5,379	5,379	0%	0%
Fiscal goodwill amortisation	1,102	1,102	1,102	0%	0%
Adjusted net result	8,549	11,610	12,702	-26%	-33%
Adjusted earnings per share	0.12	0.17	0.18		
Cost / income ratio excluding IFRS amortisation	71%	65%	64%		
Balance sheet & capital adequacy					
Balance sheet total	3,389,661	3,232,347	3,106,574	5%	9%
Equity	422,931	438,043	431,692	-3%	-2%
Total available capital (Tier I)**	200,000	200,000	159,443	0%	25%
Capital ratio**	36.5%	39.6%	31.9%		

*BinckBank BPO and software and licensing activities classified as "discontinued". In accordance with IFRS 5, the comparative figures have been adjusted.

**Based on Basel III, with the exception of FY13 Q2 which is based on Basel II.

Half-year comparison Retail and Professional Services

x € 1,000	FY14H1	FY13 H1	Δ
Retail			
Customer accounts	566,222	510,982	11%
Brokerage accounts	427,374	386,256	11%
<i>Netherlands</i>	315,687	283,319	11%
<i>Belgium</i>	58,816	54,668	8%
<i>France</i>	49,271	46,307	6%
<i>Italy</i>	3,600	1,962	83%
Asset management accounts	43,250	30,253	43%
Savings accounts	95,598	94,473	1%
Number of transactions	4,060,896	3,785,017	7%
<i>Netherlands</i>	2,737,363	2,655,695	3%
<i>Belgium</i>	428,918	419,109	2%
<i>France</i>	704,259	620,919	13%
<i>Italy</i>	190,356	89,294	113%
Assets under administration	12,297,451	9,214,641	33%
Brokerage accounts	11,969,070	8,840,722	35%
<i>Netherlands</i>	9,096,242	6,690,784	36%
<i>Belgium</i>	1,809,480	1,465,585	23%
<i>France</i>	692,829	542,736	28%
<i>Italy</i>	370,519	141,617	162%
Savings accounts	328,381	373,919	-12%
Assets under management	2,517,100	1,524,011	65%
Asset management accounts	2,517,100	1,524,011	65%
Income statement			
Net interest income	13,903	11,459	21%
Net commission income	55,886	48,247	16%
Net commission income (transaction-based)	41,350	36,690	13%
<i>Netherlands</i>	32,205	29,193	10%
<i>Belgium</i>	4,491	3,964	13%
<i>France</i>	3,969	3,194	24%
<i>Italy</i>	685	339	102%
Asset management fees	10,266	4,810	113%
Net commission income (other)	4,270	6,747	-37%
Other income	32	850	-96%
Result from financial instruments	-	-	0%
Impairment of financial assets	(1)	91	-101%
Total income from operating activities	69,820	60,647	15%
Employee expenses	17,081	15,009	14%
Depreciation and amortisation	12,783	13,300	-4%
Other operating expenses	23,721	20,520	16%
Total operating expenses	53,585	48,829	10%
Result from continuing operations	16,235	11,818	37%

x € 1,000

	FY14 H1	FY13 H1	Δ
Professional Services			
Customer accounts	23,871	22,407	7%
Brokerage accounts	21,651	20,216	7%
Beleggersgiro accounts	2,220	2,191	1%
Number of transactions	345,554	329,826	5%
Brokerage accounts	309,099	307,363	1%
Beleggersgiro accounts	36,455	22,463	62%
Assets under administration	5,759,082	5,011,599	15%
Brokerage accounts	5,617,813	4,872,501	15%
Beleggersgiro accounts	141,269	139,098	2%
Income statement			
Net interest income	1,306	1,603	-19%
Net commission income	6,761	7,248	-7%
Other income	1	3	-67%
Result from financial instruments	-	-	0%
Impairment of financial assets	-	(4)	-100%
Total income from operating activities	8,068	8,850	-9%
Employee expenses	2,484	1,958	27%
Depreciation and amortisation	633	809	-22%
Other operating expenses	3,945	3,980	-1%
Total operating expenses	7,062	6,747	5%
Result from continuing operations	1,006	2,103	-52%

Report of the executive board

Chairman's message



Dear readers,

The second quarter of 2014 passed quietly. After a busy first quarter, the markets clearly paused to take a breather. Whereas in the first quarter the market was busy and transaction volumes hit their highest level in recent years, the second quarter featured low volatility and, partly due to this, low trading volumes. The number of orders we were able to settle for our customers fell from 2.5 million in the first quarter of 2014 to 1.9 million in the second quarter. We were able to conclude the second quarter with an adjusted net profit of € 8.5 million (€ 0.12 per share). Over the first half of the year 2014 our adjusted net profit amounted to € 20.2 million, which equates to € 0.29 per share. BinckBank will distribute an interim dividend of € 0.10 per share on 28 July 2014.

For our Retail brokerage operations in the Netherlands, trading volume in the first half of 2014 was higher than in the same period in the previous year, with Belgium and France showing comparable characteristics. There the number of transactions compared to the first half of 2013 increased by 2% and 13% respectively. The transaction volume in the Netherlands was down 28% compared to the preceding quarter due to various factors including the low market volatility. In Belgium and France transaction volumes were also affected by the relatively quiet markets and declined in comparison to the previous quarter, falling by 26% in Belgium and 29% in France. In its just over 18 months of operations, BinckBank Italy has now acquired 3,600 extremely active customers, who executed over 89,000 transactions in the second quarter of 2014.

BinckBank launched Binck Fundcoach on 3 April 2014, thus introducing a user-friendly platform with a wide range of high quality investment funds and index trackers in the Netherlands. The transfer of SNS Fundcoach to Binck Fundcoach was successfully completed at the end of June. This involved over 20,000 accounts and € 500 million in assets invested. The initial reactions from our new customers have been positive. The new platform will be further developed in the coming period.

Just after the end of the second quarter, BinckBank introduced the Binck turbo. The issuance of investment products for our own account and risk is a new activity for BinckBank. We are doing this in cooperation with our experienced partner UBS, to which we have outsourced a large part of the operations. After thorough preparation, we have made a good start with a relatively limited product offering for the time being. The positive differentiating qualities of Binck turbos in the market will include high liquidity, tight spreads and extensive trading hours. BinckBank plans to achieve a significant market share, and is optimistic with respect to its chances of success.

In the first half of 2014 Asset Management showed a net inflow of new assets of € 440 million. Because of the lack of direction and low volatility in the stock markets, the yields of our investment model were behind. The total assets under management rose during the first half year by 17% from € 2.1 billion to € 2.5 billion.

Our associates had a good second quarter. On 2 June, TOM announced the NL20 Index, which is a new and purely Dutch index consisting of the 20 largest listed Dutch companies that represent Dutch entrepreneurship. TOM Smart Execution also became affiliated to BATS Chi-X Europe in mid-June.

In November 2013, Binck announced in a press release that it was studying the possibilities for a joint venture or sale of its corporate business Able. This study is now completed, and we have come to the conclusion that this business unit would be better off continuing to operate under different ownership. We have now made significant progress in negotiations with BlackFin Capital Partners with whom we have signed a letter of intent.

In 2010, BinckBank and Delta Lloyd established BeFrank, the most successful Premium Pension Institution in the Dutch market. BeFrank operates in the group pensions business, also known as the 'second pillar'. BinckBank provides the securities administration from its corporate BPO business Able. Now that BinckBank is focusing on her core activities, Retail brokerage and assets management services, this activity doesn't fit that good anymore in our portfolio. The agreement with Delta Lloyd that they will acquire BinckBank's 50% holding in BeFrank for € 19.5 million was signed on 18 July 2014. After deduction of the book value of the investment the share transfer will show a tax-free profit of approximately € 15.5 million. This will be accounted in the third quarter of 2014.

Our result depends heavily on the activity of our customers in the markets. Market volatility and direction are important factors. These are difficult to estimate, and therefore BinckBank will not issue any detailed forecast.

Amsterdam, 21 July 2014

Koen Beentjes,

Chairman of the executive board, BinckBank

Notes to the consolidated result FY14 H1

Adjusted net profit

The adjusted net profit in the first half of 2014 came to € 20.2 million, which equates to € 0.29 per share. Although the result from operations improved by 15% the adjusted net profit fell by 8% due to the fact that last year a one off dilution result of € 2.3 million was made on the partial sale of our interest TOM Holding NV and by this year we have one-off higher operating expenses due to the payments made with respect to the Resolution levy for SNS (€ 2.7 million).

The adjusted net profit for the second quarter of 2014 fell 26% compared to the previous quarter to € 8.5 million, heavily affected by the 26% decline in the number of customer transactions executed in the second quarter. The adjusted net profit per share for the second quarter of 2014 is therefore € 0.12, compared to € 0.17 in the first quarter of 2014.

The adjusted net profit is the net result to be allocated to BinckBank shareholders adjusted for IFRS depreciation and amortisation and the tax saving on the difference between the fiscal and commercial amortisation of the intangible assets and goodwill paid as a result of the acquisition of Alex. The annual dividend is determined on the basis of the adjusted net profit.

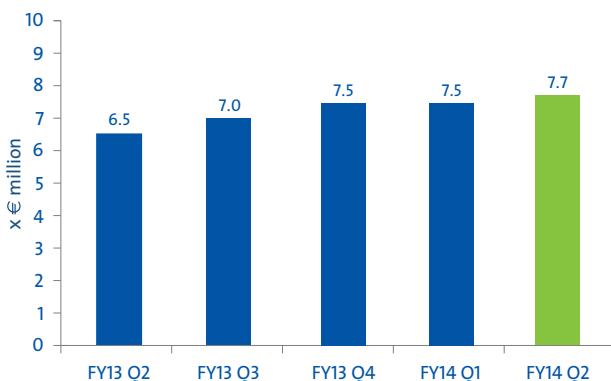
BinckBank N.V. is distributing an interim dividend of € 0.10 per share. Holders of shares in BinckBank N.V. will receive their dividend, after deduction of dividend tax, on 28 July 2014. BinckBank N.V. shares will be quoted ex-interim dividend from 24 July 2014.

Net interest income

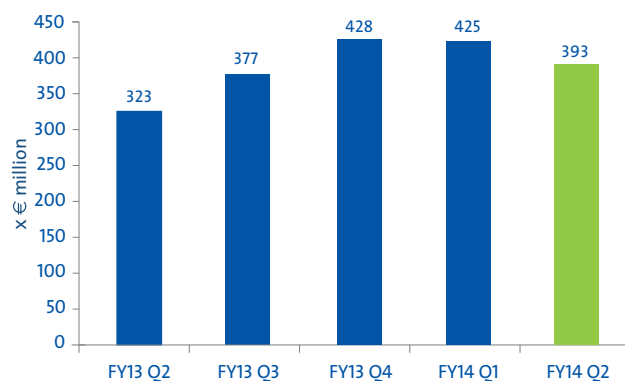
Net interest income in the past six months came to € 15.2 million. This is 16% higher than in the same period in the previous year (FY13 H1: € 13.1 million). Due to the low level of money and capital market interest rates, the return on the investment portfolio fell further to € 6.0 million, compared to € 8.0 million in the same period in the previous year. Interest income on collateralised lending rose from € 8.3 million in the first half of 2013 to € 10.9 million in the first half of 2014 as a result of an increase in the average outstanding amount of collateralised lending. In addition, lower average savings balances and a lower average interest rate paid led to a fall in the interest paid on savings from € 3.2 million in FY13 H1 to € 1.7 million in FY14 H1.

The net interest income of € 7.7 million in the second quarter of 2014 was in line with the first quarter of 2014 (FY14 Q1: € 7.5 million). € 199.6 million in bonds in the investment portfolio with an average yield of 0.95% matured in the second quarter of 2014 and BinckBank reinvested € 233.0 million in bonds with an average yield of 0.58%. The average return on the investment portfolio at the end of FY14 Q2 was 0.68%. The total size of the investment portfolio at the end of the second quarter was € 1.7 billion.

Net interest income



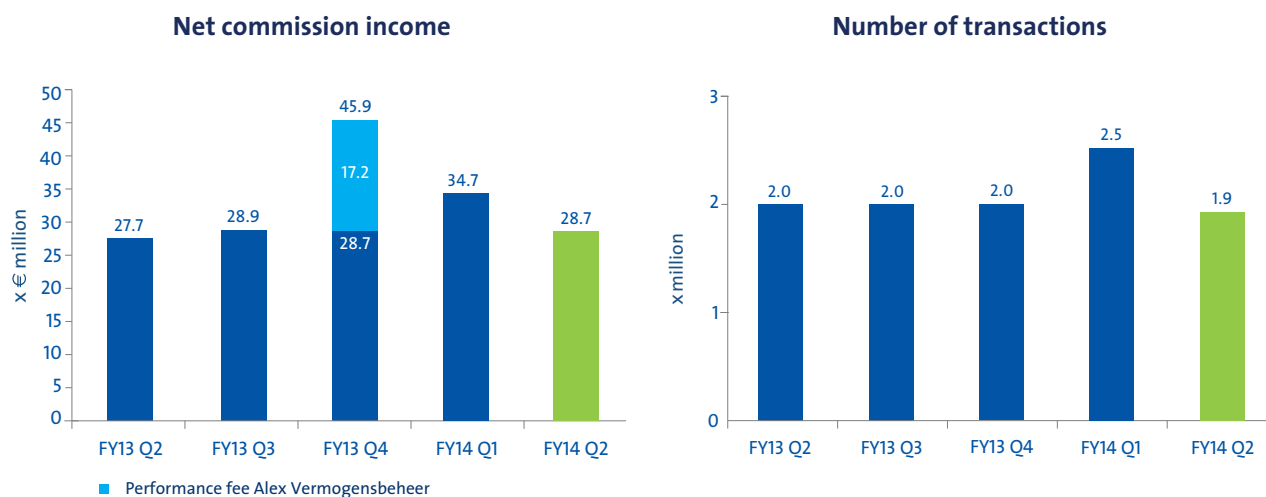
Collateralised lending



Net fee and commission income

Net fee and commission income in the first half of 2014 came to € 63.3 million, 14% more than in the same period in the previous year (FY13 H1: € 55.7 million). The fee for asset management rose 113% to € 10.3 million in FY14 H1 (FY13 H1: € 5.1 million) as a result of the strong year on year growth in average assets under management. The transaction-related net fee and commission income for the Retail and Professional Services business unit increased in the first half of 2014 by 9.5% from € 44.0 million to € 48.1 million, mainly due to higher transaction volumes compared to the same period last year.

Due to the lower market trading volumes in FY14 Q2, net fee and commission income declined in comparison with FY14 Q1 by 17%, from € 34.7 million to € 28.7 million.



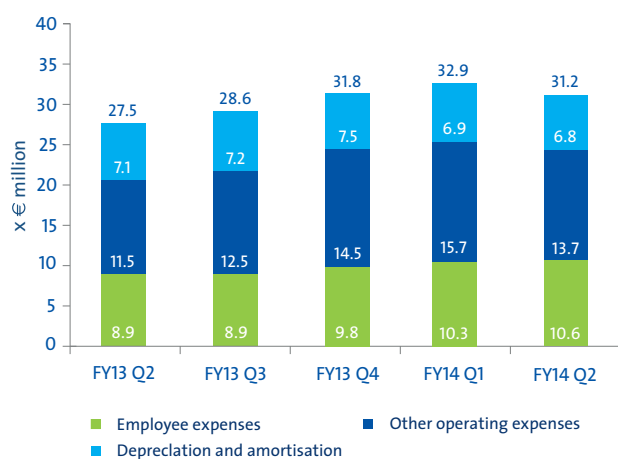
Total operating expenses

Total operating expenses increased 11% in FY14 H1 compared to FY13 H1, to € 64.0 million (FY13 H1: € 57.6 million). Employee expenses were up 18%, from € 17.7 million to € 20.9 million. This increase is mainly due to the growth in the number of employees by an average of 8%. Depreciation and amortisation in the first half of 2014 were slightly down by 3% to € 13.8 million (FY13 H1: € 14.1 million).

Compared to FY13 H1, other operating expenses increased 14% in FY14 H1 to € 29.4 million (FY13 H1: € 25.7 million). This increase was mainly due to the payment of the first two tranches of the resolution levy for SNS, which amounted to € 2.7 million in FY14 H1. ICT expenses moreover rose € 3.5 million due to various IT projects, including ICT security, ICT infrastructure and new product support. The rise in operating expenses was partly offset by lower market data costs (€ 1.8 million) and the marketing expenses (€ 0.8 million) during the first half year of 2014.

Total operating expenses in FY14 Q2 were down 5% compared to FY14 Q1, from € 32.9 million to € 31.2 million. Employee expenses were up 4%, from € 10.3 million to € 10.6 million. This was mainly due to hiring temporary personnel for ICT projects during the second quarter of 2014. Depreciation and amortisation expenses in FY14 Q2 were more or less unchanged in comparison to FY14 Q1. Other operating expenses declined 13% in FY14 Q2 compared to FY14 Q1, from € 15.7 million to € 13.7 million. This was mainly due to lower marketing expenses in the second quarter of 2014.

Total operating expenses



Result after tax (discontinued operations)

In FY13 Q4 BinckBank N.V. announced that in the context of a proposed divestment it would initiate a study of the available options for a sale or creation of a joint venture for its non-banking businesses, the BPO and software & licensing operations which operate collectively under the brand Able. In accordance with IFRS 5, these results will be presented under discontinued operations in the income statement. In FY14 H1 the result from discontinued operations was € -0.4 million (FY13 H1 € -0.3 million).

Review Retail business unit

x € 1,000	FY14 Q2	FY14 Q1	FY13 Q2	ΔQ1	ΔQ2
Retail					
Customer accounts	566,222	538,231	510,982	5%	11%
Brokerage accounts	427,374	401,462	386,256	6%	11%
Netherlands	315,687	291,557	283,319	8%	11%
Belgium	58,816	58,038	54,668	1%	8%
France	49,271	48,668	46,307	1%	6%
Italy	3,600	3,199	1,962	13%	83%
Asset management accounts	43,250	41,237	30,253	5%	43%
Savings accounts	95,598	95,532	94,473	0%	1%
Number of transactions	1,705,800	2,355,096	1,822,458	-28%	-6%
Netherlands	1,141,275	1,596,088	1,301,955	-28%	-12%
Belgium	181,892	247,026	193,628	-26%	-6%
France	292,962	411,297	279,790	-29%	5%
Italy	89,671	100,685	47,085	-11%	90%
Assets under administration	12,297,451	11,587,459	9,214,641	6%	33%
Brokerage accounts	11,969,070	11,264,255	8,840,722	6%	35%
Netherlands	9,096,242	8,452,201	6,690,784	8%	36%
Belgium	1,809,480	1,809,485	1,465,585	0%	23%
France	692,829	686,653	542,736	1%	28%
Italy	370,519	315,916	141,617	17%	162%
Savings accounts	328,381	323,204	373,919	2%	-12%
Assets under management	2,517,100	2,499,114	1,524,011	1%	65%
Asset management accounts	2,517,100	2,499,114	1,524,011	1%	65%
Income statement					
Net interest income	7,034	6,869	5,685	2%	24%
Net commission income	25,071	30,815	23,667	-19%	6%
Net commission income (transaction-based)	17,458	23,892	17,507	-27%	0%
Netherlands	13,566	18,639	13,864	-27%	-2%
Belgium	1,902	2,589	1,979	-27%	-4%
France	1,636	2,333	1,481	-30%	10%
Italy	354	331	183	7%	93%
Asset management fees	5,780	4,486	2,513	29%	130%
Net commission income (other)	1,833	2,437	3,647	-25%	-50%
Other income	18	14	389	29%	-95%
Result from financial instruments	-	-	-		
Impairment of financial assets	(12)	11	63	-209%	-119%
Total income from operating activities	32,111	37,709	29,804	-15%	8%
Employee expenses	8,594	8,487	7,447	1%	15%
Depreciation and amortisation	6,395	6,388	6,661	0%	-4%
Other operating expenses	11,026	12,695	8,539	-13%	29%
Total operating expenses	26,015	27,570	22,647	-6%	15%
Result from continuing operations	6,096	10,139	7,157	-40%	-15%

Retail business unit

The Retail business unit is subdivided into online brokerage services and savings & investment management (SIM), and serves private investors in the Netherlands, Belgium, France, Italy and Spain. In the Netherlands, services are provided under the brands Alex and Binck. In Belgium, France and Italy, under the Binck brand only. The service provided by the office in Spain consists of the Alex brand, Zelfbeleggen and asset management. Alex Spain focuses mainly on Dutch people living in Spain who hold an account with Alex in the Netherlands.

Netherlands

Online brokerage

In the first half of 2014, the number of transactions increased slightly by 3% to 2.7 million (H1 FY13: 2.7 million). The number of brokerage accounts increased compared to FY13 H1 (283,319) 11% to 315,687. The assets under administration in FY14 H1 showed a large increase from 36% to € 9.1 billion (FY13 H1: € 6.7 billion).

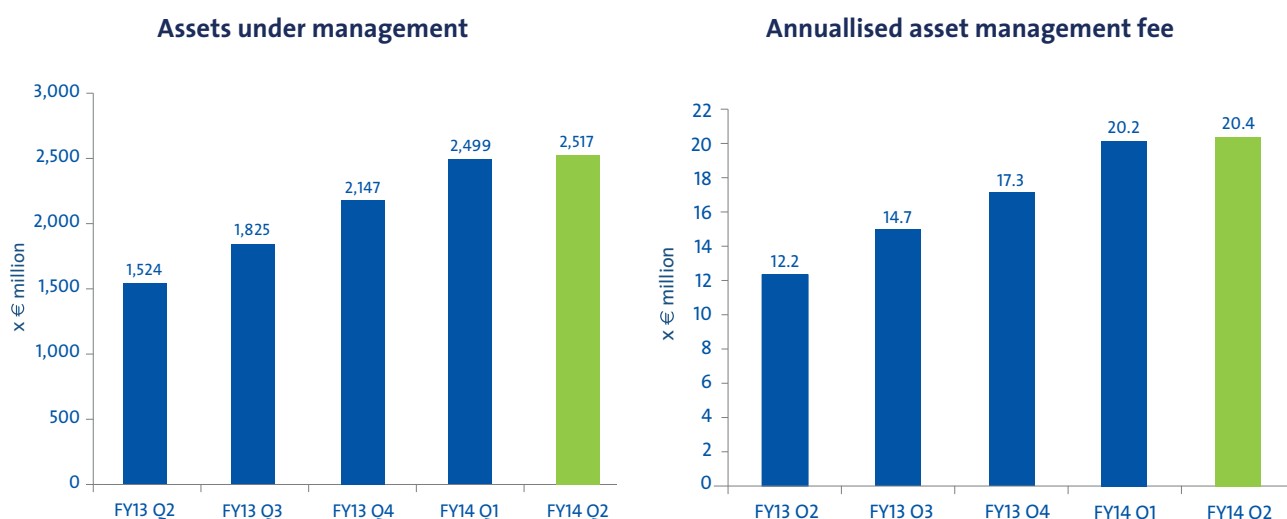
The second quarter featured quiet markets and low volatility, which led to lower trading volumes. In FY14 Q2 the transaction volume declined by 28% to 1.1 million (FY14 Q1: 1.6 million). The number of brokerage accounts rose by 8% in FY14 Q2 compared to FY14 Q1 from 291,557 to 315,687. This increase is largely due to the migration of the SNS Fundcoach accounts. Assets under administration in the brokerage accounts amounted to € 9.1 billion in FY14 Q2. Relative to the first quarter of 2014, this is an increase of 8% (FY14 Q1: € 8.5 billion).

BinckBank successfully transferred the positions of customers of SNS Fund Account to its own Binck Fundcoach platform during the last weekend in June. This involved a total of 21,821 accounts and over € 446 million in assets under administration. More than € 63 million in cash positions was also transferred. The migration proceeded according to plan and the transaction with SNS was thus brought to a conclusion. The new platform will be further developed in the coming period.

Asset management

The stock market was less favourable for Alex Asset Management last quarter, due to low volatility and sideways movements, and yields therefore lagged behind. The net inflow of new money in the second quarter was lower than the previous quarters and amounted to € 104 million.

The management fees from asset management increased by 29% to € 5.8 million, compared to the previous quarter (Q1 FY14: € 4.5 million). This increase relates to one-off adjustment of € 1.2 million in connection with a revised calculation of the VAT included in the performance fee charged at the end of 2013. After consultation with the tax authorities half of the total performance fee has been deemed to fall under the transitional arrangements in force until June 30, 2013. Under these provisions 60% of the performance fee attributable to the first half year 2013 qualify as tax exempt services (securities services).



Belgium

Transaction volume in Belgium rose 2% in FY14 H1 to 428,918 (FY13 H1: 419,109). The number of brokerage accounts increased 8% in the first half of 2014 and at the end of June stood at 58,816 (FY13 H1: 54,668). Assets under administration rose strongly by 23% in FY14 H1 to € 1.8 billion (FY13 H1: € 1.5 billion).

Compared to FY14 Q1, transaction volume was down 26% this quarter to 181,892 (FY14 Q1: 247,026). The number of brokerage accounts, at 58,816, remained stable compared to the previous quarter (FY14 Q1: 58,038). Assets under administration were unchanged in FY14 Q2 compared to FY14 Q1 (FY14 Q1: € 1.8 billion).

France

Compared to the same period in the previous year, the first half of 2014 saw a 13% increase in transaction volume to 704,259 (FY13 H1: 620,919). The number of brokerage accounts increased by 6% in the first half of 2014 and at the end of June stood at 49,271 (FY13 H1: 46,307). Assets under administration in FY14 H1 rose to € 693 million (FY13 H1: € 543 million).

The number of transactions effected by our customers in France in FY14 Q2 amounted to 292,962, a decline of 29% compared to FY14 Q1 (411,297). The number of brokerage accounts opened in FY14 Q2 rose slightly by 1% to a total of 49,271 (FY14 Q1: 48,668). Assets under administration rose slightly the second quarter to € 693 million (FY14 Q1: € 687 million).

In order to meet the wishes and needs of its customers even more effectively, BinckBank added more than 100 new investment funds to its platform during the second quarter. Customers now have an even wider range of investment funds to choose from than they already had. In both the first and second quarter, BinckBank France conducted effective and prominent marketing campaigns on both radio and television.

Italy

During the first half of 2014 BinckBank Italy has shown solid growth. The number of transactions in FY14 H1 increased significantly compared to FY13 H1 by 113% from 89,294 to 190,356. The number of brokerage accounts in the first half of 2014 increased by 83% and amounted to 3,600 at the end of June (H1 FY13: 1,962). The assets under administration also increased by more than 162% from € 142 million in H1 FY13 to € 371 million in H1 FY14.

Due to less favourable stock market circumstances BinckBank Italy saw its transactions in decrease in FY14 Q2 by 11% to 89,671 compared to the previous quarter (FY14 Q1: 100,685). The number of brokerage accounts in FY14 Q2 increased by 13% to 3,600 (Q1 FY14: 3,199). Compared to FY14 Q1 assets under administration increased by 17% to 371 million during FY14 Q2 (FY14 Q1: € 316 million).

Review Professional Services business unit

x € 1,000	FY14 Q2*	FY14 Q1*	FY13 Q2*	ΔQ1	ΔQ2
Professional Services					
Customer accounts	23,871	23,441	22,407	2%	7%
Brokerage accounts	21,651	21,213	20,216	2%	7%
Beleggersgiro accounts	2,220	2,228	2,191	0%	1%
Number of transactions	172,750	172,804	164,961	0%	5%
Brokerage accounts	152,486	156,613	155,534	-3%	-2%
Beleggersgiro accounts	20,264	16,191	9,427	25%	115%
Assets under administration	5,759,082	5,483,291	5,011,599	5%	15%
Brokerage accounts	5,617,813	5,349,199	4,872,501	5%	15%
Beleggersgiro accounts	141,269	134,092	139,098	5%	2%
Income statement					
Net interest income	684	622	804	10%	-15%
Net commission income	3,205	3,556	3,803	-10%	-16%
Other income	-	1	1	-100%	-100%
Result from financial instruments	-	-	-	0%	0%
Impairment of financial assets	-	-	(4)	0%	-100%
Total income from operating activities	3,889	4,179	4,604	-7%	-16%
Employee expenses	1,298	1,186	945	9%	37%
Depreciation and amortisation	317	316	408	0%	-22%
Other operating expenses	1,882	2,063	2,187	-9%	-14%
Total operating expenses	3,497	3,565	3,540	-2%	-1%
Result from continuing operations	392	614	1,064	-36%	-63%

*BinckBank BPO and software and licensing activities classified as "discontinued". In accordance with IFRS 5, the comparative figures have been adjusted.

Compared to FY13 H1, transaction volume rose 5% in FY14 H1 to 345,554 (FY13 H1: 329,826). Transaction volume in the second quarter of 2014 was however unchanged from that seen in the previous quarter (FY14 Q1: 172,804). The number of brokerage accounts rose 7% in FY14 H1 compared to FY13 H1 to 23,871 (FY13 H1: 22,407). Compared to the first quarter of this year, this is a slight increase of 2% (FY14 Q1: 23,441). Assets under administration rose 15% compared to FY13 H1 to € 5.8 billion (FY13 H1: € 5.0 billion). Relative to the first quarter of 2014, this is an increase of 5% (FY14 Q1: € 5.5 billion).

Financial position and risk management

Regulatory reporting scope

With the introduction of the obligation under CRD IV, the prudential consolidation scope has been reviewed in consultation with De Nederlandsche Bank. The prudential consolidation scope includes only all the institutions (credit institutions and investment firms) and financial institutions that belong to the group. In the reassessment of the prudential consolidation scope, BinckBank has concluded that its subsidiary Able Holding B.V. does not belong to the prudential consolidation scope and therefore should be included as a non-banking subsidiary for the purpose of the solvency regulations. This has led to an adjustment to the capital requirement, especially with respect to operational risk.

The first full reporting to the regulator under the CRD IV requirements took place on 30 June 2014 regarding the status as at 31 March 2014. The full application of the CRD IV requirements has led to a limited adjustment to the capital requirement for a limited number of items. Together with the above-mentioned adjustment to the consolidation scope, this has led to an increase in the capital ratio as of 31 March 2014 from 38.8% to 39.6%. The figures in the table below have been adjusted to reflect this.

Equity capital and actual Tier 1 capital

x € 1,000	FY14 Q2*	FY14 Q1*	FY13 Q2**
Issued share capital	7,450	7,450	7,450
Share premium	373,422	373,422	373,422
Treasury shares	(29,795)	(30,340)	(30,339)
Other reserves	64,650	63,127	72,186
Unappropriated profit	7,197	24,377	8,966
Minority Interest	7	7	7
Total Equity	422,931	438,043	431,692
Less: goodwill	(144,882)	(142,882)	(152,929)
To: Deferred tax liabilities related to goodwill	23,218	22,325	-
Less: other intangible assets	(79,862)	(84,375)	(100,509)
Less: fair value adjustment	(1,349)	(1,406)	(3,604)
Less: minority interests	(7)	(7)	-
Less: proposed final dividend FY13	-	(19,370)	(10,964)
Less: Unaudited current year result	(7,197)	(5,129)	-
Less: Dividend reserve based on dividend policy (> profit for the year)	(2,882)	(676)	-
Less: capital available for reimbursement (>200Mln available capital)***	(9,970)	(6,523)	-
Core capital	200,000	200,000	163,686
Less: investments in financial subsidiaries	-	-	(4,243)
Total available capital (A) - Tier 1	200,000	200,000	159,443
Total required capital (B) - Pillar I	43,846	40,449	39,987
Total required capital (C) - Pillar I + II	53,140	50,931	57,217
Capital ratio (= A/B * 8%)	36.5%	39.6%	31.9%

* Based on Basel III, with full recognition of the revaluation result on available-for-sale investments.

** Based on Basel II

*** This relates to an addition to reserves for additional capital distributions. This item is at the company's discretion and subject to short-term influences, including the influence (of changes) in money and capital market interest rates.

Available capital surplus eligible for reimbursement

In the first quarter of 2014 BinckBank reassessed its capital strategy and capital requirements under Basel III / CRD IV for Pillar I, Pillar II, the expected leverage ratio and the large exposures regulations and concluded that given the current size, complexity and risk profile of the business a level of capital of € 200 million will be sufficient to cover the risks run by BinckBank and grow the business in the short term. This means that a capital surplus can above a total available capital of € 200 million can be reimbursed to shareholders.

A reimbursement of this capital surplus is at the discretion of BinckBank and should be economically justified. In determining the capital surplus the dividend in line with the dividend policy (50 % of adjusted net profit) will first be deducted from total equity.

Any remaining surplus is eligible for additional reimbursement. As per 30 June 2014 the calculated capital surplus amounted to € 10.0 million and has been deducted from the available capital.

Any extra returns to shareholders take place once a year (with effect from 2015) and can be made through share buy-backs or the distribution of an extra dividend. BinckBank will provide further information on this when it announces the results for the fourth quarter of 2014 (February 2015). For withdrawals from the reserves BinckBank is required to obtain a statement of no objection (“vvgb”) from the Dutch Central Bank in accordance with article 3:96 Wft. In addition, the applicable statutory and decision-making requirements must be complied with for distributions and share buy-backs.

Binck turbos

The Binck turbos (leverage products) were launched in cooperation with the well-known partner UBS in July 2014. The capital requirement for the Binck turbos is unchanged and expected to be € 2-4 million.

Risks and uncertainties

At the end of March 2014, BinckBank reassessed the adequacy of its capital and liquidity position and concluded that the total available capital of € 200 million and the available liquidity are comfortably sufficient to cover the risks associated with the conduct of its business. We refer to the BinckBank annual report 2013 published on 10 March 2014 (www.binck.com) for a detailed discussion of risk and capital management.

Report of the executive board

Statement in accordance with Section 5:25d of the Financial Supervision Act (Wft)

The board hereby states that, as far as it is aware:

- 1) the half-year report for 2014 as included on pages 2 to 19 gives a true and fair view of the state of affairs on the accounting date, of the general course of affairs during the six months of the BinckBank N.V. financial year and of the associated companies whose details are included in its half-year results, and of the expected course of affairs whereby, in so far as there are no major concerns to the contrary, particular attention is paid to the conditions on which growth in revenue and profitability are dependent; and
- 2) the financial statements for the first half of 2014 included on pages 20 to 36 give a true and fair view of the assets, liabilities, financial position and profits of BinckBank N.V. and the companies included in the consolidated figures.

Amsterdam, 21 July 2014

Koen Beentjes (chairman of the board)
Evert Kooistra (board member and CFRO)
Vincent Germyns (board member)

Events after balance sheet date and outlook for 2014

BinckBank introduces Binck turbos

BinckBank announced that it would start issuing turbo products in a press release dated 3 July. By issuing turbos, BinckBank is meeting the demand from experienced and active investors looking to invest in turbos. BinckBank N.V. is the issuing institution, and has appointed the Swiss bank UBS as market maker.

Sale of the BPO and software & licensing operations

In November 2013, Binck announced in a press release that it was studying the possibilities for a joint venture or sale of its corporate business Able. This study is now completed, and we have come to the conclusion that this business unit would be better off continuing to operate under different ownership. We have now made significant progress in negotiations with BlackFin Capital Partners with whom we have signed a letter of intent.

Agreement between BinckBank and Delta Lloyd regarding BeFrank

In 2010, BinckBank and Delta Lloyd established BeFrank, the most successful Premium Pension Institution in the Dutch market. BeFrank operates in the group pensions business, also known as the 'second pillar'. BinckBank provides the securities administration from its corporate BPO business Able. Now that BinckBank is focusing on her core activities, Retail brokerage and assets management services, this activity doesn't fit that good anymore in our portfolio. The agreement with Delta Lloyd that they will acquire BinckBank's 50% holding in BeFrank for € 19.5 million was signed on 18 July 2014. After deduction of the book value of the investment the share transfer will show a tax-free profit of approximately € 15.5 million. This will be accounted in the third quarter of 2014.

Outlook 2014

Our result depends heavily on the activity of our customers in the markets. Market volatility and direction are important factors. These are difficult to estimate, and therefore BinckBank will not issue any detailed forecast.

Interim financial statements for 2014

I. Condensed consolidated statement of financial position

x € 1,000	30 June 2014	31 December 2013
Assets		
Cash and balances with central banks	428,052	332,523
Banks	224,146	144,784
Financial assets held for trading	767	70
Financial assets at fair value through profit and loss	27,766	19,130
Available-for-sale financial assets	1,348,891	1,582,146
Financial assets held to maturity	315,028	-
Loans and receivables	393,008	428,180
Investments in associates and joint ventures	5,484	3,710
Intangible assets	224,744	232,634
Property, plant and equipment	39,321	38,835
Current tax assets	5,793	707
Other assets	124,969	30,590
Prepayments and accrued income	35,559	53,179
Derivative positions held on behalf of clients	207,250	334,373
Assets held for sale	8,883	8,543
Total assets	3,389,661	3,209,404
Liabilities		
Banks	55,291	15,034
Financial liabilities held for trading	38	486
Financial liabilities at fair value through profit and loss	429	704
Customer deposits	2,580,840	2,335,640
Provisions	5,434	4,532
Current tax liabilities	16	197
Deferred tax liabilities	22,741	20,322
Other liabilities	82,601	53,032
Accruals and deferred income	8,489	9,488
Derivative positions held on behalf of clients	207,250	334,373
Liabilities held for sale	3,601	3,965
Total liabilities	2,966,730	2,777,773
Equity attributable to:		
Owners of the parent	422,924	431,624
Non-controlling interests	7	7
Total equity	422,931	431,631
Total equity and liabilities	3,389,661	3,209,404

II. Condensed consolidated income statement

x €1,000	FY14 Q2	FY13 Q2*	FY14 H1	FY13 H1*
Income				
Interest income	8,629	7,991	16,951	16,340
Interest expense	(910)	(1,502)	(1,739)	(3,272)
Net interest income	7,719	6,489	15,212	13,068
Commission income	34,754	34,652	76,236	70,577
Commission expense	(6,081)	(7,001)	(12,887)	(14,853)
Net commission income	28,673	27,651	63,349	55,724
Other income	(145)	568	(176)	1,122
Result from financial instruments	-	-	-	-
Impairment of financial assets	(12)	59	(1)	87
Total income from operating activities	36,235	34,767	78,384	70,001
Expenses				
Employee expenses	10,649	8,880	20,911	17,708
Depreciation and amortisation	6,809	7,096	13,753	14,144
Other operating expenses	13,697	11,531	29,382	25,718
Total operating expenses	31,155	27,507	64,046	57,570
Result from operating activities	5,080	7,260	14,338	12,431
Share in profit / (loss) of associates and joint ventures	(1,220)	1,176	(2,298)	140
Result before tax	3,860	8,436	12,040	12,571
Tax	(1,660)	(1,936)	(4,408)	(3,302)
Result after tax from continuing operations	2,200	6,500	7,632	9,269
Result after tax from discontinued operations	(132)	(279)	(435)	(305)
Net result	2,068	6,221	7,197	8,964
Attributable to:				
Owners of the parent	2,068	6,221	7,197	8,966
Non-controlling interests	-	-	-	(2)
Net result	2,068	6,221	7,197	8,964
Earnings per share (EPS):				
EPS from continuing operations (€)	0.03	0.09	0.11	0.13
EPS from discontinued operations (€)	0.00	0.00	(0.01)	0.00
Basic and diluted earnings per share (EPS) in EUR	0.03	0.09	0.10	0.13

* In accordance with IFRS 5, the comparative figures have been restated for discontinued operations.

III. Condensed consolidated statement of comprehensive income

x € 1,000	FY14 Q2	FY13 Q2*	FY14 H1	FY13 H1*
Net result from income statement	2,068	6,221	7,197	8,964
Other comprehensive income recognised on realisation through profit and loss				
Net gain/(loss) on fair value of available-for-sale financial assets	1,216	(3,679)	2,737	(5,186)
Gains and losses realised through the profit and loss	-	-	-	-
Income tax relating to components of other comprehensive income	(304)	920	(684)	1,297
Other comprehensive income, net of tax	912	(2,759)	2,053	(3,889)
Total comprehensive income, net of tax	2,980	3,462	9,250	5,075
BinckBank does not have any comprehensive income that will not be recognised through the profit and loss on realisation.				
Total comprehensive income, net of tax				
- continuing operations	3,112	3,741	9,685	5,380
- discontinued operations	(132)	(279)	(435)	(305)
Total comprehensive income, net of tax	2,980	3,462	9,250	5,075
Attributable to:				
Owners of the parent	2,980	3,462	9,250	5,077
Non-controlling interests	-	-	-	(2)
Total comprehensive income, net of tax	2,980	3,462	9,250	5,075

* In accordance with IFRS 5, the comparative figures have been restated for discontinued operations.

IV. Condensed consolidated cash flow statement

x € 1,000	FY14 H1	FY13 H1
Cash flow from operating activities	294,001	113,568
Cash flow from investment activities	(101,124)	(179,801)
Cash flow from financing activities	(18,251)	(28,885)
Net cash flow	174,626	(95,118)
Opening balance of cash and cash equivalents	471,247	500,952
Net cash flow	174,626	(95,118)
Effect of exchange rate changes on cash and cash equivalents	101	1,168
Closing balance of cash and cash equivalents	645,974	407,002
The cash and cash equivalents presented in the condensed consolidated cash flow statement are included in the consolidated statement of financial position under the following headings at the amounts stated below:		
Cash and balances with central banks	428,052	291,927
Banks	224,146	123,151
Banks - non cash equivalents	(7,501)	(8,076)
Cash and cash equivalents in assets held for sale	1,277	-
Total cash and cash equivalents	645,974	407,002

V. Condensed consolidated statement of changes in equity

x € 1,000	Issued share capital	Share premium reserve	Treasury shares	Revaluation reserve	Other reserves	Unappropriated profit	Non-controlling interests	Total equity
1 January 2014	7,450	373,422	(30,340)	2,124	59,720	19,248	7	431,631
<i>Net-result</i>	-	-	-	-	-	7,197	-	7,197
<i>Other comprehensive income</i>	-	-	-	2,053	-	-	-	2,053
Total comprehensive income	-	-	-	2,053	-	7,197	-	9,250
Payment of final dividend FY13	-	-	-	-	-	(18,251)	-	(18,251)
Grant of rights to shares	-	-	-	-	301	-	-	301
Shares sold to management and employees	-	-	545	-	(545)	-	-	-
Transfer of retained earnings to other reserves	-	-	-	-	997	(997)	-	-
30 juni 2014	7,450	373,422	(29,795)	4,177	60,473	7,197	7	422,931
x € 1.000	Issued share capital	Share premium reserve	Treasury shares	Revaluation reserve	Other reserves	Unappropriated profit	Non-controlling interests	Total equity
1 January 2013	7,450	373,422	(21,539)	7,493	64,286	24,100	9	455,221
<i>Net-result</i>	-	-	-	-	-	8,966	(2)	8,964
<i>Other comprehensive income</i>	-	-	-	(3,889)	-	-	-	(3,889)
Total comprehensive income	-	-	-	(3,889)	-	8,966	(2)	5,075
Payment of final dividend FY13	-	-	-	-	-	(19,775)	-	(19,775)
Grant of rights to shares	-	-	-	-	281	-	-	281
Shares sold to management and employees	-	-	310	-	(310)	-	-	-
Treasury shares	-	-	(9,110)	-	-	-	-	(9,110)
Transfer of retained earnings to other reserves	-	-	-	-	4,325	(4,325)	-	-
30 June 2013	7,450	373,422	(30,339)	3,604	68,582	8,966	7	431,692

VI. Selected notes

1. General information

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

The consolidated financial statements of BinckBank for the 2013 financial year are available on request from the Investor Relations department on +31 (0)20 522 0372 or via www.binck.com.

The condensed consolidated figures for the period ending on 30 June 2014 have been prepared by the BinckBank executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 21 July 2014.

2. Principles for financial reporting

Presentation of half-year results 2014

BinckBank applies the International Financial Reporting Standards as adopted by the European Union, known as 'IFRS-EU'. The condensed consolidated half-year results have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted within the EU. In accordance with this standard, the half-year figures do not contain all the information required for full financial statements and should therefore be read in combination with the consolidated 2013 financial statements. The condensed consolidated figures are in euros and all figures are rounded to the nearest thousand (€ `000), unless otherwise stated.

Principles for valuation

The condensed consolidated figures for the period ending on 30 June 2014 are prepared in accordance with the principles applied in the consolidated annual financial statements on 31 December 2013, with the exception of new activities and the application of new standards and interpretations as described below.

Implications of new, amended and improved standards

New and amended IFRS-EU standards and IFRIC interpretations effective in 2014

New or amended standards take effect on the date as stated in the standards ratified by the EU, whereby earlier application is permitted in some cases.

Effective from	New or amended standard	Significant amendments
1 January 2014	IAS 27 - Separate financial statements	Mainly concerns the accounting and disclosure requirements for separate financial statements prepared by a parent, an investor in a joint arrangement or an associate, whereby the investment is accounted for at cost or in accordance with IAS 39: Financial instruments. Since this situation does not apply to BinckBank's financial statements, the amendment to the standard does not affect the financial position and the results.
	IAS 28 - Investments in associates and joint ventures	Concerns additional guidelines for the measurement of associates and joint ventures at net asset value. BinckBank has applied this standard and the revision has no effect on its financial position and results.
	IAS 32 - Financial Instruments: Offsetting of financial assets and financial liabilities	Concerns further clarification of the offsetting of financial assets and financial liabilities. BinckBank has applied this standard and the revision has no material effect on its financial position and results.
	IAS 36 - Recoverable amount disclosures for non-financial assets (revised)	Sets additional disclosure requirements for the measurement of the recoverable amount of non-financial assets. BinckBank has applied this guideline, which may lead to additional disclosures but does not affect its financial position and results.
	IAS 39 - Financial Instruments (revised)	This amendment states that there is no need to discontinue a hedge relationship in the event that a derivatives transaction is re-established with a new counterparty on new conditions. Since BinckBank does not use hedge accounting, the amendment to this standard does not apply.
	IFRS 10 - Consolidated financial statements	Introduces a new definition of control that must be used to assess whether consolidation is required. BinckBank has applied this standard and the amendment has no effect on the consolidation base, the financial position or the results.
	IFRS 11 - Joint arrangements	Describes the accounting of joint arrangements with joint control, and prohibits proportional consolidation for joint ventures. BinckBank has applied this standard and the standard has no material effect on its financial position and results.
	IFRS 12 - Disclosure of interests in other entities	Contains all the required disclosures for subsidiaries, joint ventures, associates and 'structured entities'. BinckBank has applied this standard and included the standard in additional disclosures in its financial statements.
	Revision of IFRS 10, 12 and IAS 27 - Investment entities	This amendment describes specific options for investment entities for measurement of associates without consolidation. Since BinckBank does not fall under the definition of an investment entity, the revision will have no effect on BinckBank.
	IFRIC 21 - Levies by governments	IFRIC 21 clarifies that an entity should only recognise a liability for a government levy when the activity that triggers payment, as described in the relevant legislation, occurs. BinckBank has applied the standard in the determination of its financial position and results. The impact of application of this standard is limited.

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

Effective from	New or amended standard	Significant amendments
1 July 2014	IAS 19 - Employee benefits	The revised IAS 19 requires contributions paid by employees or third parties under a defined benefit pension plan to be recognised as a negative benefit. As BinckBank does not operate a defined benefit pension plan, this revised standard will have no impact on BinckBank.
	Annual improvements cycle 2010-2012	A collection of minor changes to a number of IFRS standards was published in December 2013 on the basis of the annual improvements cycle 2010-2012. All changes are effective for financial years commencing on or after 1 July 2014. The EU has not yet ratified the changes and expects to be able to endorse the changes in Q4 2014. BinckBank has evaluated these changes and concluded that they will have no significant effect on its financial position and results.
	Annual improvements cycle 2011-2013	A collection of minor changes to a number of IFRS standards was published in December 2013 on the basis of the annual improvements cycle 2011-2013. All changes are effective for financial years commencing on or after 1 July 2014. The EU has not yet ratified the changes and expects to be able to endorse the changes in Q4 2014. BinckBank has evaluated these changes and concluded that they will have no significant effect on its financial position and results.
1 January 2016	IFRS 14 - Regulatory activities	This standard applies to entities with activities for which prices are regulated and which are applying IFRS for the first time. Since BinckBank is not applying IFRS for the first time, this standard does not affect BinckBank's position.
	IFRS 11 - Joint arrangements (revised)	This amendment describes how joint arrangements have to be accounted for on acquisition of a share in the operation, if the operation concerns a business. IFRS 11 requires that such transactions must be recognised on the basis of the principles stated in IFRS 3 - Business combinations. The standard will affect BinckBank's reporting in the event of a purchase of a share in a joint transaction, and will be further assessed in that case.
	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. It states that in the case of property, plant and equipment, no revenue-related depreciation may be applied. Furthermore, a revenue-related method of amortisation of intangible assets is in principle not acceptable unless there is evidence to the contrary. BinckBank has evaluated these changes and concluded that they will have no material effect on its financial position and results.
1 January 2017	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 guidelines for revenue recognition are currently spread over various standards, and will disappear once IFRS 15 takes effect. BinckBank has to carry out further study to determine the expected effect of this new standard.
1 January 2018	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 this standard to have consequences for the classification and measurement of its financial assets and liabilities, however the full effect will only become clear once all phases of this IASB project are completed.

3. Notes to the condensed consolidated half-year figures 2014

Acquisition of Fundcoach

The asset and liability transaction for Fundcoach was effected on 28 June 2014. Binck Fundcoach is a user-friendly fund platform offering a wide range of investment funds and index trackers. With the acquisition of Fundcoach, BinckBank will reach a large number of new investors with recurring revenues in the earnings model. As of 28 June, BinckBank has assumed control of the Fundcoach operations and therefore the assets, liabilities and results will be consolidated in BinckBank's financial figures with effect from that date. In view of the brevity of the period from 28 June to 30 June 2014, the result from the new operation is very limited and accordingly is not presented separately.

The acquisition price for Fundcoach of € 3 million was funded out of BinckBank's own capital. No additional conditions apply with respect to the acquisition price and no contingent liabilities are included in the acquisition.

The following principles have been used for the determination of the fair value of the assets and liabilities assumed:

- The assets invested on which revenue is generated amount to € 490 million as at the time of the acquisition;
- The estimation of the customer base for the coming period, has been taken into account with an attrition rate of the expected remaining group of customers of at least 4% per year;
- Annual inflation is assumed to be 3% for employee expenses and 2% for other expenses;
- The fair value of the customer relationships is based on the present value of cash flows based on the number of customers at the time of the transaction and calculated over a period until 2018;
- The fair value of the trade name is determined using the 'relief-from-royalty' method, whereby a 'royalty rate' of 3% is applied over a period until 2018;
- The fair value for BinckBank of the cash flows from the customer deposits is defined as not material and is not measured separately, but is part of the fair value of the customer relationships;
- The discount rate used is 20%. The discount rate is determined taking into account a risk surcharge due to uncertainty regarding the earnings model.

The fair value of the identifiable assets and liabilities and the goodwill as at the acquisition date are then as follows:

x € 1,000	Fair value	Carrying amount
Assets		
Banks		
Demand deposits with banks	63,079	63,079
Intangible assets		
<i>Brand name</i>	350	
<i>Customer base</i>	650	
Total assets	64,079	63,079
Liabilities		
Funds entrusted	63,079	63,079
Total liabilities	63,079	63,079
Fair value of identifiable assets and liabilities	1,000	
Purchase price	3,000	
Goodwill	2,000	
Cashflow associated with the acquisition		
Cash paid	(3,000)	
Net cash acquired in the transaction	63,079	
Net cash inflows	60,079	

The goodwill of € 2,0 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the cash generating unit Retail Nederland. All of the goodwill recognised is expected to be deductible for income tax purposes

Financial assets available for sale

A net amount of € 225.5 million was withdrawn from the financial assets available for sale in the first half of 2014. The average return of the reinvestments is 0.68% on € 183.2 million, compared to an average return of 1.03% on the redemptions of € 408.7 million. The withdrawal from the portfolio of assets available for sale is mainly due to redemptions that were reinvested in the new portfolio of investments held to maturity. BinckBank has evaluated these financial assets available for sale as at the closing date and concluded that there are no objective indications of impairment.

Financial assets held to maturity

Starting in 2014, BinckBank holds an investment portfolio that is classified as financial assets held to maturity. A sum of € 316.5 million was invested in this portfolio in the first half of 2014 (2013: nil). The average return on this portfolio is 0.51%. Management has determined the intention with respect to these investments and established that this portfolio will be held until the investments reach maturity and that they will be held mainly for the purpose of receiving interest and the nominal value. Financial assets held to maturity are measured at amortised cost. The result from the portfolio will be determined on the basis of the effective interest method and recognised in the statement of income.

The market value of the portfolio of investments held to maturity as at 30 June 2014 was € 316.5 million, which is in line with the amortised cost of € 315.0 million.

Fair value of financial instruments

For the determination of the fair value of the financial instruments, see the financial statements for 2013. During the period ended 30 June 2014 no changes occurred in the application of fair value. No financial assets were reclassified to a different measurement level in this period.

The measurement levels of financial instruments measured at fair value are as follows:

30 June 2014

x € 1,000	Level 1	Level 2	Level 3	Total
Financial assets held for trading	-	767	-	767
Financial assets at fair value through profit and loss	27,766	-	-	27,766
Available-for-sale assets	-	1,348,891	-	1,348,891
Total assets	27,766	1,349,658	-	1,377,424
Financial liabilities held for trading	-	38	-	38
Financial liabilities at fair value through profit and loss	429	-	-	429
Total liabilities	429	38	-	467

31 December 2013

x € 1,000	Level 1	Level 2	Level 3	Total
Financial assets held for trading	-	70	-	70
Financial assets at fair value through profit and loss	19,130	-	-	19,130
Available-for-sale assets	-	1,582,146	-	1,582,146
Total assets	19,130	1,582,216	-	1,601,346
Financial liabilities held for trading	-	486	-	486
Financial liabilities at fair value through profit and loss	704	-	-	704
Total liabilities	704	486	-	1,190

Intangible assets

Intangible assets (including goodwill) are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount, less applicable annual amortisation, may be impaired. In the first instance, the test is made on the basis of the indicators mentioned in IAS 36.12, augmented by indicators identified by BinckBank compared with the assumptions on which the valuation of the identified immaterial assets was based at the time of the acquisition. If the test reveals an indication of impairment, BinckBank performs a full calculation of the recoverable amount of the cash-generating units.

As a result of the acquisition of Fundcoach on 28 June 2014 as described above the trade name and the customer relationships have been measured and included in BinckBank's intangible assets. In the annual test of the intangible assets attributable to the acquisition of the Fundcoach operations, the following indicators of impairment have been identified:

- Reputational damage to the Fundcoach trade name;
- A decision to limit use of the Fundcoach trade name;
- The absolute number of customer accounts is less than that based on the business case/Purchase Price Allocation(PPA);
- The average revenue per customer is less than based on the business case/PPA.

In addition, goodwill of € 2.0 million relating to the acquisition of Fundcoach has been recognised in BinckBank's statement of financial position as of 28 June 2014. This goodwill is attributable to the cash-generating unit Retail Netherlands. As a result, the assessment of potential impairments will be based on the current indicators for the cash-generating unit Retail Netherlands.

During the period ending on 30 June 2014 the intangible assets including goodwill were assessed for impairment on the basis of the identified indicators. There was no indication of any impairment with respect to the intangible assets.

Property, plant and equipment

In the period ending on 30 June 2014 BinckBank acquired property, plant and equipment with a value of € 2,866,000 (2013: € 1,708,000). The investment in property includes prepayments in relation to a leasehold (operating lease) which expires on 15 April 2056. In the period ending on 30 June 2014, an amount of € 128,000 in relation to amortisation of the leasehold is included in amortisation and depreciation (2013: € 128,000).

Other assets and other liabilities

The other assets and other liabilities contain significant items that relate to settlement balances relating to customer transactions. This item depends heavily on customer transaction volumes around the end of the period and can show significant fluctuations.

Assets and liabilities held for sale

In November 2013, BinckBank announced that in the context of a proposed divestment it would initiate a study of the available options for a sale or joint venture for its BPO and software & licensing operations. The software & licensing operations are conducted by Able B.V., a separate unit of BinckBank N.V. The BPO services are provided by BinckBank N.V. from the Professional Services business unit. These two units operate collectively in the market under the name "Able". A plan has been formulated and potential purchasers have been identified. Further progress was made in the first half year, in line with our schedule. Based on this progress, BinckBank expects to complete the divestment of the BPO and software & licensing operations within one year.

Tax

Tax is calculated at the estimated average rate of tax for the entire year 2014. The actual tax rate over the period ending on 30 June 2014, without taking account of holding exemptions and other tax facilities, is 36.6% (2013: 26.3%). The difference between the average tax rate and the nominal tax burden is mainly due to non-deductible expenses relating to the resolution levy, for example.

x € 1,000	FY14 H1	FY13 H1*
Current tax	4,292	3,302
Deferred taxes	116	-
Tax according to the income statement	4,408	3,302
Tax on other comprehensive income	684	(1,297)
Total taxes	5,092	2,005

* In accordance with IFRS 5, the comparative figures have been restated for discontinued operations.

Off-balance sheet commitments

The off-balance sheet commitments listed below are current issues that may change from the situation as at Q4 2013 over time and accordingly further explanation is provided. There are no further matters of interest to report regarding the other off-balance sheet commitments appearing in the 2013 financial statements.

Legal proceedings concerning TOM

Euronext has commenced substantive proceedings against BinckBank and TOM for infringement of Euronext's brand rights, among other things. 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 outcome of these proceedings is not likely to have material adverse effects on BinckBank's financial position or profitability. There was no significant progress in the case during the period ending on 30 June 2014 and the executive board has not changed its estimation in this respect since 31 December 2013. On 4 July 2014, there was a court case whose judgment is not yet known.

Resolution levy in connection with SNS

The Dutch government nationalised SNS Reaal on the basis of the Intervention Act on 1 February 2013. The Minister of Finance announced that a non-recurring resolution levy to be paid into the treasury would be imposed on the banks in an amount of € 1 billion. The levy will not be deductible for the purpose of corporate income tax. The Minister of Finance submitted a bill to parliament to ratify the resolution levy in June 2013. The proposal is to impose the levy on banks in possession of a banking licence on 1 February 2013, but only if they are still in possession of a banking licence on 1 March 2014, 1 May 2014 and 1 July 2014. In accordance with relevant IFRS guidelines, BinckBank has decided that the expense arising from the resolution levy should only be recognised in the income statement at the time the levy is due. The contribution of the various banks will be related to the total sum of the deposits guaranteed under the deposit guarantee system held with them on 1 February 2013. A contribution of 0.075% of the base amount will be levied in three instalments on the above-mentioned dates. In the first half of 2014 BinckBank paid an amount of € 2.7 million as part of the resolution levy. BinckBank estimates its total contribution at € 4 million.

Related parties

The group of related parties consists of consolidated companies, joint ventures, associates, and the executive board and supervisory board of BinckBank.

Capital contributions

In the period ending on 30 June 2014 an additional capital sum of € 4.0 million was paid into the joint venture BeFrank N.V., and a sum of € 71,000 into the associate Tom Holding N.V.

Transactions with related parties

In the period ending on 30 June 2014 BinckBank charged an amount of € 436,000 (H1 2013: € 493,000) to related parties for ICT, premises and administrative services and the receivable on these related parties amounts to € 388,000 (H1 2013: € 220,000).

Additionally, in the period ending on 30 June 2014 related parties charged BinckBank € 2,172,000 (H1 2013: € 1,701,000) for services provided and the liability to these related parties as at 30 June 2014 is € 13,000 (H1 2013: € 208,000).

Executive board and supervisory board of BinckBank

No transactions with the executive board or the supervisory board took place in the period ending on 30 June 2014 other than those pursuant to the relevant employment contracts or terms of engagement respectively.

Dividends proposed and paid

(x € 1,000)	FY14 H1	FY13 H1
<i>Paid dividend during the year</i>		
Dividends on ordinary shares:		
Final dividend 2013: € 0.26 per share (2012: € 0.28)	18,251	19,775
The proposed interim dividend was approved by the 'Stichting Prioriteit' at 21 July 2014		
Dividend on ordinary shares		
Interim-dividend 2014: € 0.10 per share (2013: € 0.13)	7,100	9,115

Events after balance sheet date

BinckBank introduces Binck turbos

BinckBank announced that it would be issuing turbo products in a press release dated 3 July. By issuing turbos, BinckBank is meeting the demand from experienced and active investors looking to invest in turbos. BinckBank N.V. is the issuing institution, and has appointed the Swiss bank UBS as market maker.

Sale of the BPO and software & licensing operations

In November 2013, Binck announced in a press release that it was studying the possibilities for a joint venture or sale of its corporate business Able. This study is now completed, and we have come to the conclusion that this business unit would be better off continuing to operate under different ownership. We have now made significant progress in negotiations with BlackFin Capital Partners with whom we have signed a letter of intent.

Agreement between BinckBank and Delta Lloyd regarding BeFrank

In 2010, BinckBank and Delta Lloyd established BeFrank, the most successful Premium Pension Institution in the Dutch market. BeFrank operates in the group pensions business, also known as the 'second pillar'. BinckBank provides the securities administration from its corporate BPO business Able. Now that BinckBank is focusing on her core activities, Retail brokerage and assets management services, this activity doesn't fit that good anymore in our portfolio. The agreement with Delta Lloyd that they will acquire BinckBank's 50% holding in BeFrank for € 19.5 million was signed on 18 July 2014. After deduction of the book value of the investment the share transfer will show a tax-free profit of approximately € 15.5 million. This will be accounted in the third quarter of 2014.

Segment reporting

A segment is a clearly distinct element of BinckBank that provides services with a risk or return profile that is different from the other segments (a business segment), or which provides services to a particular economic market (market segment) that has a different risk and return profile to that of other segments. In terms of organisation, the operations of BinckBank are divided into two primary business segments. The executive board determines the performance targets, and authorises and monitors the budgets prepared for these business segments. The management of the business segment is responsible for setting policy for that segment, in accordance with the strategy and performance targets formulated by the executive board. The business segments are:

- Retail
- Professional services

The 'Retail' business unit operates as an (internet) broker for the private client market. The 'Professional Services' business unit provides brokerage services in securities and derivatives transactions on behalf of professional investors in the Netherlands and abroad, including the provision of the majority of the related administration. All directly attributable income and expenses are recognised within the 'Retail' and 'Professional Services' business segments, together with the attributed costs of the group activities.

In November 2013, BinckBank announced that in the context of the proposed divestment it would initiate a study of the available options for a sale or joint venture for its non-banking businesses, the BPO and software & licensing operations, which were previously included in the Professional Services segment. These have been reclassified as discontinued operations since 31 December 2013, and the comparative figures have been adjusted accordingly.

The item 'Group operations' includes the divisions directly managed by the executive board and for which the income and expenses are not included in one of the other divisions. This includes ThinkCapital and the results of central Treasury, including the results on sales in the investment portfolio and extraordinary expenses.

The same accounting policies are used for a business segment as those described for the consolidated balance sheet and income statement of BinckBank. Charges made between business segments are eliminated and replaced by an allocation of the costs.

The results of associates and joint ventures are attributed to business segments to the extent that the business segments exercise direct influence on the associates and joint ventures. All other results of associates and joint ventures are recognised at group level.

Tax is managed at group level and is not attributed to the operating segments.

As was the case in 2013, no customer or group of associated customers was responsible for more than 10% of the bank's total income in the period ending on 30 June 2014.

x € 1,000	1-1-2014 through 30-6-2014				1-1-2013 through 30-6-2013			
	Retail	Profes- sional services	Group opera- tions	Total	Retail	Profes- sional services	Group opera- tions	Total
<i>Interest income</i>	15,318	1,402	231	16,951	14,347	1,956	37	16,340
<i>Interest expense</i>	(1,415)	(96)	(228)	(1,739)	(2,888)	(353)	(31)	(3,272)
Net interest income	13,903	1,306	3	15,212	11,459	1,603	6	13,068
<i>Commission income</i>	66,945	8,503	788	76,236	58,338	11,926	313	70,577
<i>Commission expense</i>	(11,059)	(1,742)	(86)	(12,887)	(10,091)	(4,678)	(84)	(14,853)
Net fee and commission income	55,886	6,761	702	63,349	48,247	7,248	229	55,724
Other income	32	1	(209)	(176)	850	3	269	1,122
Result from financial instruments	-	-	-	-	-	-	-	-
Impairment of financial assets	(1)	-	-	(1)	91	(4)	-	87
Total income from operating activities	69,820	8,068	496	78,384	60,647	8,850	504	70,001
Employee expenses	17,081	2,484	1,346	20,911	15,009	1,958	741	17,708
Depreciation and amortisation	12,783	633	337	13,753	13,300	809	35	14,144
Other operating expenses	23,721	3,945	1,716	29,382	20,520	3,980	1,218	25,718
Total operating expenses	53,585	7,062	3,399	64,046	48,829	6,747	1,994	57,570
Result from operating activities	16,235	1,006	(2,903)	14,338	11,818	2,103	(1,490)	12,431
Share in results of associates and joint ventures				(2,298)				140
Result before tax				12,040				12,571
Tax				(4,408)				(3,302)
Result after tax (continuing operations)				7,632				9,269
Result after tax (discontinued operations)				(435)				(305)
Net result				7,197				8,964

Other information

Review report

To: the shareholders, the executive board and the supervisory board of BinckBank N.V.

Introduction

We have reviewed the condensed consolidated interim financial information, as included in section “Interim financial statements for 2014” which form part of the “Half-year report 2014” of BinckBank N.V., Amsterdam. The condensed consolidated interim financial information comprises the condensed consolidated statement of financial position as at 30 June 2014, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity for the period of six months ended 30 June 2014, and the selected notes. Management of BinckBank N.V. is responsible for the preparation and presentation of this condensed consolidated interim financial information, as included in section “Interim financial statements for 2014”, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information, as included in section “Interim financial statements for 2014”, as at 30 June 2014 is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting”, as adopted by the European Union.

Amsterdam, 21 July 2014

Deloitte Accountants B.V.

Signed on the original: R. Koppen

Key share data BinckBank N.V.

ISIN code	NL0000335578
Reuters symbol	BINCK.AS
Bloomberg symbol	BINCK NA
Stock exchange index	AMX
Market capitalisation* (€ m)	688.5
Shares in issue*	74,500,000
Average daily turnover (no.) FY14 Q2	222,708
Opening price (01-04-2014)	€ 8.60
Share price - high (intraday)	€ 9.33
Share price - low (intraday)	€ 7.82
Closing price (30-06-2014)	€ 9.24

*On 30 June 2014

Development of BinckBank share price compared to the AMX (TSR)



Important information BinckBank N.V.

BinckBank N.V. (BinckBank) is an online bank for investors, and is ranked among the top five such institutions in Europe. As an online broker, BinckBank offers its clients fast and low-cost access to all major financial markets worldwide. Moreover, as an asset management bank, BinckBank provides support to its customers in the management of their assets through online asset management services and online savings accounts. In addition to fast and low-cost order execution, BinckBank also provides services to professional customers relating to the administrative processing of securities and financial transactions by means of an outsourcing system (BPO) or the licensing of the related software. The company has offices in the Netherlands, Belgium, France, Italy and Spain.

Today, 21 July 2014, an audio webcast will be held at 10:00 a.m. CET. The presentation is available on www.binck.com under Investor Relations/Financial Results. The transcript of the audio webcast will be available on www.binck.com under Investor Relations/Financial Results from 24 July 2014.

Important dates in 2014*

- | | |
|--------------------------------|-----------------|
| • Ex-interim dividend | 22 July 2014 |
| • Record date interim dividend | 24 July 2014 |
| • Payment of interim dividend | 28 July 2014 |
| • Third quarter results 2014 | 20 October 2014 |

* Dates subject to change

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