



Half-year report 2019

- Offer period for public offer Saxo Bank extended to 31 July 2019
- Completion of the transaction expected during the first half of Q3 2019 as mentioned before
- Net earnings per share 19H1 € 0.10 (18H1: € 0.33, including € 0.12 from the sale of Think ETF)
- Net earnings per share 19Q2 € 0.05 (18Q2: € 0.20)
- No payment of interim dividend

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Key figures (consolidated)

(amounts in € 000's)	19Q2	19Q1	ΔQ1	19H1	18H1	ΔH1
Customer figures						
Number of transactions	2,434,383	2,591,124	-6%	5,025,507	4,989,346	1%
Assets under administration	27,725,845	27,019,470	3%	27,725,845	26,806,249	3%
Assets under management	982,905	958,965	2%	982,905	1,025,084	-4%
Financials						
Total income from operating activities	31,805	32,768	-3%	64,573	75,918	-15%
Total operating expenses	27,545	28,084	-2%	55,629	57,146	-3%
Result from operating activities	4,260	4,684	-9%	8,944	18,772	-52%
Result after tax	3,135	3,499	-10%	6,634	22,212	-70%
Net earnings per share (in €)	0.05	0.05		0.10	0.33	
Cost / income ratio	87%	86%		86%	75%	
Capital adequacy						
Common equity Tier 1	276,830	249,815	11%	276,830	253,188	9%
Capital ratio	35.7%	34.3%		35.7%	31.9%	
Leverage ratio	6.3%	5.9%		6.3%	6.2%	

Highlights of the first half year 2019

- Saxo Bank has extended the initial offer period during which shareholders can submit their shares under the Offer to 31 July 2019.
- The process for obtaining regulatory approvals is on schedule.
- As mentioned before, the expectation remains that the transaction with Saxo Bank will be completed during the first half of Q3 2019.
- Net result 19H1 € 6.6 million (18H1: € 22.2 million).
- Net earnings per share 19H1 € 0.10 (18H1: € 0.33). The result for 18H1 included the profit on the sale of Think ETF Asset Management B.V. (€ 8.1 million, € 0.12 per share).
- No interim dividend will be paid for the first half of 2019.
- Number of transactions 19H1 in line with 18H1 at 5.0 million transactions (+1%).
- Assets under management at the end of 19H1 amounted to € 1.0 billion (18H1: € 1.0 billion). Assets under management of the new propositions rose to € 239 million (18H1: € 142 million). Turning point to net inflow almost reached.

Chairmen's message



The past six months were mainly dominated by the continued development and commercialising of the existing range of services and furthermore to preparations for the announced acquisition by Saxo Bank. During the general meeting on 23 April, we were able to clearly present the steps and considerations taken in the process of Saxo Bank's offer.

The plans to continue our strategy, together with Saxo Bank have been positively received. A few stakeholders asked for additional clarification about the takeover and the offer, but in a good dialogue we think we have demonstrated that joining forces is a valuable step in the further implementation of our strategy.

Saxo Bank has extended the initial notification period during which shareholders can submit their shares under the offer to 31 July 2019, because the process of obtaining regulatory approvals had not yet been completed. The transaction with Saxo Bank is still expected to be completed during the first half of Q3 2019.

The result for the first half year of 2019 was lower than expected. Following a start of the year with more volatile markets, the number of transactions and the transaction-related commission income decreased in the remaining months. Our efforts in the B2B service provided a good increase in the number of customers, assets under administration and the number of transactions. In 'Laten Beleggen' we saw an increase in assets under management in the past six months. The increase came from inflow of funds in the new propositions and was also helped by the price increases. The turning point at which there will be a net inflow of assets under management is approaching.

We note that the market conditions in which BinckBank conducts its business activities are currently very challenging. Varying trading volumes (market sentiment / volatility), very low and negative interest rates and competition (price pressure) are putting pressure on net commission income and net interest income. Keeping operational costs under control is also a continuous challenge. To cope with competition, scale must be realised in order to keep the net result at a responsible level in the longer term.

Our new initiatives have not gone unnoticed in the market. BinckBank was awarded two prizes in 2019 for the new Assurance Vie proposition. BinckBank Italy also received an award for best digital service at the BFC FinTech Age Awards in 2019. We also see improved customer satisfaction figures (currently 7.6) on which customers rate BinckBank's services.

The coming months will be largely influenced by Saxo Bank's offer. If the offer is declared unconditional, the customer will eventually experience the benefits of the collaboration. For the shareholders, I trust that they will consider Saxo Bank's offer to be attractive and that they will offer their shares within the specified time limits. Finally, I want to thank all our employees for their efforts over the past six months in uncertain circumstances.

Amsterdam, 22 July 2019

BinckBank N.V.

Vincent Germyns, Chairman of the executive board

Progress of Saxo Bank's bid for BinckBank shares

On 12 March 2019, Saxo Bank announced a recommended public offer (the "Offer") for the entire issued and outstanding share capital of BinckBank (the "Shares") of € 6.35 in cash per share (cum dividend) (the "Offer Price"). The Bid Price values 100% of the BinckBank Shares at € 424 million.

Saxo Bank has extended the offer period for shareholders to register their shares under the Offer to 31 July 2019. The extension gives room to complete the process of obtaining the required regulatory approvals. Declaring the Offer unconditional is subject to the fulfilment of the conditions set forth in the offer memorandum. One of the conditions for being declared unconditional is that at least 80% of the Shares have been tendered under the Offer, since BinckBank's shareholders adopted the resolution on the merger after the closing date for the shareholders' meeting on 23 April 2019. Additionally Saxo Bank may unilaterally lower the minimum offer threshold to 67% of the Shares. BinckBank and Saxo Bank still expect to meet all conditions or, where applicable, to waive them, on or before the end of the extended offer period. The transaction is expected to be completed during the first half Q3 2019.

Other developments for the first half year of 2019

The transaction numbers for 19H1 are in line with the comparable period last year at 5.0 million (18H1: 5.0 million). Assets under management amounted to € 1.0 billion at the end of 19H1 (18H1: € 1.0 billion), with the new 'Laten Beleggen' propositions growing to € 239 million of assets under management, due to net inflow and positive returns (18H1: € 142 million).

However, the net fee and commission income earned on our execution-only services was under pressure. The market conditions in which BinckBank conducts its business activities are currently very challenging. Falling trading volumes (market sentiment / volatility) and competition (price pressure) are putting pressure on net commission income. There is strong competition not only in the Trading segment (online brokerage), but also on the Investing segment (online asset management) where various players are active and the range of competing services is considerable. More and more parties are entering the market with an online asset management solution. The emergence of online brokers with a "zero fee" commission model, which make use of other earnings models under non-Dutch legislation and regulations, poses a substantial threat to income from the Trading segment of BinckBank. Requirements by regulators of maximum leverage allowed on leveraged products, such as the turbos, also result in a smaller product assortment and a dampening effect on the earnings from the turbos.

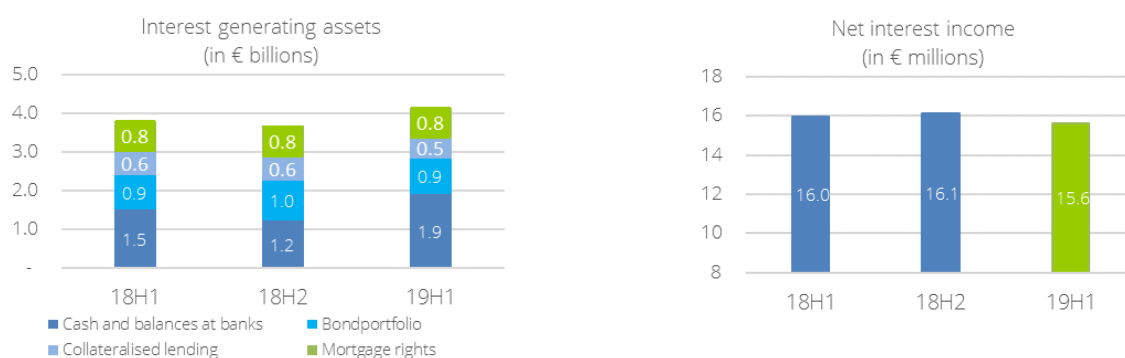
BinckBank's operational structure has a high fixed cost base. Maintenance projects and construction of new (product) functionalities require substantial IT capacity. Technological developments in the sector are going fast, which means that BinckBank must continue to invest in its (IT) infrastructure. Increasing complexity of legislation and regulations (MiFID 2, AML, KYC, FATCA etc.) is also leading to increasing operational costs. With the high fixed cost base, it is difficult to compete with other market parties that have a different, non-banking, operational set-up.

To cope with these threats, it is necessary to realize scale in order to keep the revenues and costs at a responsible level in the longer term. When sufficient scale can be achieved, BinckBank can compete well with its brand and with the recognised quality of service. For example in 2019, with its Assurance Vie product in France, BinckBank won the Top d'Or in categories "Best New Online Life Insurance Contract" and "Editorial", as well as a prize for the best new contract in the Oscars presentation for Assurance Vie by the magazine Gestion de Fortune. BinckBank Italy has also won an award for the best digital service at the BFC FinTech Age Awards, organised by Blue Financial Communication for companies in the FinTech sector. In addition, BinckBank is clearly visible in the media as a sponsor of various cycling events such as the E3 BinckBank Classic and the upcoming BinckBank tour.

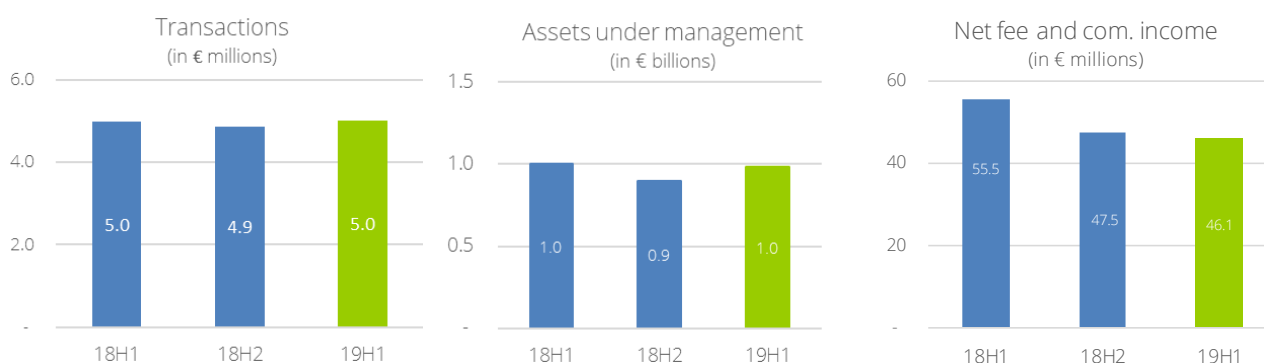
Notes to the consolidated results of 19H1

The consolidated net result for 19H1 amounted to € 6.6 million, resulting in a net profit per share of € 0.10. The net result was lower than the result for the same period last year (18H1: € 22.2 million, € 0.33 per share). However, in 18H1, the result from the sale of Think ETF Asset Management amounting to € 8.1 million (€ 0.12 per share) was recognised.

Net interest income decreased by 2% compared to the first half of 2018 and amounted to € 15.6 million (18H1: € 16.0 million). The average outstanding balance of collateralised lending was lower over 19H1 and resulted in a drop in interest income. In 19H1, the central treasury activities delivered on average a higher return, mainly from the USD bonds. On the other hand, the interest charges increased due to the negative interest rate on a higher average balances with (central) banks and BinckBank paid interest again on the funds entrusted due to the rise in the USD interest rate.

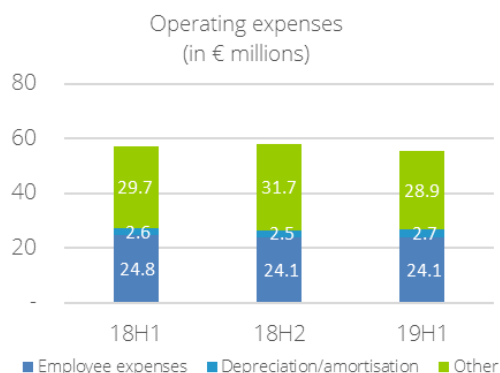


Net commission income decreased on balance by 17% to € 46.1 million compared to 18H1 (18H1: € 55.5 million). The transaction numbers in 19H1 remained in line with 18H1 at 5.0 million. Due to the new price plan with a service fee and commission-free transactions in Binck turbos, the average revenue per transaction fell to € 9.33 (18H1: € 11.11). The service fee introduced in the new price plan partially offset this decrease in transaction-related commissions. Commission income from asset management was lower than in 18H1 due to lower average assets under management and a different pricing of the new 'Laten Beleggen' propositions. In addition, 18H1 also included commission income from BPO services and asset management fees for Think ETF Asset Management (18H1: €2,6 million).



The result from financial instruments, including the Binck turbos and hedge accounting results, decreased by 35% to € 2.5 million (18H1: € 3.9 million).

Compared to 18H1, the total operating expenses over 19H1 decreased by 3% from € 57.1 million to € 55.6 million. Employee expenses decreased by 3% to € 24.1 million (18H1: € 24.8 million). Depreciation and amortisation remained in line with 18H1 and increased slightly from € 2.6 million to € 2.7 million. Other operating expenses decreased in 19H1 compared to 18H1 with 3% from € 29.7 million to € 28.9 million. The decrease is partly due to lower marketing expenses and movements in provisions. On the other hand, in the first half of 2019 the costs increased for, among other things, additional work and support for current developments and additional costs for projects related to the implementation of legislation and regulations and the elimination of IT legacy.



The tax burden over 19H1 amounts to € 2.3 million, which corresponds to an effective tax rate of 25.8%. The tax rate is in line with the nominal tax rate.

Financial position and ratios for 19H1

BinckBank has a solid capital and liquidity position. BinckBank's total equity amounted to € 410.2 million (18FY: € 403.4 million; 18H1: € 398.7 million). Compared to December 31, 2018, the Tier 1 core capital increased by € 27.8 million to € 276.8 million.

At 30 June 2019 the capital ratio increased compared to the end of 2018 and amounted to 35.7% (18FY: 31.8%; 18H1: 31.9%). The leverage ratio was 6.3% (18 FY: 6.3%; 18H1: 6.2%).

Compared to the position as at 31 December 2018, the total of risk-weighted items decreased from € 783.1 million to € 774.5 million due to lower capital requirements as a result of adjustments in the investment portfolio and lower capital requirements from operational risk.

(amounts in € 000's)	30 June 2019	31 December 2018
Total equity	410,191	403,384
Less: goodwill	(153,865)	(153,865)
Plus: deferred tax liabilities related to goodwill	29,910	29,798
Less: other intangible fixed assets	(2,764)	(3,349)
Less: prudent valuation adjustment	(8)	(2)
Less: non-controlling interests	-	-
Less: deferred tax assets	-	(468)
Less: unappropriated profit adjusted for dividends	-	(26,500)
Less: unappropriated profit adjusted for interim dividend	(6,634)	-
Common equity Tier 1 (CET1) (A)	276,830	248,998
Risk weighted exposure amount - Pillar I (B)	774,503	783,077
Capital ratio (=A/B)	35.7%	31.8%
Exposure measure	4,521,465	4,070,993
Prudential adjustments	(108,478)	(123,898)
Risk measure in accordance with CRR (C)	4,412,987	3,947,095
Leverage ratio (=A/C)	6.3%	6.3%

Outlook

Offer by Saxo Bank

The second half of 2019 will mainly be largely influenced by developments regarding Saxo Bank's offer for BinckBank shares and a possible integration of the activities of both companies.

Financial outlook 2019

For the ongoing operating activities, BinckBank results is strongly influenced by its customers trading activity. In addition to the volatility and the direction of the stock markets, the interest rates on the money and capital markets are also strong determining factors for the financial results. All these factors are currently difficult to predict and for that reason BinckBank does not give any specific outlook for the second half year of 2019.

Declaration pursuant to section 5:25d, Financial Supervision Act ('Wft')

The executive board hereby declares that, insofar as known to the executive board:

1. the half-year report 2019, which is set out on pages 2 to 8, provides a true and fair view of affairs on the balance sheet date, the course of business during this financial half year of BinckBank N.V.'s, and its affiliated companies, the information of which is included in BinckBank's financial half-year financial statements, as well as the expected course of business, whereby, insofar as there are no significant reasons to the contrary, particular attention is paid to the investments and circumstances on which the development of the revenue and the profitability are dependent; and
2. the interim financial statements for 2019, which is set out on pages 9 to 19, present a true and fair view of the assets, the liabilities, the financial position, and the result of BinckBank N.V. and the companies included collectively in the consolidation.

Amsterdam, 22 July 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)

Interim financial statements 2019

I. Condensed consolidated statement of financial position

(amounts in € 000's)	30 June 2019	31 December 2018
ASSETS		
Cash and balances at central banks	1,774,734	1,096,838
Banks	128,654	134,675
Derivatives	37,847	24,277
Financial assets at fair value through profit and loss	17,700	13,721
Investments at amortised cost	913,058	1,033,590
Loans and receivables	1,337,551	1,409,649
Intangible assets	156,629	157,214
Property, plant and equipment	34,628	32,006
Current tax assets	13,372	16,622
Deferred tax assets	-	468
Other assets	93,246	138,526
Prepayments and accrued income	14,046	13,407
Total assets	4,521,465	4,070,993
LIABILITIES		
Banks	1,142	5,274
Derivatives	46,000	26,759
Financial liabilities at fair value through profit and loss	320	161
Funds entrusted	3,977,816	3,562,200
Provisions	1,899	3,394
Current tax liabilities	35	12
Deferred tax liabilities	30,513	29,996
Other liabilities	45,447	28,040
Accruals and deferred income	8,102	11,773
Total liabilities	4,111,274	3,667,609
Total equity	410,191	403,384
Total equity and liabilities	4,521,465	4,070,993

II. Condensed consolidated statement of profit or loss and other comprehensive income

(amounts in € 000's)	19Q2	18Q2	19H1	18H1
INCOME				
Interest income	10,297	10,167	20,702	20,049
Interest expense	(2,734)	(2,138)	(5,092)	(4,090)
Net interest income	7,563	8,029	15,610	15,959
Fee and commission income	26,610	30,362	54,086	64,171
Fee and commission expense	(3,989)	(4,160)	(8,014)	(8,679)
Net fee and commission income	22,621	26,202	46,072	55,492
Result from financial instruments	1,351	1,867	2,547	3,928
Impairment of financial assets	187	(71)	258	(201)
Other income	83	296	86	740
Total income from operating activities	31,805	36,323	64,573	75,918
EXPENSES				
Employee expenses	11,949	12,163	24,052	24,829
Depreciation and amortisation	1,335	1,314	2,700	2,622
Other operating expenses	14,261	15,453	28,877	29,695
Total operating expenses	27,545	28,930	55,629	57,146
Result from operating activities	4,260	7,393	8,944	18,772
Result from associates	-	8,112	-	8,112
Result before tax	4,260	15,505	8,944	26,884
Income tax expense	(1,125)	(1,809)	(2,310)	(4,672)
Net result	3,135	13,696	6,634	22,212
Total net result and other comprehensive income*	3,135	13,696	6,634	22,212
<i>Result attributable to:</i>				
Owners of the parent	3,135	13,513	6,634	21,913
Non-controlling interests	-	183	-	299
Net result	3,135	13,696	6,634	22,212
Basic and diluted earnings per share	0.05	0.20	0.10	0.33

* BinckBank has no other comprehensive income that will or will not be recognised through profit and loss on realisation

III. Condensed consolidated statement of cash flows

(amounts in € 000's)	19H1	18H1
Cash flow from operating activities	676,692	413,002
Cash flow from investing activities	(4,737)	6,415
Cash flow from financing activities	-	(16,588)
Net cash flows	671,955	402,829
Opening balance of cash and cash equivalents	1,231,957	1,137,641
Net cash flows	671,955	402,829
Effect of exchange rate changes on cash and cash equivalents	139	880
Closing balance of cash and cash equivalents	1,904,051	1,541,350

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	1,774,734	1,410,623
Banks	128,654	130,141
Banks - non cash equivalents	663	586
Total cash equivalents	1,904,051	1,541,350

IV. 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
1 January 2019	6,750	343,565	(4,081)	-	57,150	-	403,384
Net result for the year	-	-	-	-	6,634	-	6,634
Total comprehensive income	-	-	-	-	6,634	-	6,634
Grant of rights to shares	-	-	-	-	173	-	173
Issue of shares to executive board and employees	-	-	226	-	(226)	-	-
30 June 2019	6,750	343,565	(3,855)	-	63,731	-	410,191

(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	-	-	-	-	21,913	299	22,212
Total comprehensive income	-	-	-	-	21,913	299	22,212
Final dividend 2017	-	-	-	-	(15,356)	-	(15,356)
Grant of rights to shares	-	-	-	-	102	-	102
Issue of shares to executive board and employees	-	-	201	-	(201)	-	-
Capital allocation minority interests	-	-	-	-	-	(1,232)	(1,232)
30 June 2018	6,750	343,565	(4,081)	-	52,449	-	398,683

V. 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 Strozilaan 310, 1083 HN in Amsterdam and is registered with the Chamber of Commerce under number 33162223. Our services are deployed from our head office in the Netherlands and our local branches in Belgium, France, and Italy, and representation in Spain. BinckBank offers services in trading, asset management and saving and targets its services to retail customers, businesses/legal entities, and independent asset managers. An important feature of BinckBank's online services is a stable platform that gives users access to important financial markets, professional trading facilities, and analysis tools. 'BinckBank' hereinafter refers to BinckBank N.V. and to its various subsidiaries

The condensed consolidated financial statements for the financial period ending 30 June 2019 have been prepared by the executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 22 July 2019.

2. Principles for accounting

PRESENTATION OF THE INTERIM FINANCIAL 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 interim financial statements are presented in accordance with IAS 34 Interim Financial reporting as adopted by the EU. The condensed consolidated financial statements are presented in euros, with all amounts rounded to the nearest thousand, unless otherwise stated. In accordance with standard IAS 34 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 2018. BinckBank's consolidated financial statements for the financial year 2018 is available via www.binck.com or on request from the Investor Relations department, (telephone +31 (0)20 522 0378).

Since the introduction of the standard IFRS 9 - Financial instruments on 1 January 2018, the statement of other comprehensive income for BinckBank is nil. As a result, it was decided in accordance with IAS 1.10 to present the statement of other comprehensive income and the condensed consolidated income statement in one statement.

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 explanation of the application of new standards that affect the balance sheet items, the financial result or the equity of BinckBank is included below.

IFRS 16 Leases

BinckBank applies the standard IFRS 16 - Leases as of 1 January 2019. This new standard describes the treatment of both financial and operational lease contracts. Under the new standard, an asset must be recognised on the balance sheet for both types of leasing. In addition, if payments are made over several periods, a financial liability must be recognised. BinckBank has various lease contracts for its operational processes, rental of buildings and lease cars. BinckBank has also prepaid the ground lease up to 15 April 2056. The prepayment had already been included in the valuation of the property and therefore the impact of applying IFRS 16 on this has no impact.

As a result of the application of IFRS 16, the balance sheet total as of 1 January 2019 has increased with the valuation of the assets in use and on the corresponding lease liability of these contracts.

BinckBank has made the following choices for the transition for the initial recognition of IFRS 16:

- IFRS 16 has been applied retrospectively, with the cumulative effect of the application of the standard being recognised on 1 January 2019 and the comparative figures have not been adjusted.
- the discounted value of the lease obligation is determined on the basis of the incremental borrowing rate at the time of the transition. The same incremental borrowing rate is applied for similar portfolios of assets in use.
- In the transition, the value of the lease asset is set equal to the discounted value of the future lease commitments. As a result this does not have a financial impact on the opening balance of shareholders' equity.
- Leases with a term of less than one year and lease assets with a low value are not recognised but are included in the result as rental charges.

As a result of the application of IFRS 16, the consolidated balance sheet as of 1 January 2019 increased by an amount of € 4.1 million. The transition to IFRS 16 has no impact on equity and the comparative result has not been adjusted due to the transition choices made as described above. However, as a result of the application of IFRS 16 from 2019 onwards, the expenses from leases under IFRS 16 will be recognised as interest and depreciation, where these were previously presented as a single amount in other operating expenses.

The effect of the application of IFRS 16 - Leases on BinckBank's opening balance sheet as at 1 January 2019 is shown in the following table:

	31 December 2018	1 January 2019	
	Closing balance	Initial application of IFRS 16 Leases	Opening balance applying IFRS 16
<small>(amounts in € 000's)</small>			
ASSETS			
Property, plant and equipment	32,006	4,075	36,081
LIABILITIES			
Other liabilities	28,040	4,075	32,115

Other new and changes to standards that are not yet effective or endorsed

The other new and adjusted standards that are not yet effective or endorsed are not expected to have any or significant impact on BinckBank's balance sheet, results or equity and have therefore not been further explained.

3. Selected explanatory notes to the condensed consolidated financial figures

INVESTMENTS AT AMORTISED COST

As of 30 June 2019 the investment portfolio, which is classified under the item Investments at amortised cost, amounts to € 913 million (31 December 2018: € 1,034 million). The average return on the investment portfolio as of 30 June is 0.59% (18H1: 0.44%).

LOANS AND RECEIVABLES

As of 30 June 2019 the loans and receivables include an amount of € 549 million in collateralised loans (31 December 2018: € 605 million) and an amount of € 788.6 million in mortgage rights (31 December 2018: € 805 million).

INTANGIBLE ASSETS

The intangible assets include the goodwill related to the acquisition of Alex Beleggersbank and the intangible assets and goodwill related to the acquisitions of Fundcoach and Pritle.

The goodwill amounts to € 154 million and has been allocated to the cash-generating unit Retail Netherlands. A goodwill impairment test was carried out in 2018, in which the fair value of the cash-generating unit, based on the Saxo Bank's offer, was higher than the carrying amount of the cash-generating unit. As a result there was no indication of an impairment. In the period ending 30 June 2019, there have been no changes in circumstances which could revise this assessment or lead to a requirement to perform a new test.

OTHER ASSETS AND OTHER LIABILITIES

The other assets and other liabilities mainly contain significant amounts that are related to the customer transactions to be settled. This item therefore depends on the customer transaction volumes at 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 legal costs and/or financial settlement of the case in question. BinckBank does not provide further details on current legal proceedings.

TAXATION

Taxes are calculated based on the estimated average tax rate for the entire year. The estimated average tax rate, takes into account the tax facilities. The effective tax rate amounts to 25.8% for 2019 (2018: 1.1%), which is in line with the nominal tax rate.

FAIR VALUE OF FINANCIAL INSTRUMENTS

For the determination of the fair value of the financial instruments, reference is made to the financial statements 2018. No changes to the determination of fair value have taken place in the year 2019. 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:

(amounts in € 000's)	30 June 2019			
	Level 1	Level 2	Level 3	Totaal
Derivatives	37,780	67	-	37,847
Financial assets at fair value through profit and loss	17,700	-	-	17,700
Total assets	55,480	67	-	55,547
Derivatives	37,812	8,188	-	46,000
Financial liabilities at fair value through profit and loss	320	-	-	320
Total liabilities	38,132	8,188	-	46,320

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

PROVISIONS FOR EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AT AMORTISED COST

The provisions for expected credit losses for financial instruments measured at amortised cost as of 30 June 2019 and as of 31 December 2018 are as follows:

(amounts in € 000's)	30 June 2019					
	Stage 1	Stage 2	Stage 3	Gross exposure	Provision (ECL)	Bookvalue
Cash and balances at central banks	1,774,914	-	-	1,774,914	(180)	1,774,734
Banks	128,719	-	-	128,719	(65)	128,654
Investments at amortised cost	913,210	-	-	913,210	(152)	913,058
Loans and receivables	1,338,165	224	1,227	1,339,616	(2,065)	1,337,551
Total	4,155,008	224	1,227	4,156,459	(2,462)	4,153,997
ECL Provision	(1,607)	(9)	(846)	(2,462)		
Bookvalue 30 June 2019	4,153,401	215	381	4,153,997		

(amounts in € 000's)	31 December 2018					
	Stage 1	Stage 2	Stage 3	Gross exposure	Provision (ECL)	Bookvalue
Cash and balances at central banks	1,097,008	-	-	1,097,008	(170)	1,096,838
Banks	134,789	-	-	134,789	(114)	134,675
Investments at amortised cost	1,033,817	-	-	1,033,817	(227)	1,033,590
Loans and receivables	1,410,394	223	1,247	1,411,864	(2,215)	1,409,649
Total	3,676,008	223	1,247	3,677,478	(2,726)	3,674,752
ECL Provision	(1,959)	(11)	(756)	(2,726)		
Bookvalue 31 December 2018	3,674,049	212	491	3,674,752		

No significant movements between the various stages occurred during the half year from 31 December 2018 to 30 June 2019.

COMMITMENTS AND CONTINGENTS

The commitments and contingents listed below are current issues that may have changed from the situation as described in the financial statements for 2018 and accordingly further explanation is provided. There are no further matters of interest to report regarding commitments and contingent liabilities appearing in the 2018 financial statements.

Saxo Bank Offer

Saxo Bank made a public cash offer for all issued and outstanding shares of BinckBank on 12 March 2019. The offer is € 6.35 (cum dividend) in cash per issued and outstanding ordinary share and priority share in BinckBank. BinckBank has hired external consultants for the merger protocol related to this offer. 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 transaction being declared unconditional.

A termination fee has been agreed in the merger protocol with Saxo Bank. If the merger protocol is terminated by Saxo Bank because the executive board and / or supervisory board of BinckBank have withdrawn or negatively revised their recommendation of Saxo Bank's offer, or if the merger protocol is terminated by BinckBank because a superior competitive offer 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 Saxo Bank does not meet the conditions of the merger protocol, including the condition that the regulatory approvals have not been obtained by 1 April 2020, Saxo Bank will forfeit a termination fee of € 4.3 million to BinckBank.

In the context of Saxo Bank's offer, BinckBank expects to incur additional costs by engaging external advisors. Agreements laid down in the contracts with these external advisors are in some cases conditional on the completion of the transaction. If the offer is declared unconditional, BinckBank expects to have to incur costs between € 2.0 million and € 2.5 million until the transaction is completed, which is expected in the first half of Q3 2019.

In addition selected staff members have been offered a retention package to ensure their motivation and involvement, as well as the continuation of the company after the transaction has been completed, where necessary subject to approval by the Dutch Central Bank (DNB) and the works council and the offer being declared unconditional. The principles of the retention package have been agreed between Saxo Bank, BinckBank and the BinckBank works council. Contingent liabilities arising from the retention package that BinckBank has entered into vis-à-vis the personnel for the period from the start of the package to this half-year report are expected to amount to between € 0.4 million and € 0.5 million.

If the offer is declared unconditional and after the transaction has been settled, the effect of the takeover and the associated integration of processes may possibly lead to redundancies for BinckBank staff. As from the settlement, a social plan will apply for at least three years for employees who had an employment contract with BinckBank at the time of the announcement, and who are made redundant or confronted with a radical change in their position as a result of changes in the organisation resulting from (the preparation of) the integration of the BinckBank organisation in the Saxo Bank group. The principles of the social plan have been agreed between Saxo Bank, BinckBank and the works council of BinckBank and are subject to approval by DNB and completion of the transaction. Currently BinckBank is unable to reliably estimate the contingent liabilities arising from the above, but BinckBank expects them to have a material negative impact on BinckBank's future financial results.

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 the outcomes are unlikely to have material adverse effects on BinckBank's financial position or results, other than

the matters that have already led to recognising a provision. BinckBank has been in consultation with an insurer about the settlement of claims from legal proceedings for the period 1 April 2014 to 31 March 2015. If agreement is reached then a settlement amount will be involved.

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:

- Netherlands
- Belgium
- France
- Italy
- Group operations

The segment reporting provided below is prepared in accordance with the principles applied for the financial statements for 2018.

(amounts in € 000's)	1-1-2019 t/m 30-6-2019					Total
	Netherlands	Belgium	France	Italy	Group-operations	
INCOME STATEMENT						
Net interest income	12,883	585	1,244	898	-	15,610
Net fee and commission income	34,355	6,475	3,252	2,030	(40)	46,072
Other income	30	-	6	-	50	86
Result from financial instruments	2,322	368	-	-	(143)	2,547
Impairment of financial assets	(80)	14	(6)	(10)	340	258
Total income from operating activities	49,510	7,442	4,496	2,918	207	64,573
Employee expenses	4,608	1,710	1,986	886	14,862	24,052
Depreciation and amortisation	416	36	15	1	2,232	2,700
Other operating expenses	7,117	2,450	2,780	952	15,578	28,877
Total operating expenses	12,141	4,196	4,781	1,839	32,672	55,629
Result from operating activities	37,369	3,246	(285)	1,079	(32,465)	8,944
Internal cost allocation	(22,258)	(4,114)	(3,156)	(2,316)	31,844	-
Result from operating activities after internal cost allocation	15,111	(868)	(3,441)	(1,237)	(621)	8,944
Result from associates						-
Result before taxes						8,944
Taxes						(2,310)
Net result						6,634

(amounts in € 000's)	1-1-2018 t/m 30-6-2018					Group-operations	Total
	Netherlands	Belgium	France	Italy			
INCOME STATEMENT							
Net interest income	12,799	912	1,298	951	(1)		15,959
Net fee and commission income	41,108	6,948	3,735	2,049	1,652		55,492
Other income	391	-	9	-	340		740
Result from financial instruments	3,037	492	-	-	399		3,928
Impairment of financial assets	(188)	(1)	(3)	(2)	(7)		(201)
Total income from operating activities	57,147	8,351	5,039	2,998	2,383		75,918
Employee expenses	4,509	1,527	1,853	861	16,079		24,829
Depreciation and amortisation	453	40	15	6	2,108		2,622
Other operating expenses	10,323	2,718	2,699	1,142	12,813		29,695
Total operating expenses	15,285	4,285	4,567	2,009	31,000		57,146
Result from operating activities	41,862	4,066	472	989	(28,617)		18,772
Internal cost allocation	(20,453)	(3,764)	(2,962)	(2,354)	29,533		-
Result from operating activities after internal cost allocation	21,409	302	(2,490)	(1,365)	916		18,772
Result from associates							8,112
Result before taxes							26,884
Taxes							(4,672)
Net result							22,212

VI. Paid and proposed dividends

(amounts in € 000's)	19H1	18H1
<i>Approved and paid dividend during the year</i>		
Dividend on ordinary shares:		
Final dividend for 2018: € NIL (2017: € 0,23)	-	15,356
<i>Proposed interim dividend 2019 is approved by the 'Stichting Prioriteit' on 18 July 2019</i>		
Dividend on ordinary shares:		
Interim dividend for 2019: € NIL (2018: € 0,13)	-	8,680

No final dividend was paid for 2018 and Stichting Prioriteit has proposed not to pay an interim dividend for the first half year of 2019.

VII. Events after balance sheet date

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

Other information

Review report

To the shareholders and supervisory board of BinckBank N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information, as included in section "Interim financial statements for 2019" which form part of the "Half-year report 2019" of BinckBank N.V., Amsterdam. The condensed consolidated interim financial information comprises the condensed consolidated statement of financial position as at 30 June 2019, the condensed consolidated income statement and other 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 2019 and the selected notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information 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 2019", as at 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

Amsterdam, 22 July 2019

Deloitte Accountants B.V.

Signed drs. R.J.M. Maarschalk RA

Important dates BinckBank N.V.

The coming period will mainly be dominated by developments regarding Saxo Bank's offer for BinckBank shares. The next important date in this context is 31 July 2019 when the extended notification period for shareholders ends.

The transaction with Saxo Bank is expected to be completed in the first half of Q3 2019. With sufficient registration of shares, the termination of the stock exchange listing will also be initiated. In light of these developments, the BinckBank board has decided not to issue a voluntary interim report on 19Q3.

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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