

BINCKBANK N.V.

(a public limited liability company incorporated in The Netherlands with its statutory seat in Amsterdam, The Netherlands)

3 for 2 rights offering of 46,256,105 new ordinary shares to existing holders of ordinary shares at an issue price of €8.32 per ordinary share

On 30 October 2007, BinckBank N.V. ("**BinckBank**" or the "**Company**") announced its intention for the acquisition of the unincorporated business that currently forms part of Coöperatieve Raiffeisen-Boerenleenbank B.A. ("**Rabobank**") which provides online trading capabilities in securities, options and other financial instruments, as well as certain other banking, advisory and asset management services under the trade name Alex Beleggersbank ("**Alex**") (the "**Acquisition**"). BinckBank anticipates to fund the Acquisition partly with the net proceeds of the Offering (as defined below). The Acquisition is made for a cash consideration of €390 million¹ and is expected to close as at 31 December 2007.

BinckBank is offering 46,256,105 new ordinary shares with a nominal value of €0.10 each (the "**Offer Shares**"), initially by granting the existing holders of ordinary shares in the capital of BinckBank with a nominal value of €0.10 each (the "**Ordinary Shares**") as at the Record Date (as defined below) the right to subscribe for the Offer Shares *pro rata* to their holdings in the Ordinary Shares, at an issue price of €8.32 per Offer Share (the "**Issue Price**"), subject to applicable securities laws and on the terms set out in this Prospectus (the "**Rights Offering**"). These transferable subscription rights (the "**Rights**") will entitle the holders thereof to subscribe for the Offer Shares at the Issue Price, provided that the holder is an Eligible Person (as defined in "Definitions").

Each Shareholder (as defined in "Definitions") holding Ordinary Shares immediately following the close of trading in the Ordinary Shares on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**") at 17:40 hours, Central European Time ("**CET**"), on 27 November 2007 (the "**Record Date**"), will be entitled to one Right for each Ordinary Share held. An Eligible Person will be entitled to subscribe for 3 Offer Shares for every 2 Rights held. Accordingly, Eligible Persons will have the right to subscribe for 3 Offer Shares for every 2 Ordinary Shares held on the Record Date. Eligible Persons may, subject to applicable securities laws, subscribe for Offer Shares through the exercise of Rights from 9:00 hours CET on 28 November 2007 until 15:30 hours CET on 10 December 2007 (the "**Subscription Period**"). An Eligible Person can only validly exercise his Rights before the end of the Subscription Period. After the Subscription Period has ended, an Eligible Person will no longer be able to exercise his Rights and his Rights will lapse. Once an Eligible Person has validly exercised his Rights, he cannot revoke or modify that exercise except as otherwise provided in this Prospectus (see "The Offering – Subscription Period"). Application will be made for the admission to trading of the Rights on Euronext Amsterdam. BinckBank expects that trading in the Rights will commence on Euronext Amsterdam on or about 9:00 hours CET on 28 November 2007 and will cease on or about 13:15 hours CET on 10 December 2007, barring unforeseen circumstances.

After the Subscription Period has ended, any Offer Shares that were issuable upon the exercise of Rights, but have not been subscribed for during the Subscription Period (the "**Rump Shares**") will be offered for sale by way of a private placement to institutional investors in The Netherlands, Belgium or elsewhere by Fortis Bank (Nederland) N.V. ("**Fortis**") and ING Bank N.V. ("**ING**") (the "**Joint Global Coordinators**") subject to the terms and conditions of an underwriting agreement between the Company and the Joint Global Coordinators dated 26 November 2007 (the "**Underwriting Agreement**") (the "**Rump Offering**"). The Rump Offering is expected to commence on 09:00 hours CET and to end no later than 17:30 hours CET on 11 December 2007. The Joint Global Coordinators have agreed to procure subscribers for any Rump Shares at a price per Rump Share which is at least equal to the Issue Price plus any expenses related to procuring such subscribers (including any value added tax). Any Rump Shares not sold in the Rump Offering will be subscribed and paid for by the Joint Global Coordinators at the Issue Price, subject to the terms and conditions of the Underwriting Agreement. References herein to the 'Offer Shares' include the Rump Shares (except where otherwise specified). The Rights Offering and the Rump Offering together are referred to as the "**Offering**".

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders have been excluded for the purposes of the Offering.

BinckBank is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside The Netherlands and Belgium. The Rights are being granted by the Company and the Offer Shares are being offered by the Company only in those jurisdictions in which, and only to those persons to whom, granting of the Rights and offers of the Offer Shares (pursuant to the exercise of Rights or otherwise) may lawfully be made. The Rights and the Offer Shares have not been and will not be registered under the US Securities Act of 1933 (the "**Securities Act**"), and may not be offered, granted, issued, sold, taken up, delivered, renounced or transferred in or into the United States. Accordingly, the Rights are being granted and the Offer Shares are being offered by the Company only in transactions that are exempted from registration under the Securities Act pursuant to Regulation S thereunder ("**Regulation S**"). Potential investors in the Rights or the Offer Shares should carefully read "Selling and Transfer Restrictions".

Investing in the Offer Shares and trading in the Rights involves certain risks. See "Risk Factors" for a discussion of certain factors that should be considered before investing in the Offer Shares or trading in the Rights.

Application will be made for the listing of the Offer Shares on Euronext Amsterdam. BinckBank expects that the Offer Shares will be listed, and that trading in the Offer Shares will commence, on Euronext Amsterdam, at 9:00 hours CET on 14 December 2007, barring unforeseen circumstances. It is expected that payment for and delivery of the Offer Shares will be made on or about 14 December 2007 (the "**Closing Date**").

The Ordinary Shares are admitted to trading on Euronext Amsterdam under the symbol "BINCK". On 26 November 2007, the closing price of the Ordinary Shares on Euronext Amsterdam was €14.98 per Ordinary Share. The Rights and the Offer Shares will be delivered through the book-entry systems of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**").

If the closing of the Offering does not take place on the Closing Date, the Offering may be withdrawn. In such an event, both the exercised and unexercised Rights will be forfeited without compensation to their holders, and subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any subscription payments received by the Company will be returned, without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund in respect of any Rights purchased in the market. All dealings in Rights prior to the closing of the Offering are at sole risk of the parties concerned. Euronext does not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam. The Company, the Subscription Agent and the Joint Global Coordinators do not accept any responsibility or liability to any person as result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.

This document constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC (the "**Prospectus Directive**") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the "**FSA**") and the rules promulgated thereunder (the "**Prospectus**"). This Prospectus has been approved by and filed with the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") and passported into Belgium for the purpose of conducting a public offer in Belgium. To facilitate the passporting of this Prospectus into Belgium, the AFM provided the Belgian supervisory authority, the Banking, Finance and Insurance Commission (the "**CBFA**"), with this Prospectus and a certificate of approval (in accordance with Article 18 of the Prospectus Directive). The Prospectus is made available in accordance with applicable laws and includes a Dutch summary.

Joint Global Coordinators and Joint Bookrunners

Fortis

ING Wholesale Banking

Prospectus dated 26 November 2007

¹ Based on the expected net asset value of Alex on the closing date of the Acquisition of €3.0 million. In case the net asset value of Alex on the closing date of the Acquisition differs from €3.0 million, the exact consideration for the Acquisition will be adjusted accordingly. However, from the business sale agreement it follows that any upward adjustment will not exceed €1.0 million and any downward adjustment will not exceed €3.0 million.

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1. SUMMARY

This summary highlights certain aspects of the Company's business, its consolidated financial information and the Offering and must be read as an introduction to this Prospectus. Any decision to invest in the Rights and the Offer Shares should be based on a consideration of the Prospectus as a whole, including a supplement thereto, if any, and the documents incorporated by reference therein. No civil liability is to be attached to the Company solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a member state of the European Economic Area (a "**Member State**"), the plaintiff may, under the national legislation of the Member State where a claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

In this Prospectus, any references to "BinckBank" and "the Company" refer to BinckBank N.V. and its subsidiaries. The "**Combination**" refers to the combination of BinckBank and Alex following the Acquisition.

1.1 Summary of the business

BinckBank is a Netherlands-based online bank for investors, listed on Euronext Amsterdam, providing fast, low-cost access to the leading international financial markets, accurate administrative processing of securities and cash transactions and comprehensive market information. The online brokerage business of the Company was established in 2000. BinckBank has offices in The Netherlands and Belgium and anticipates opening an office in France in mid 2008. On 30 September 2007, BinckBank served approximately 73,800 private investors in The Netherlands and Belgium and employed approximately 270 people.

Core activities, business model and business lines

BinckBank's core activities are split into two business units: Retail and Professional Services. The business unit Retail provides brokerage services to private investors and the business unit Professional Services provides brokerage and administration services to professional clients, including asset managers, banks and institutional investors. Recently, BinckBank divested its bond trading activities and intends to divest its remaining securities trading activities. Furthermore, BinckBank offers certain financial services to its clients in support of its brokerage business and is a member of several stock exchanges.

Strategy

BinckBank's business strategy is to provide private and professional investment clients with (i) fast and low-cost access to all of the leading international financial markets, (ii) accurate administrative processing of cash and securities transactions and (iii) comprehensive market information.

By offering investors a high-quality product at low prices, combined with intensive client focus, BinckBank aims to turn the investors into ambassadors for the services of BinckBank. BinckBank aims to create shareholder value for its Shareholders by concentrating on growing the customer base and maximising client satisfaction.

Reasons for the Offering

On 30 October 2007, BinckBank and Rabobank entered into a business sale agreement to acquire all of the assets and liabilities of Alex for a cash consideration of approximately €390 million. Alex is the unincorporated business that currently forms part of Rabobank, which provides online trading capabilities in securities, options

and other financial instruments, as well as certain other online banking, advisory and asset management services under the trade name Alex.

BinckBank believes that the Acquisition is strategically compelling as the businesses of BinckBank and Alex are a strong fit. In particular, the Acquisition will allow BinckBank to strengthen its operations by (i) having two strong labels, which together create a leading full-service online bank for investors with a top 5 European position, (ii) broadening the client base with a more diversified product offering, (iii) realising substantial economies of scale and cost savings and (iv) benefiting from combining the innovative excellence and longstanding experience of the two pioneers of Dutch online brokerage.

Following the Acquisition, the current strategy will be extended by adding online saving services and online advisory and asset management services, creating a European full-service online bank for investors.

Risk Factors

The following is a summary of risk associated with the Company, the Combination, the Acquisition, the Offering, the Rights and the Offer Shares. A more detailed discussion can be found in "Risk Factors".

Risks relating to the Company's business

- Development of the stock market;
- The high level of competition in the internet brokerage market in The Netherlands and abroad may have a material impact on BinckBank's business;
- BinckBank may be exposed to information technological failures;
- Security of BinckBank's computer systems cannot be guaranteed;
- Risks in connection with erroneous processing;
- BinckBank may not be able to develop its BPO services;
- BinckBank may not be able to manage risks associated with its international transactions and with its potential expansion into new markets;
- A significant portion of BinckBank's business is concentrated in one business unit in The Netherlands;
- Risks relating to prices of financial instruments;
- BinckBank is exposed to changes in the level of interest rates;
- Credit risks which may cause a financial loss for BinckBank;
- Liquidity risks relating to BinckBank's financial position;
- BinckBank is subject to currency-related risks;
- BinckBank's success depends on its ability to manage growth;
- BinckBank depends on the continued performance of its key personnel;
- The level of dividend payable to Shareholders may fluctuate and BinckBank cannot guarantee that dividends will be declared or paid in the future;
- BinckBank is exposed to the risk of change of laws or interpretation of laws;
- The Company may be exposed to legal and reputational risks that may arise in the conduct of its business and the outcome of related legal claims may be difficult to predict;
- Failure to close the Acquisition could adversely affect the Company's results from operations;
- Future acquisitions by the Company.

Risks relating to the Acquisition and the business of the Combination

- Risks relating to carving Alex out of Rabobank;
- BinckBank might not be able to integrate Alex into its business;
- The Combination might not be able to realise the business benefits and synergies of the Acquisition;
- The Combination might not be able to fully realise tax savings as a result of its Fiscal Goodwill amortisation;
- IT related risks to the Combination;
- The Combination depends on the continued services of the key IT personnel of Alex;
- The Acquisition might result in a loss of client accounts for the Combination;
- Regulatory risks relating to the Combination;
- The Acquisition increases the Combination's fixed costs base and consequently the break-even point of the Combination, potentially resulting in an increased risk of default;
- The accounting principles of BinckBank require the Company to value the Acquisition at fair value, which will have a significant impact on BinckBank's financial statements; impairment of goodwill is possible and could lead to significant impact on the income statement.

Risks relating to the Rights and the Ordinary Shares

- If you do not exercise all of your Rights, your percentage ownership of the Ordinary Shares will be significantly diluted;
- If you do not properly exercise your Rights before the end of the Subscription Period, you will no longer be able to exercise those Rights and you may not receive any compensation for them;
- BinckBank can not assure you that an active trading market will develop for the Rights and, if a market does develop, the Rights may be subject to greater volatility than the Ordinary Shares;
- The market for the Ordinary Shares might be inactive;
- The marketability of the Ordinary Shares may decline and the market price of the Ordinary Shares may fluctuate and decline below the Issue Price;
- Shareholders in certain jurisdictions may not be able to participate in the Rights Offering and may experience dilution of their holdings;
- As Shareholder, you may experience immediate and substantial dilution in the value of the Offer Shares;
- The ownership of the Ordinary Shares may partly be concentrated with one or more major Shareholders and their interests may conflict with the interests of other Shareholders;
- Future sales or the possibility of future sales of a substantial number of Ordinary Shares by Shareholders may lead to a decline in the price of the Ordinary Shares;
- If securities or sector analysts do not publish research or reports about BinckBank's business, or if they downgrade their recommendations regarding the Ordinary Shares, the share price and trading volume of the Ordinary Shares could decline;
- A material change in the business of Alex might influence the Offering;
- If closing of the Offering does not take place on the Closing Date and the Offering is withdrawn, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer Shares that have been made, will be disregarded.

1.2 Summary of the Offering

Issuer	BinckBank N.V.
Number of Ordinary Shares outstanding at the date of this Prospectus	30,837,403
Number of Ordinary Shares outstanding after issue of the Offer Shares	77,093,508
Use of proceeds	The net proceeds of the Offering will be used to pay part of the consideration for the Acquisition.
Listing of and trading in the Ordinary Shares	The outstanding Ordinary Shares are listed and traded on Euronext Amsterdam under the symbol "BINCK".
Voting rights	Each Ordinary Share entitles the holder to cast one vote in the Company's general meeting of Shareholders (the "General Meeting").
Offering	The Offering comprises 46,256,105 Offer Shares, which are being offered as described in this Prospectus.
Issue Price	€8.32 per Offer Share.
Rights	<p>Subject to applicable securities laws, the existing Shareholders as at the Record Date are being granted Rights to subscribe for Offer Shares at the Issue Price, in amounts <i>pro rata</i> to their holdings in the Ordinary Shares. Each Eligible Person holding Ordinary Shares immediately following the close of trading on Euronext Amsterdam on the Record Date will be entitled to subscribe for 3 Offer Shares for every 2 Rights held. Rights can only be exercised in multiples of 2. No fractional Ordinary Shares will be issued.</p> <p>If you hold Ordinary Shares on the Record Date, the financial intermediary through which you hold Ordinary Shares will customarily give you details of the aggregate number of Rights to which you will be entitled, subject to applicable securities laws. Your financial intermediary will supply you with this information in accordance with its usual customer relation procedures. You should contact your financial intermediary if you are a Shareholder entitled to receive Rights but have received no information with respect to the Rights Offering.</p>
Record Date	The Record Date is immediately following the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CET on 27 November 2007.

Trading in the Rights

Trading in the Rights on Euronext Amsterdam is expected to commence on 28 November 2007 and will cease on or about 13:15 hours CET on 10 December 2007. The rights will be traded under the symbol "BBRI".

If you are a Shareholder and you wish to sell all or part of your Rights and you are holding your Ordinary Shares through a financial intermediary, you should instruct the financial intermediary through which you hold your Rights in accordance with the instructions received from it. If you are an Eligible Person you may also instruct your financial intermediary to purchase Rights on your behalf.

If you are interested in trading or purchasing Rights, you should be aware that you may be restricted from purchasing and/or exercising your Rights and acquiring Offer Shares if you are located in a jurisdiction other than The Netherlands and Belgium and therefore ineligible to participate in the Rights Offering.

Subscription Period

Subject to applicable securities laws, Eligible Persons can only validly exercise their Rights during the Subscription Period. **The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier than the end of the Subscription Period, depending on the financial intermediary through which your Rights are held.**

Once you have validly exercised your Rights, you cannot revoke or modify that exercise unless BinckBank amends a material term of the Offering or amends this Prospectus in any material respect. If you have exercised your Rights, you will be obliged to pay the Issue Price for any Offer Shares being subscribed for.

If you have not validly exercised your Rights before the end of the Subscription Period at 15:30 hours CET on 10 December 2007, you will no longer be able to exercise your Rights.

Rump Offering

After the Subscription Period has ended, the Joint Global Coordinators will, subject to the terms and conditions of the Underwriting Agreement, commence the Rump Offering, in which they will offer for sale by way of a private placement to institutional investors in The Netherlands or elsewhere the Rump Shares, being the remaining Offer Shares that were issuable upon exercise of the Rights, but that were not subscribed for during the Subscription Period.

The price per Rump Share will be at least equal to the Issue Price plus any selling expenses related to the private placement (including any value added tax).

The Rump Offering is expected to commence on 09:00 hours CET and to end no later than 17:30 hours CET on 11 December 2007.

Any Rump Shares not sold in the Rump Offering will be subscribed and paid for by the Joint Global Coordinators at the Issue Price, subject to the terms and conditions of the Underwriting Agreement.

Unexercised Rights Payment

Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of selling expenses (including any value added tax) exceed the aggregate Issue Price for such Rump Shares (such amount, the "**Excess Amount**"), each holder of a Right that was not exercised at the end of the Subscription Period will be entitled to receive a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in such holder's securities account (the "**Unexercised Rights Payment**"), but only if that amount exceeds €0.01 per unexercised Right.

If BinckBank has announced that an Excess Amount is available for distribution to holders of unexercised Rights and you have not received payment thereof within a reasonable time following the closing of the Rump Offering, you should contact the financial intermediary through which you hold unexercised Rights.

BinckBank cannot guarantee that the Rump Offering will be successfully completed. Should the Rump Offering take place, BinckBank, the Subscription Agent, the Joint Global Coordinators or any person procuring subscriptions for Rump Shares will not be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering.

A minimal part of the issued Ordinary Shares in the capital of the Company, not exceeding 1,502 shares, consists of classical bearer share certificates (*klassieke toonderstukken*). The holders of these classical bearer share certificates are unknown to the Company. The holders of such shares will be granted Rights as all existing Shareholders. However, because the holders of the classical bearer share certificates are unknown to the Company, a holder will need to notify the Company if he decides not to exercise or trade his Rights and for that reason will be entitled to an Unexercised Rights Payment. The classical bearer share certificates will be exchanged for bearer Ordinary Shares as soon as the holder of such classical bearer share certificate notifies the Company, or its financial intermediary, in order to exercise or trade his Rights or to receive his dividends and his Unexercised

Rights Payment. As it is impossible to verify whether a holder of classical bearer share certificates was the holder of the classical bearer share certificates on the Record Date, any holder of classical bearer share certificates who notifies the Company will be entitled to the Unexercised Rights Payment until five years following completion of the Rump Offering. After expiration of the holder's claim, the Unexercised Rights Payments will accrue to the Company.

**Joint Global Coordinators and
Joint Bookrunners**

Fortis Bank (Nederland) N.V. and ING Bank N.V.

Subscription Agent

ING Bank N.V.

Listing Agent

Fortis Bank (Nederland) N.V.

Payment and delivery

Payment for the Offer Shares to the Subscription Agent must be made no later than on the Closing Date, which is expected to be 14 December 2007.

If you hold your Rights through a financial intermediary, you should pay the Issue Price for the Offer Shares that you subscribe for in accordance with the instructions you receive from such financial intermediary. Financial intermediaries may require payment to be provided to them prior to the Closing Date.

Delivery of the Offer Shares will take place through the book-entry systems of Euroclear Nederland.

Ranking and dividends

The Offer Shares will, upon issue, rank equally in all respects with the then outstanding Ordinary Shares and will be eligible for any dividends which BinckBank may declare on the Ordinary Shares after the issue date.

Listing and trading of the Offer Shares

Application will be made to list the Offer Shares on Euronext Amsterdam. BinckBank expects that the Offer Shares will be listed, and that trading in the Offer Shares will commence, on Euronext Amsterdam on 14 December 2007, barring unforeseen circumstances.

The Offer Shares will be listed and traded on Euronext Amsterdam under the symbol "BINCK".

**Codes for the Ordinary Shares
(including the Offer Shares)**

Security code : 33557
ISIN : NLo000335578
Common code : 027219721

Codes for the Rights

Security code : 85323
ISIN : NLo000853232
Common code : 033271557

Selling and transfer restrictions

Neither the Company, nor the Joint Global Coordinators are taking any action to permit a public offering of the Rights and the Offer Shares in any jurisdiction outside The Netherlands and Belgium. The Rights and the Offer Shares have not been and will not be registered under the Securities Act, and may not be offered, issued, sold, taken up, delivered, renounced, or transferred in or into the United States. Subject to applicable securities laws, the Rights are being granted to existing Shareholders. The Rights may only be exercised by Eligible Persons. The Offer Shares are being offered by the Company only pursuant to Regulation S and only in those jurisdictions in which, and only to those persons to whom, offers and placement of the Offer Shares (pursuant to the exercise of the Rights or otherwise) may lawfully be made.

Holders of Rights who exercise or trade their Rights or persons who purchase Rights will be deemed to have made the representations and warranties set out elsewhere in the Prospectus.

Potential investors in the Rights or the Offer Shares should carefully read "Selling and Transfer Restrictions".

Conditions to the Offering

The Offering is subject to a number of conditions for the benefit of the Joint Global Coordinators. If any or all of the conditions to the Offering are not met or not waived by the Joint Global Coordinators or if certain circumstances occur prior to payment for and delivery of the Offer Shares, the Joint Global Coordinators may terminate the Underwriting Agreement, in which case the obligation of the Joint Global Coordinators to subscribe and pay for any Rump Shares not sold in the Rump Offering will lapse. In this event, the Offering will be withdrawn. Upon withdrawal of the Offering, the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer Shares will not be offered and issued. Any subscription payment received by the Company will be returned promptly, without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights, but non-settled trades will be deemed null and void. There will be no refund in respect of any Rights purchased in the market. All trades in Rights prior to Closing Date are at the sole risk of the parties concerned. The Company, the Subscription Agent, the Joint Global Coordinators and Euronext do not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.

Lock-up arrangements

The Company and the members of the Management Board have agreed certain lock-up arrangements with the Joint Global Coordinators. These arrangements will be effective from the date of this Prospectus until 180 days following the Closing Date.

Governing law

Dutch law.

1.3 Summary of financial information

The following summary of financial information should be read in conjunction with the Company's consolidated financial statements and notes thereto appearing elsewhere in this Prospectus.

Income statement (x €1,000)	Six months ended 30 June 2007	Six months ended 30 June 2006
Revenues	32,456	23,671
Expenses	(15,167)	(9,042)
Profit before tax	17,289	14,629
Tax	(4,172)	(3,983)
Profit on continuing operations	13,117	10,646
Profit on discontinued operations	658	585
Net profit	13,775	11,231
Cost/income ratio	46.7%	38.2%
Figures per Ordinary Share		
EPS	€0.45	€0.37
Dividend per Ordinary Share	€0.14	€0.11
Number of transactions	1.4 million	1.1 million
Assets under Administration (x e billion)	3.4	2.1
Number of clients	68,500	45,900

Figure 1 – Income statement for the six-month periods ended 30 June 2007 and 30 June 2006

Income statement (x €1,000)	From 2006 annual report		From 2005 annual report	
	2006	2005	2005	2004
Revenues	55,682	44,113	50,191	39,965
Expenses	(26,752)	(26,322)	(31,521)	(35,051)
Profit before tax	28,930	17,791	18,670	4,914
Tax	(5,120)	(4,879)	(5,142)	(1,606)
Profit on continuing operations	23,810	12,912	13,528	3,308
Profit on discontinued operations	199	616	–	–
Net profit	24,009	13,528	13,528	3,308
Cost/income ratio	48.0%	59.7%	62.8%	87.7%
Figures per Ordinary Share				
EPS	€0.79	€0.45	€0.45	€0.10
Dividend per Ordinary Share	€0.40	€0.22	€0.22	€0.05
Number of transactions	2.1 million	1.2 million	1.2 million	0.5 million
Assets under Administration (x € billion)	2.7	1.6	1.6	0.7
Number of clients	54,100	32,800	32,800	19,900

Figure 2 – Income statements for the financial years ended 2004, 2005 and 2006

The differences in the above statement for the 2005 figures relate to adjustments made for the activities which have been discontinued in 2006. The 2004 figures have not been adjusted for the discontinued operations of 2006.

2. RISK FACTORS

Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Prospectus before making an investment decision with respect to trading in the Rights or investing in the Offer Shares. If any of the following risks actually occurs, the Company's business, prospects, financial condition or results from operations could be materially adversely affected. In that case, the value of the Rights and the Offer Shares could decline and you could lose all or part of the value of your investment.

The risks described below are the risks which BinckBank currently considers to be material for the Company and/or the Combination, but these risks are not the only ones the Company faces. All of these factors are contingencies which may or may not occur. The risks relating to the Acquisition might not be applicable to the Company if the Acquisition is not completed. The Company may face one or more of the risks described below simultaneously. Additional risks and uncertainties that the Company is currently not aware of or believes to be immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Rights or the Offer Shares.

Prospective investors should carefully review the entire Prospectus and should get their own views and take their own decisions on the merits and risks of trading in the Rights or investing in the Offer Shares in light of their own personal circumstances. Furthermore, prospective investors should consult their own financial, legal and tax advisors to carefully review the risks associated with an investment in the Rights or the Offer Shares.

2.1 Risks relating to the Company's business

Development of the stock market

National and international economic conditions affect both the national and the international financial markets and potentially the results of BinckBank's results from operations. Reduced trading volumes can translate into reduced revenue from financial transactions, interest income and/or commission income. In the short-term, a downturn of the stock market might cause increased demand for brokerage services, significantly exceeding the level of ordinary trading due to clients wishing to place urgent orders. However, in the long-term, a downturn of the stock market could result in less investor confidence and consequently in less demand for the Company's brokerage services. Such developments could have a material adverse effect on the results from operations of the Company.

The high level of competition in the internet brokerage market in The Netherlands and abroad may have a material impact on BinckBank's business

BinckBank derives a substantial part of its revenues from the provision of discount internet brokerage services. The market for discount internet brokerage in Europe is rapidly developing and is characterised by intense competition. BinckBank operates in a highly competitive environment in which its competitors have well established brands and ample financial resources. Currently, BinckBank has a strong position as it can offer its brokerage services at competitive prices. If, at any time, competitors are able to offer similar services at lower prices, the Company's competitive position and its results from operations may be adversely affected. BinckBank's future success depends, in part, on its ability to expand its current business nationally and/or internationally or build its business by offering other products and services in reaction to market developments. Retaining existing clients and attracting new clients is a high priority for BinckBank, and one in which it makes substantial investment. Strong competition may have a material adverse effect on the Company's business and results from operations.

BinckBank may be exposed to information technological failures

As an internet broker, BinckBank is heavily dependent on information technology ("IT") and telecommunications systems as well as the underlying electronic systems for the provision of its investment services. Any deficiency in the systems used poses a significant risk to BinckBank's financial position and results. BinckBank has undertaken numerous measures to ensure the processing of client orders in the event of a breakdown of individual IT components. However, there is no assurance that, in the event of the simultaneous breakdown of a number of system components, business operations can be continued without any interruption. Furthermore, a system breakdown could cause an overload of the Company's systems with the risk of a (partial) interruption of services and longer waiting times for connections to the Company's website. This could result in, for example, a loss of clients which could have a material adverse effect on the Company's financial position.

Security of BinckBank's computer systems cannot be guaranteed

In spite of the effort and investment devoted to ensure the security of the Company's computer systems, it is impossible to guarantee smooth operation of its systems, free from computer hackers, on an absolute and permanent basis, due to factors that are beyond the control of BinckBank. Wilful disruption and system breakdowns may jeopardise the provision of investor services, which could lead to claims for damages being brought against BinckBank. Remedying problems caused by third parties could require substantial financial and human resources from BinckBank and therefore might have a material adverse effect on the financial position of BinckBank.

Risks in connection with erroneous processing

As a direct broker, BinckBank is dependent on a high volume of securities orders being conducted and processed quickly, efficiently and correctly. This requires that the securities orders are recorded correctly and that up-to-date client data is always available. As a result of an incorrect manual entry (for example with securities orders placed by telephone, letter or fax) or technical malfunctions in the execution or processing of securities orders, clients may incur considerable losses. BinckBank might be held liable for these losses which might have a material adverse effect on the results from operations of BinckBank.

BinckBank may not be able to develop its BPO services

BinckBank and Friesland Bank N.V. have signed a letter of intent pursuant to which BinckBank will provide Business Process Outsourcing ("BPO") services to Friesland Bank N.V., consisting of securities brokerage execution and related administration for retail clients of Friesland Bank N.V. Assuming BinckBank is successful in providing such services to Friesland Bank N.V., BinckBank intends providing BPO services to other clients as well. If providing BPO services to Friesland Bank N.V. or other clients is not successful, the Company's business might be adversely affected.

BinckBank may not be able to manage risks associated with its international transactions and with its potential expansion into new markets

BinckBank may in fact grow slower than anticipated in countries that BinckBank has identified as having potential for significant future growth. The success of BinckBank's international business depends, in part, upon its ability to succeed in these different and sometimes fast changing economic, regulatory, social and political environments. BinckBank is exposed to the risk that it may be unable to manage the risks associated with international transactions and potential expansion into new international markets. With expansion into international markets, BinckBank needs to manage a number of risks across its operations, such as different labour regulations, other regulatory requirements and intellectual property protections.

A significant portion of BinckBank's business is concentrated in one business unit in The Netherlands

BinckBank generates the largest part of its income through its Retail business unit in The Netherlands and therefore is particularly exposed to economic conditions in the Dutch retail market. Economic conditions in The

Netherlands were difficult in 2001 and 2002 both on an absolute and relative basis. The Dutch economy staged a recovery in 2004 with growth of 2.0% in Gross Domestic Product ("GDP"). In 2006, Dutch GDP increased by 2.9% compared to 1.5% in 2005. Any short-term deterioration or a long-term slowdown in the economic environment in The Netherlands might adversely affect the business and the competitive position of BinckBank which, in turn, could have a material adverse effect on the Company's financial position.

Risks relating to prices of financial instruments

BinckBank has a trading portfolio and an investment portfolio. The trading portfolio comprises equities and derivatives positions. Movements in prices of financial instruments have a direct effect on the value of the trading portfolio and hence on BinckBank's financial position and results from operations. In its role as a liquidity provider as part of its trading activities, BinckBank may be committed, in some cases, to buying or selling financial instruments. BinckBank's investment portfolio consists of fixed income securities rated at least single-A by Standard & Poor's and are selected by the Management Board. The value of the investment portfolio may fluctuate due to movements in interest rates and changes in the issuer's creditworthiness.

BinckBank is exposed to changes in the level of interest rates

The level of interest rates determines the cost of capital borrowed by BinckBank and the potential interest margin. For BinckBank the interest margin is a substantial and growing part of its income. The net interest margin is the difference between (i) the interest paid (expense) on funds deposited and call money and (ii) the interest received (income) on client overdrafts, call money and interest on financial assets (bond portfolio). The interest paid is largely dependent on a fixed percentage of the funds entrusted, while the interest received is largely dependent on clients willing to use overdrafts, clients' perceptions of developments in the financial markets and the development of the interest curve. The level of interest rates and changes in prevailing interest rates could adversely affect BinckBank's results from operations. There can be no assurance that BinckBank will be able to successfully manage interest rate risks or the potential material adverse effect of risks associated with sustained unfavourable interest rates.

Credit risks which may cause a financial loss for BinckBank

Credit risk is the risk that a party trading a financial instrument and/or the issuer of the instrument will fail to discharge an obligation relating to the instrument and consequently causing BinckBank to incur a financial loss. BinckBank's activities involve providing loans and receivables. These credits are provided only if secured by readily marketable collateral such as securities and bank guarantees. Most of these loans are provided to natural persons and legal entities in The Netherlands. In the case of loans collateralised by securities, the amounts lent depend on the liquidity and market price of the relevant securities. The risks in this form of lending are the risk of a change in the market price of the securities provided as collateral, the risk of computer malfunctioning and the risk of credit monitoring procedures functioning incorrectly. In addition, BinckBank uses funds entrusted to fund loans to banks and corporates, subject to internal limits that have been set for both the level and duration of such lending to approved counterparties. BinckBank is exposed to a credit risk if these counterparties fail to discharge their obligations. The materialisation of any of these risks may have a material adverse effect on the Company's financial position.

Liquidity risks relating to BinckBank's financial position

Liquidity risk is the risk of BinckBank's financial position and its results from operations not being sufficient to enable BinckBank to meet its short-term commitments without incurring excessive costs and/or losses. Given the nature of BinckBank's activities, there is a risk of liquidity shortage, for example, when running maximum trading positions or in the event of incorrect settlement of transactions in financial instruments for professional clients, a high volume of lending to Retail and Professional Services clients and a decrease in funds entrusted. There could be a material adverse effect on the financial position of the Company if such risks materialise.

BinckBank is subject to currency-related risks

Currency risk is the risk of movements in the value of items denominated in foreign currencies due to movements in exchange rates. BinckBank is exposed to currency risk in respect of its activities outside the Euro zone. Services rendered abroad are often invoiced in the local currency, so that a devaluation of these currencies will depress BinckBank's income in terms of Euros. Devaluation of these currencies against the Euro would result in exchange and translation losses. Exchange rate movements affect the revenue in Euro reported in the profit and loss account and the financial position shown in the Company's balance sheet. It could have a material adverse effect on the financial position of the Company if such risk materialises.

BinckBank's success depends on its ability to manage growth

BinckBank's ability to continue to be competitive and to carry out its strategy will depend on its ability to effectively manage growth. BinckBank has gone through a period of considerable expansion in The Netherlands and is expanding internationally. Realising the objective of further growth will continue to require substantial and material management and financial resources. In addition, because BinckBank is highly dependent on the maintenance and development of its IT systems, BinckBank will need to pay special attention to its IT department in order to continue its growth. If growth is not managed and controlled, this may have a material adverse effect on the business, financial position and results from operations of BinckBank.

BinckBank depends on the continued performance of its key personnel

BinckBank is highly dependent on the continued services and performance of the members of the Management Board and its key qualified personnel. BinckBank's growth and future success depends on its ability to attract, motivate and retain highly qualified personnel and, in particular, trained and experienced technical professionals capable of providing sophisticated IT-solutions. No assurance can be given that BinckBank will continue to be successful in attracting, motivating and retaining, on acceptable terms, suitably qualified employees. The inability to attract, motivate or retain such employees could have a material adverse effect on the Company's business and results from operations.

The level of dividend payable to Shareholders may fluctuate and BinckBank cannot guarantee that dividends will be declared or paid in the future

Any future declaration of dividends may or may not be consistent with BinckBank's historical declaration of dividends. There can be no guarantee that BinckBank will declare dividends at all in the future. Future dividends, if any, will be at the discretion of the Stichting Prioriteit Binck (the "**Priority Shareholder**") directly and the General Meeting indirectly and will depend, among other things, upon BinckBank's total net annual profit, the liquidity and capital adequacy of BinckBank and other factors the Priority Shareholder may deem relevant, including the extent to which it considers it appropriate to retain profits.

BinckBank is exposed to the risk of change of laws or interpretation of laws

BinckBank's business is regulated and supervised by several supervisory authorities. Laws and regulations applied at national level generally grant supervisory authorities broad administrative discretion over BinckBank's activities, including the power to limit or restrict business activities. It is possible that the laws and regulations governing BinckBank's business or particular products and services could be amended or interpreted in a manner that is adverse to BinckBank, for example, to the extent that existing laws and regulations are amended or future laws and regulations are adopted that (i) reduce or restrict the services of BinckBank, whether existing or new, or (ii) adversely effect the performance of the products and services BinckBank offers. BinckBank's results from operations could also be affected by an increase or change in the degree of regulation in any of the markets in which it operates, whether existing or new. Due to the increase in the regulatory burden and implementation requirements, as well as the increasing complexity of the regulatory environment in which BinckBank operates, the Company will incur more costs to ensure that BinckBank is, and continues to be, in compliance with applicable laws and regulations at all times.

The Company may be exposed to legal and reputational risks that may arise in the conduct of its business and the outcome of related legal claims may be difficult to predict

The Company faces legal risks in the conduct of its business. These legal risks could potentially involve, among other things, disputes over the terms of transactions to which the Company is a party, disputes concerning the adequacy or enforceability of arrangements and agreements relating to the Company's products or services or transactions entered into by the Company, disputes regarding the terms and conditions of services and disputes regarding the use of third party data. The Company faces risks relating to compliance with applicable laws and regulations with respect to the products and services it provides, which would lead to significant losses or reputation damage. These risks are often difficult to assess or quantify and their existence and magnitude often remain unknown for substantial period of time. It is inherently difficult to predict the outcome of any future claims, regulatory proceedings and other adversarial proceedings involving the Company, particularly those cases in which the matters are brought by claimants seeking damages of unspecified or indeterminate amounts or involving novel legal claims. An adverse resolution of any such matters may result in negative publicity, a requirement to make payments or the imposition of requirements or restrictions on the Company and any of which may have a material adverse effect on the Company's business and results from operations.

Failure to close the Acquisition could adversely affect the Company's results from operations

On 30 October 2007, BinckBank and Rabobank entered into a business sale agreement for BinckBank to acquire all assets and liabilities of Alex for a cash consideration of approximately €390 million. If the parties to the agreement are not successful for any reason in closing the Acquisition, e.g. due to non fulfilment of a condition precedent, or the closing of the Acquisition is postponed or delayed for any period of time, the results from operations of the Company may be adversely affected and BinckBank might be required to raise additional capital or seek other funding, which could come in the form of debt, equity or a combination thereof.

Future acquisitions by the Company

Future acquisitions may require substantial capital resources, which in turn may require the Company to seek additional debt or equity financing. Future acquisitions by the Company could result in the following, any of which could affect the results from operations: (i) issuance of equity securities that would dilute Shareholders' percentage of ownership, (ii) large one time write-offs of goodwill, (iii) the incurrence of debt and contingent liabilities, (iv) difficulty in the assimilation and integration of operations, personnel, technologies and information systems of the acquired companies, (v) diversion of management's attention from other business concerns, (vi) contractual disputes, (vii) risks of entering geographic and business markets in which the Combination has no or limited prior experience, (viii) potential loss of clients and (ix) potential loss of key employees from acquired organisations.

2.2 Risks relating to the Acquisition and the business of the Combination

Risks relating to carving Alex out of Rabobank

In view of the Acquisition, the business of Alex has to be carved out of the business of Rabobank and can therefore no longer benefit from the support of Rabobank's infrastructure, services and IT systems. The Combination is exposed to the risk that this support cannot be substituted at a comparable level, which may have a material adverse effect on the Combination's business and results from operations.

BinckBank might not be able to integrate Alex into its business

The Acquisition is expected to be completed on or about 31 December 2007. The process of integrating the business of Alex may be prolonged due to unforeseen difficulties and may require a disproportionate amount of BinckBank's resources and management's attention. In addition, the Combination is exposed to the risk that the business of Alex is not a good fit with the business of BinckBank. If the operations of BinckBank and Alex do not successfully integrate into a single well-functioning internet brokerage business, the Combination might

lose clients. Once the businesses are integrated, the Combination may not achieve a comparable level of revenues, profitability or productivity as achieved by BinckBank's and Alex' existing businesses or otherwise perform as expected. The occurrence of any of these events could harm the Combination's business, financial condition or results from operations.

The Combination might not be able to realise the business benefits and synergies of the Acquisition

The Combination might not be able to realise the anticipated business growth opportunities, synergies and other benefits expected to be achieved from the Acquisition. The estimated pre-tax cost savings and benefits contemplated by means of the Combination amount to €18 to €20 million per annum as per 2010. There is no assurance, however, that the Combination will achieve the anticipated business growth opportunities, synergies and other benefits the Company expects. This could have a material adverse effect on the Combination's results from operations.

The Combination might not be able to fully realise tax savings as a result of its Fiscal Goodwill amortisation

Due to the Acquisition structure, the Combination will be allowed to amortise the difference between the consideration and the net asset value for corporate income tax purposes. The Combination is subject to the risk that it will not be possible to fully realise this tax saving if the Combination does not generate sufficient taxable profits in the relevant years to set-off the full amount of amortisation. BinckBank will acquire a large number of both tangible and intangible assets. The allocation of the consideration over these assets is relevant for Dutch corporate income tax purposes since different assets might have different amortisation regimes. The Dutch tax authorities may have an interest in challenging the allocation of the consideration for these assets and the depreciation or amortisation that follows from such allocation. In addition, applicable Dutch tax laws and regulations may change with or without retro-active effect and with or without grandfathering regulations, which might affect the net profit of the Combination.

IT related risks to the Combination

Both BinckBank and Alex use their own software in providing their services as an internet broker. BinckBank recently acquired Syntel Beheer B.V. ("Syntel") which is the provider of Europort, the administration system and order management system used by BinckBank. Alex primarily uses the order system Topline which is developed in-house. Following the Acquisition, the labels Binck and Alex will continue to use their own respective software for their order systems. The integration of Europort and Topline and of other independent systems may raise difficulties and may incur delay. Until completion of the integration, it will be necessary to keep the current IT systems of Alex operational and to bring and keep them in conformity with prevailing standards, the costs of which may have a material adverse effect on the Combination's results from operations. The Combination heavily depends on its IT system. Any permanent or temporary disruptions of the IT systems might have a material adverse effect on the Combination's financial position.

The Combination depends on the continued services of the key IT personnel of Alex

Following completion of the Acquisition, the Combination will become highly dependent on the continued services and performance of key IT personnel of Alex. Because most of the procedures of Alex' business operations and computer systems are not adequately documented, there is a risk that the Combination will lose a material part of its know-how if key IT personnel leave the Combination. The inability to retain such employees could have a material adverse effect on the Combination's business and results from operations.

The Acquisition might result in a loss of client accounts for the Combination

The operations of each of the Company and Alex have some duplicate client accounts as some investors hold a primary account with one of the two labels as well as a back-up account with the other of the two labels. Combining the businesses of BinckBank and Alex might result in a loss of client accounts if investors wish to hold a back-up account with a bank other than the Combination.

Regulatory risks relating to the Combination

In view of the integrated and expanded product portfolio of the Combination, more rules and regulations will be applicable to the Combination than to BinckBank on a stand-alone basis. With respect to the business of Alex, the level of compliance with current legislation requires improvement. Approximately 10,000 clients of Alex, representing approximately 10% of the total number of online trading accounts of Alex as at 30 September 2007 and representing approximately 10% of the trading income of Alex, have not been properly identified pursuant to the Identification (Provision of Services) Act (*Wet identificatie bij dienstverlening*). These clients have been requested to cooperate in complying with the applicable provisions of this act. In conformity with the provisos to the declaration of no objection granted by DCB (see "Acquisition of Alex – Business Sale Agreement"), the Company may, ultimately, be required to cease rendering services to and to terminate the relationship with any clients with respect to whom the applicable provisions of this act will not be complied with as per 1 January 2008, which could cause a decrease in revenues of Alex

Additionally, the Combination has to comply with MiFID, which has been implemented in national legislation as at 1 November 2007. The foregoing has caused and will continue to cause the Combination to incur additional costs, adversely affecting the Combination's results from operations.

The Acquisition increases the Combination's fixed costs base and consequently the break-even point of the Combination, potentially resulting in an increased risk of default

The rationale for the Acquisition is to establish the largest independent and focused online brokerage provider in The Netherlands. A commercial acceleration and no cost saving scenario would result in a combined sales staff needing to realise additional sales to cover the combined overhead costs, which will be higher than the overhead costs that the Company currently incurs. The cash flow of the Combination is expected to be sufficient to cover its overheads. Nevertheless, the potential loss of revenues, e.g. because of the loss of clients, due to the Acquisition could adversely affect the results from operations of the Combination.

The accounting principles of BinckBank require the Company to value the Acquisition at fair value, which will have a significant impact on BinckBank's financial statements; impairment of goodwill is possible and could lead to significant impact on the income statement

BinckBank prepares its financial statements in accordance with IFRS. IFRS 3 provides that all assets, including intangible fixed assets, and liabilities of an acquired company are measured at fair value, plus any costs directly attributable to the business combination. Many intangible assets that previously would have been subsumed under goodwill, now need to be separately identified and valued. An asset is identifiable when it (i) either arises from contractual or other legal rights or (ii) is separable.

Consequently, future charges to the profit and loss account (mainly for amortisation and cost of sales) will deviate from the historical cost of these components and depends, amongst others, on the estimated useful life of these assets. In many cases, these future charges will exceed the historical cost. Furthermore, goodwill acquired in a business combination shall not be amortised. Instead, BinckBank shall test recognised goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with IAS 36. These impairments tests could cause write-offs in the future, resulting in the Combination's results from operations being more unpredictable due to more frequent, comprehensive and rigorous impairment testing of certain acquired assets.

2.3 Risks relating to the Rights and the Ordinary Shares

If you do not exercise all of your Rights, your percentage ownership of the Ordinary Shares will be significantly diluted

The Rights Offering will allow the Company to raise capital in a manner that gives existing Shareholders the opportunity to subscribe for the Offer Shares *pro rata* to their holdings of Ordinary Shares at the Record Date,

subject to applicable securities laws. The Joint Global Coordinators have agreed, subject to certain conditions, to procure subscribers for any Rump Shares. To the extent that you do not exercise your Rights, your proportionate ownership and voting interest in BinckBank will be significantly reduced. If none of the existing Shareholders who were granted Rights, exercise those Rights, Shareholders' ownership will be diluted by approximately 60.0%. Even if you elect to sell your Rights, or if you decide to hold your Rights through the end of the Subscription Period entitling you to receive any Unexercised Rights Payment, the consideration you receive, if any, may not be sufficient to fully compensate you for the dilution of your percentage ownership of Ordinary Shares that may be caused as a result of the Rights Offering.

If you do not properly exercise your Rights before the end of the Subscription Period, you will no longer be able to exercise those Rights and you may not receive any compensation for them

The Subscription Period for the Rights commences on 27 November 2007 and expires at 15:30 hours CET on 10 December 2007. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions and certificates are received by ING Bank N.V. in its capacity as subscription agent (the "**Subscription Agent**") on behalf of the Joint Global Coordinators before the expiration of the Subscription Period. If you, or your financial intermediary, fail to correctly follow the procedures that apply to the exercise of your Rights, the Company may, depending on the circumstances, reject such exercise of Rights. If you fail to validly exercise your Rights, your Rights will continue to be reflected in your securities account only for the purpose of distribution of Unexercised Rights Payment, if any. BinckBank cannot assure you, however, that there will be Unexercised Rights Payment for distribution to holders of unexercised Rights.

BinckBank can not assure you that an active trading market will develop for the Rights and, if a market does develop, the Rights may be subject to greater volatility than the Ordinary Shares

BinckBank intends to set a trading period for the Rights on Euronext Amsterdam 9:00 hours CET on 28 November 2007 until 13:15 hours CET on 10 December 2007. BinckBank does not intend to apply for the Rights to be traded on any other stock exchange. Prior to the Offering there has been no market for the Rights. BinckBank cannot assure you that an active trading market in the Rights will develop or be sustained on Euronext Amsterdam during that period. If such a market fails to develop or be sustained, this could adversely affect the liquidity and price of the Rights, as well as increase their price volatility. Accordingly, the Company cannot assure investors of the liquidity of any such market, any ability to sell the Rights or the prices that may be obtained for the Rights. In addition, because the trading price of the Rights depends on the trading price of Ordinary Shares, the existing volatility of Ordinary Shares may magnify the volatility of the Rights and impact the value of the Rights.

The market for the Ordinary Shares might be inactive

The volume of trading in Ordinary Shares can be low. The price of the Ordinary Shares is subject to volatility and investors may be unable to sell their Ordinary Shares at or above the price that was paid for them. There is no guarantee that there will be sufficient liquidity in the Ordinary Shares to sell or buy any number of Ordinary Shares at certain price levels. BinckBank can not predict the extent to which an active market for the Ordinary Shares will develop or be sustained following the Offering, or how the development of such a market might affect the market price for the Ordinary Shares. A non liquid market for the Ordinary Shares may result in lower trading prices and increased volatility, which could adversely affect the value of your investment.

The marketability of the Ordinary Shares may decline and the market price of the Ordinary Shares may fluctuate and decline below the Issue Price

BinckBank cannot assure you that the marketability of the Ordinary Shares will improve or remain as it was before the Offering. The market price of Ordinary Shares at the time of the Offering may not be indicative for the market price of the Ordinary Shares after the Offering has been completed. The market price of Ordinary Shares has been volatile in the past and may continue to fluctuate widely, depending upon many factors beyond

the Company's control. These factors include, amongst others, actual or anticipated variations in results or operations of BinckBank and its competitors, changes in financial projections by securities analysts, the general state of the securities markets, governmental legislation or regulation, as well as general economic and market conditions. The market price of Ordinary Shares is also subject to fluctuations in response to issues of Ordinary Shares by the Company, the liquidity of trading in the Ordinary Shares and capital reduction or purchases of Ordinary Shares by the Company, as well as investor perception of the success and impact of the Offering. As a result of these or other factors, Ordinary Shares may trade at prices significantly below their market price before the announcement of the details of the Offering. BinckBank cannot assure you that the market price of its Ordinary Shares will not decline below the Issue Price. Should that occur after you have exercised your Rights, which exercise cannot be revoked or modified by you, you will suffer an immediate unrealised loss as a result. Moreover, the Company cannot assure you that after the exercise of Rights you will be able to sell your Ordinary Shares at a price equal to or greater than the Issue Price.

Shareholders in certain jurisdictions may not be able to participate in the Rights Offering and may experience dilution of their holdings

Shareholders in certain jurisdictions may not be entitled to participate in the Rights Offering and, as a result, may experience dilution of up to 60.0% of their shareholdings. In addition, if the Company is unable to sell Rights that are not exercised or not distributed or if their sale is not lawful or reasonably practicable, the Company may allow the Rights to lapse. All Shareholders who did not exercise their Rights will be entitled to receive Unexercised Rights Payment, if any, as compensation for the dilution of their holdings.

As Shareholder, you may experience immediate and substantial dilution in the value of the Offer Shares

BinckBank is raising capital through the Offering and may raise capital in the future through public or private debt or equity financings by issuing additional Ordinary Shares or other classes of shares, debt or equity securities convertible into Ordinary Shares, or rights to acquire these securities. If BinckBank raises a significant amount of capital by these or other means, it could cause dilution of the percentage ownership of Shareholders. Moreover, the issuance and sale of the Offer Shares could have a material adverse effect on the trading price of the Ordinary Shares and could increase the volatility in the market price of the Ordinary Shares.

The ownership of the Ordinary Shares may partly be concentrated with one or more major Shareholders and their interests may conflict with the interests of other Shareholders

Certain Shareholders currently hold, and may continue to hold following the Offering (whether or not they exercise their Rights), and other investors may acquire, a significant proportion of the Ordinary Shares. These Shareholders may, if they act together, exercise significant influence over all corporate matters requiring shareholders' approval following the Closing Date, including the election of members of the Management Board and the Supervisory Board and the determination of significant corporate actions. These Shareholders may vote in a way with which other Shareholders do not agree and this concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares or delay or prevent a change of control that could be otherwise beneficial to the Company's other Shareholders.

Future sales or the possibility of future sales of a substantial number of Ordinary Shares by Shareholders may lead to a decline in the price of the Ordinary Shares

Future sales of Ordinary Shares by Shareholders could cause a decline in the market price of the Ordinary Shares. BinckBank cannot predict whether a substantial number of Ordinary Shares will be sold in the market. The sale of a substantial number of Ordinary Shares or the perception that such sales could occur, could materially adversely affect the market price of the Ordinary Shares and could also impede the ability of BinckBank to raise capital through the issue of equity securities in the future.

If securities or sector analysts do not publish research or reports about BinckBank's business, or if they downgrade their recommendations regarding the Ordinary Shares, the share price and trading volume of the Ordinary Shares could decline

The trading market for the Ordinary Shares will be influenced by research and reports (and amendments thereto) about BinckBank or its business prepared by sector or securities analysts. If one or more of these analysts stop covering BinckBank in their reports or fail to regularly publish reports on BinckBank, the Company could lose visibility in the financial markets. This could cause a decline in the market price of the Ordinary Shares or trading volume.

A material change in the business of Alex might influence the Offering

If the business of Alex materially changes before the Closing Date, the Offering might be adversely affected. Eligible Persons might decide not to exercise their Rights and trading in the Rights might be inactive. If the price of the Rump Shares drops below the Issue Price, the existing Shareholders will not be entitled to Unexercised Rights Payment and will not be compensated for the dilution of their holdings.

If closing of the Offering does not take place on the Closing Date and the Offering is withdrawn, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer Shares that have been made, will be disregarded

It is expected that the closing of the Offering will take place on or about 14 December 2007. If the closing of the Offering does not take place on the Closing Date, or at all, the Offering may be withdrawn. In such event, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer Shares that have been made will be disregarded. Any subscription payments received by BinckBank will be returned without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund for any Rights purchases in the market. All trades in Rights prior to the Closing Date are at the sole risk of the parties concerned. The Company, the Subscription Agent and the Joint Global Coordinators do not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam. Euronext does not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam. Withdrawal of the Offering might have a material adverse effect on the market price of the Ordinary Shares.

3. IMPORTANT INFORMATION

3.1 Responsibility statement

BinckBank accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the Company further declares that the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts and contains no omission likely to affect its import. Potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus.

No person is or has been authorised to give any information or make any representation other than as contained in this Prospectus or any supplement to this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or the Joint Global Coordinators. Neither the delivery of this Prospectus nor any subscription or purchase of Rights and Offer Shares made pursuant to this Prospectus shall, under any circumstances, imply that there has been no change in the affairs of the Company since the date of this Prospectus, or that the information set forth in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of the Joint Global Coordinators or any of their affiliates, as to the accuracy, completeness or fairness of any information contained in this Prospectus and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Joint Global Coordinators or any of their affiliates as to the past or future. The Joint Global Coordinators do not accept any responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by them or on their behalf in connection with the Company, the Offering, or the Rights and the Offer Shares. The Joint Global Coordinators accordingly disclaim all and any liability whether arising in tort or contract or otherwise in respect of this Prospectus or any such statement.

3.2 Presentation of financial and other information

The Company's consolidated financial statements for the year ended 31 December 2004, including comparative figures for 2003, have been prepared in accordance with Dutch GAAP. The Company's (interim) consolidated financial statements for:

- the year ended 31 December 2005, including comparative figures for 2004;
- the year ended 31 December 2006, including comparative figures for 2005; and
- the six months ended 30 June 2007, including comparative figures for the six months ended 30 June 2006,

have been prepared in accordance with IFRS.

The accounting policies adopted in the preparation of the Company's condensed interim consolidated financial information for the nine months ended 30 September 2007, including comparative figures for the nine months ended 30 September 2006, are consistent with the accounting policies adopted in the preparation of the interim consolidated financial statements for the six months ended 30 June 2007.

The Company's audited financial statements for the year ended 31 December 2004, including comparative figures for 2003 and for the year ended 31 December 2005, including comparative figures for 2004 are incorporated by reference into this Prospectus. The financial statements are included in the annual reports of the respective years which can be obtained free of charge from the Company's website (www.binck.com).

The historical financial information in this Prospectus regarding Alex has been derived from Rabobank's internal reporting package used for the preparation of the annual accounts for the year ended 31 December 2006 and the internal reporting package used for the preparation of the Rabobank's semi-annual accounts for the six months ended 30 June 2007, prepared by Rabobank in accordance with the internal instructions for reporting packages of Rabobank as applied for internal reporting and consolidation purposes only and accordingly audited and reviewed respectively by its external auditors, Ernst & Young. BinckBank confirms that that the historical financial information regarding Alex in this Prospectus has been accurately reproduced and extracted from such accounts.

Pro forma financial information is included in this Prospectus to illustrate its financial position on the assumption that the Acquisition had occurred on 30 June 2007 and results from operations on the assumption that the Acquisition had occurred on 1 January 2006:

- unaudited pro forma profit and loss statement for the year ended 31 December 2006;
- unaudited pro forma balance sheet as per 30 June 2007 and profit and loss statement for the six months ended 30 June 2007,

all compiled on the basis stated in "Unaudited Pro Forma Financial Information" and in accordance with the accounting policies (IFRS) of the Company.

3.3 Incorporation by reference

The Articles of Association as in force and effect on the date of this Prospectus shall be deemed to be incorporated in, and form part of, this Prospectus. The Company's audited financial statements for the financial year ended 31 December 2004 included in the annual report 2004 on page 49 to 76 and the audited financial statements for the financial year ended 31 December 2005 included in the annual report on page 51 to 105 are also incorporated by reference in this Prospectus. No other document or information, including the contents of BinckBank's website or of websites accessible from hyperlinks on BinckBank's website, forms part of, or is incorporated by reference into, this Prospectus.

3.4 Forward-looking statements

This Prospectus contains forward-looking statements, including statements about the Company's beliefs, expectations and targets. These statements, including, without limitation, the Company's financial objectives as set out in "Business before the Acquisition – Strategy before the Acquisition" and the expected synergies, tax savings and other business benefits in connection with the Acquisition as set out in "BinckBank following the Acquisition – Integration, business benefits and synergies of the Acquisition" and "BinckBank following the Acquisition – Financial impact of the Acquisition", are based on the Company's current plans, beliefs and projections, as well as its expectations of external conditions and events. In particular the words "believe", "anticipate", "expect", "intend", "predict", "project", "could", "may", "will", "plan", "should", "target", "aim", "potential", "foresee", including the negative of these terms, and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks, assumptions and uncertainties and speak only as of the date they are made.

BinckBank undertakes no duty to and will not update or revise any of them, whether as a result of new information, future events or otherwise, except to the extent required by applicable law. The Company cautions investors that a number of important facts could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements.

These factors include, but are not limited to, among other things, those discussed under "Risk Factors" and "Operating and Financial Review".

3.5 Market and sector information

Economic and industry data used throughout this Prospectus are derived from various industry and other independent sources, namely TNS NIPO, Indigov, TBL, press releases and annual reports of various online banks. BinckBank has relied on the accuracy of such data and statements without carrying out an independent verification thereof.

Accordingly, BinckBank accepts responsibility only for accurately reproducing such data and statements and disclaim responsibility for the accuracy thereof. As far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In this Prospectus certain statements are made regarding the Company's competitive position. BinckBank believes these statements to be true based on market data and sector statistics regarding the competitive position of certain of the Company's competitors, as well as on information based on press releases of certain competitors of the Company.

3.6 Restrictions of the Offering and sale

The distribution of this Prospectus and the offer and sale of the Rights and the Offer Shares may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdictions. This Prospectus may not be used for, or in connection with, and does not constitute an offer to sell, or a solicitation to purchase, any of the Rights and the Offer Shares offered hereby in any jurisdiction in which such offer or solicitation is not authorised or is unlawful.

The contents of this Prospectus are not to be considered or interpreted as legal, financial or tax advice. Each prospective investor should consult his own legal counsel, accountant and other advisors before making any investment decision with regard to the Rights and the Offer Shares and in order to determine whether or not such prospective investor is lawfully permitted to purchase the Rights and the Offer Shares.

As a condition to a purchase of any Rights in the market and Offer Shares in the Offering, each purchaser will be deemed to have made, or in some cases, be required to make, certain representations and warranties, which will be relied upon by the Company, the Joint Global Coordinators and others. The Company and the Joint Global Coordinators reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer Shares that the Joint Global Coordinators believe may give rise to a breach or violation of any law, rule or regulation. For a more detailed description of restrictions relating to the Offering, see "Selling and Transfer Restrictions".

4. USE OF PROCEEDS

The gross proceeds of the Offering will be approximately €385 million. The Company expects to receive approximately €377 million after deduction of the expected expenses and commissions and applicable taxes (if any) payable by it in connection with the Offering.

The net proceeds of the Offering will be used to partly fund the consideration for the Acquisition amounting to approximately €390 million, the Acquisition and financing costs amounting to approximately €15 million. The Acquisition is anticipated to close on 31 December 2007. The net proceeds of the Offering will not be sufficient to pay the total consideration for the Acquisition. The Company will pay the remainder of the consideration for the Acquisition with existing cash resources. See "Acquisition of Alex – Financing of the Acquisition".

Pending use of the net proceeds of the Offering for financing part of the Acquisition, the Company intends to transfer the net proceeds of the Offering to a deposit account.

If the Acquisition, for whatever reason, fails to complete, the Company intends to return the net proceeds of the Offering received by the Company to the Shareholders in the most efficient manner (either through a dividend distribution, a capital reduction or otherwise).

5. BUSINESS BEFORE THE ACQUISITION

5.1 Introduction

BinckBank is a Netherlands-based online bank for investors, listed on Euronext Amsterdam, providing fast, low-cost access to the leading international financial markets, accurate administrative processing of securities and cash transactions and extensive market information. BinckBank has offices in The Netherlands and Belgium, and anticipates opening an office in France in mid 2008. On 30 September 2007, BinckBank served approximately 73,800 private investors in The Netherlands and Belgium and employed approximately 270 people.

5.2 History

The brokerage business of the Company was established in 2000 by, amongst others, two of the current members of the Management Board under the name AOT Floor Broker B.V. and changed its name to Binck Brokers N.V. in June 2000. This company launched its website for private investors on 6 October 2000. In January 2003, Binck Brokers N.V. obtained a banking licence from the Dutch Central Bank (*De Nederlandsche Bank*) ("DCB") and changed its name to Effectenbank Binck N.V.

Amsterdam Option Traders (AOT) N.V. was incorporated on 23 February 1981. A successful start by the business was followed by an IPO on Euronext Amsterdam in 1985. In May 1996, Amsterdam Option Traders (AOT) N.V. changed its name to AOT N.V. ("AOT"). This international trading specialist, focused on securities and derivatives, was one of the first option traders on the Dutch options exchange. AOT acquired a stake in the capital of Binck Brokers N.V. in 2000 and increased its interest to 100% in May 2004.

In May 2004, AOT changed its name to Binck N.V. In December 2004, Effectenbank Binck N.V. changed its name to BinckBank N.V. The newly formed group was radically reorganised in order to form a strong, healthy and fast-growing business, focussing on the brokerage and banking activities of Binck N.V. In particular, a substantial part of the trading activities of the group was divested.

In July 2006, Binck N.V. sold the remaining foreign trading activities (trading of derivatives for Binck N.V.'s own account) in its subsidiary HIT Securities Ltd. ("HIT") to Van der Moolen Equities Limited.

In October 2006, BinckBank N.V. was legally merged into its parent company Binck N.V. The latter was the surviving entity and subsequently changed its name into BinckBank N.V., *i.e.* the Company.

In October 2006, BinckBank acquired software supplier and developer Syntel, a leading market player in The Netherlands in securities transaction processing and administration software for financial institutions.

On 16 April 2007, the Company agreed to divest the bond trading activities of its subsidiary, Binck Securities, by means of a management buy out to a company then in formation which was later incorporated as Florint B.V. ("Florint"). As part of the consideration, BinckBank received 14,000 shares (35.0% of the share capital) in Florint on 27 July 2007. This divestment was completed on 1 October 2007.

On 24 September 2007, the Company and its subsidiary Binck België N.V. ("**Binck België**") entered into a general partnership agreement (*vennootschap onder firma*) for an indefinite period of time with the objective of raising capital for joint investments. The general partnership, Binck V.O.F., has its statutory seat in Amsterdam, The Netherlands and is established under Dutch law. The initial capital contribution of both partners was €50 million each. The Company was allowed to contribute this amount in the form of financial instruments.

A number of tasks of the treasury department of the Company have been outsourced to Florint through Binck V.O.F. The capital of Binck V.O.F. is managed by Florint.

5.3 Legal and organisational structure before the Acquisition

BinckBank is a public limited liability company which is listed on Euronext Amsterdam. BinckBank has three Dutch subsidiaries and two foreign subsidiaries, of which one is currently being liquidated. BinckBank also has a branch office in Belgium and is planning to open a branch office in France in mid 2008. BinckBank holds the requisite licenses for its activities and is subject to supervision by both the DCB and the AFM. One subsidiary, Binck Securities, is licensed as an investment institution. The foreign subsidiary, Binck België, is subject to supervision by the CBFA and holds the requisite licence. Stichting Effectengiro Binck, the management board of which is controlled by the Company, acts as a securities giro by holding securities and/or funds for such clients' of BinckBank or any of its subsidiaries on the clients own account and risk.

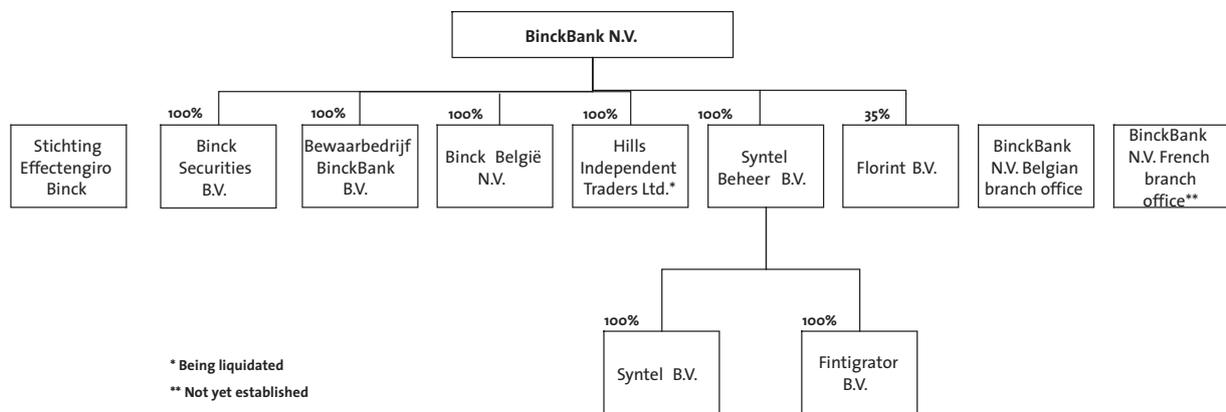


Figure 3 – Legal structure of the BinckBank group

There are a number of staff organisations that report directly to the Management Board. The Management Board consists of three people, each of whom have their specific area of responsibility as outlined in figure 4 below.

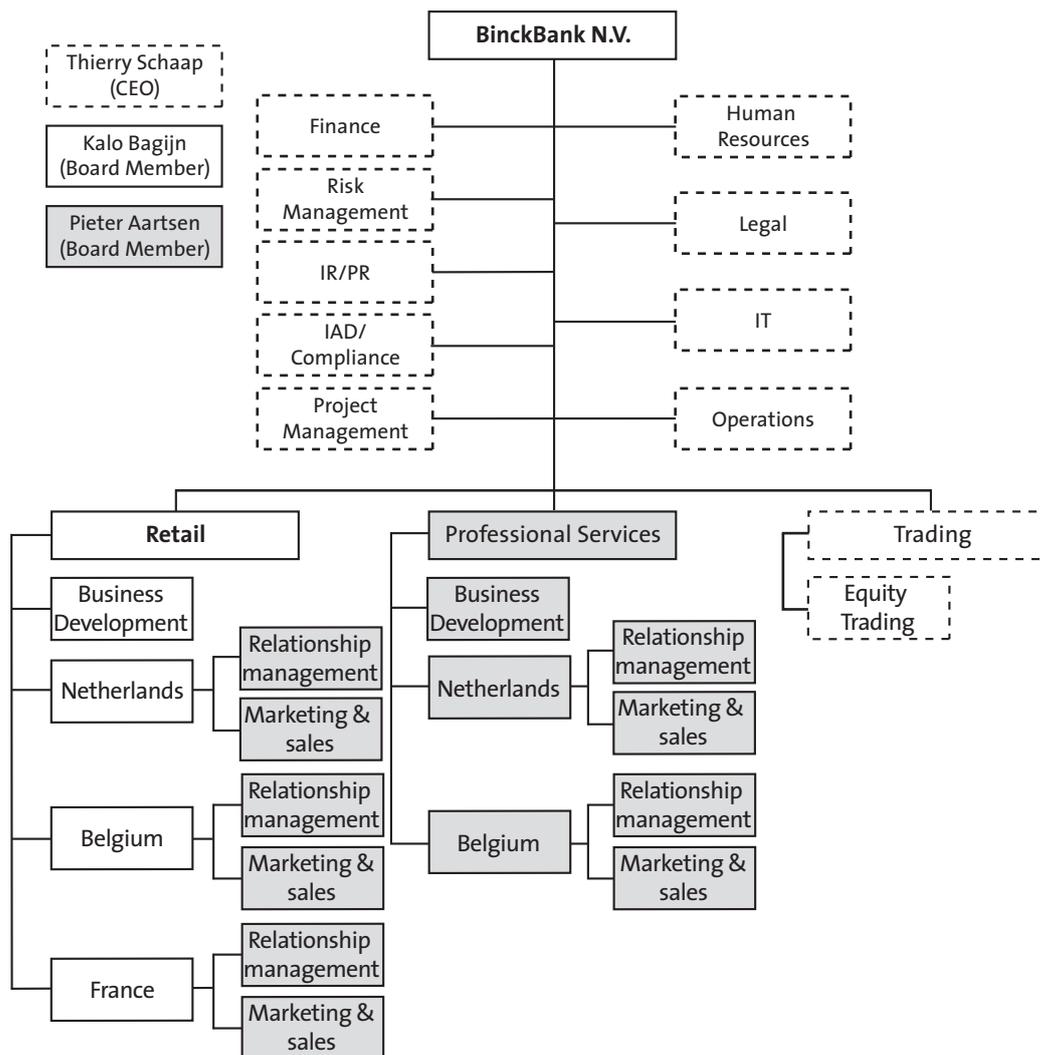


Figure 4 – Organisational structure of BinckBank

5.4 Core activities and business model before the Acquisition

BinckBank’s core activities are split into two business units: Retail and Professional Services. It is BinckBank's intention to divest its remaining trading activities. Furthermore, BinckBank offers certain financial services to its clients in support of its brokerage business and is a member of several stock exchanges. BinckBank aims to offer private and professional investment clients the best product at the lowest possible price.

Retail

The Retail business unit provides securities brokerage services to private investors, mainly via a comprehensive investment website.

Periodic market research by the Company has indicated that there is a market for a single, easily understandable product with one easily understandable fee structure. In response to this, BinckBank introduced a new product package in the fourth quarter of 2006, named BinckCompleet.

BinckCompleet is accessible to retail clients through the Company's investment website and provides a range of information supplied by third parties such as free streaming real time quotes, information on the depth of the order book, news, graphs, analysis and general advice as well as a portfolio overview on an individual basis.

It is possible for clients to compound and execute advanced orders (conditional orders), for example, an order will be executed if a certain security hits a requested price level. BinckBank uses one competitive fee structure for its services based on a sliding scale depending on the level of activity of the private investor.

If a BinckBank client trades more than 25 transactions per quarter, DayTrader is added to the client's personal website automatically for no additional cost. DayTrader is a professional trading platform that has been developed for (semi) professional investment clients. The main screen is arranged in such a way that the client is able to trade easily and fast. Information on securities, such as news, technical analysis, depth of the order book and outstanding orders, are visible on one screen. The trading screen also contains information on the client's portfolio. This main screen can be arranged and adjusted in accordance with the client's specific requirements.

All orders of retail clients are processed through the Company's order management system called Europort. The Europort software has been developed and is owned by the Company's wholly owned subsidiary, Syntel. This system handles order approval, timing of order execution and verification of the existing balance of the client's account. The order approval in Europort is based on "real time buying power", which means that the client's ability to place orders is based on the cash position and / or credit on his securities portfolio, required margins, transactions still to be settled and current securities prices. Orders for securities traded on stock exchanges other than Euronext are also processed via Europort and are executed through an automated linkage with Swiss American Securities Institute Inc. ("SASI"). After approval of an order by Europort, the order is automatically transmitted to the trading system of the relevant stock exchange. Europort is linked to the trading systems of the most important stock exchanges for BinckBank's clients, including the European stock exchanges of Euronext (Nouveau Système de Cotation ("NSC") for the cash market and Liffe Connect for the derivatives market) and Eurex. The execution of the order is automatically reported back to the client, reflected in his securities account and subsequently confirmed by providing him with a statement of account. The Company provides clients with certain information relating to their securities portfolio on a periodic basis. Clients can also view their securities account online through the Company's investment website.

Professional Services

The Professional Services business unit provides services to professional clients, including an online product which handles the processing of securities and cash transactions and the entire securities-related administration process. The Company's professional clients include asset managers, banks and institutional investors. Professional clients (banks) also have the option of entering into a service agreement with BinckBank or to purchase the software needed to execute these processes themselves.

The services provided by BinckBank to asset managers include: (i) online order execution and information relating to both the market (quotes and news) and their clients (portfolio reporting), (ii) banking services on the basis of an agreement between the Company, the asset manager and its retail client, (iii) securities administration and (iv) use of a securities giro. Through the Company's investment website or by telephone, asset managers have direct access to the Company's order management system, Europort (see "– Core activities and business model before the Acquisition – Retail"). In order to obtain real-time information with respect to their clients' portfolios and trade on behalf of their clients on all stock exchanges they can connect to the Company's order management system. The execution of the order is automatically confirmed by the system.

On a quarterly basis, asset managers are provided with an update on the portfolios of their own retail clients, which they subsequently can transmit to their clients. Both professional clients and their underlying retail clients have online access to this information through the Company's investment website or the website of the professional client itself.

At the beginning of 2006, the Company started preparing for the provision of BPO services to banks. BPO involves the complete insourcing of the securities-related processes of a bank – from order execution to financial processing – based on the current web-based BinckBank platform. As a result of the Company's BPO services for banks, such banks are able to process the security transactions cheaper, quicker and more accurately on behalf of their clients. The BPO services of the Company include: (i) online order execution through a website which is customised for the client (both the bank and the bank's retail clients), (ii) insourcing of the entire administration of the securities accounts of the bank's retail clients in the name and on behalf of the bank and providing the retail clients with periodic information in relation to their securities portfolios and (iii) providing the respective clients (banks) with required information to conduct their own financial administration, credit control and payment transfers. In December 2007, the Company intends to enter into a letter of intent with Friesland Bank N.V. Pursuant to this letter of intent, the Company will enter into a BPO services agreement with Friesland Bank N.V. and will provide certain services for Friesland Bank N.V. and/or its depository company. These services include: (i) brokerage services, (ii) order execution, (iii) monitoring the status of orders, (iv) undertaking all administrative aspects of Friesland Bank's retail clients' securities accounts and providing these retail clients with periodic information in relation to their securities portfolios and (v) providing Friesland Bank N.V. with information required for their own financial administration, credit control and payment transfers.

BinckBank acquired Syntel in October 2006. Syntel develops and supplies software enabling financial institutions to process and administer all conceivable securities transactions and related banking services. Syntel is a lead market player in its business in The Netherlands. After this acquisition BinckBank fully owns the software enabling it to enhance its growth domestically and internationally and to expand its range of products.

The services provided by BinckBank to institutional investors include the execution of orders for securities and derivatives trades on Euronext, Eurex and the most important stock exchanges, which are transmitted by the client to the Company by telephone and executed manually, on a non-automated trade by trade basis. This service is carried out by Binck België through a licence based trading system used by the Company.

Trading activities

The trading activities, which are concentrated in Binck Securities and Binck België, currently comprise a relatively small part of the Company's activities as a result of the divestments of various trading businesses which have occurred since May 2004 (see also "– History"). Negotiations are currently being conducted with the management of the remaining share trading activities in Amsterdam (Binck Securities) and Antwerp (Binck België) concerning a management buyout. It is planned to transfer the trading activities in Belgium to a branch office of Binck Securities in Belgium for which a European passport has been recently granted by the AFM and which is expected to be operational in the fourth quarter of 2007.

The trading activities are conducted for the Company's own account and risk on various major stock exchanges in and outside Europe through an in-house developed trading system. By using automated systems and quantitative analysis software, the Company attempts to gain an advantage over other market participants. Trading activities are concentrated on specific market segments offering a combination of sufficient return and acceptable risk. Currently, the Company allows a maximum capital requirement of 10% of its shareholders' equity for the trading activities.

The Company's share trading team consists of approximately 20 traders employed by Binck Securities, who are based in Amsterdam and organised on the basis of different securities and strategies. In addition, trading activities by approximately 6 traders are being started at Binck België. All share trading activities are focused on blue-chip securities, claims and penny stocks. Binck Securities acts as a liquidity provider for a small number of securities on the European stock exchanges of Euronext. When acting as a liquidity provider, Binck Securities, issues quotes through its in-house developed trading system to the relevant exchanges on a permanent basis.

The Company applies certain limits, established by the Risk Committee, to all its trading activities. These limits, which are determined per strategy and security, are based on solvency criteria and on maximum overnight loss ('total haircut') and gross/net size of the relevant position. Limits are monitored by the Risk Management Department with the support of an in-house developed trading system, on a real time basis. The Risk Management Department reports market risks and credit risks to the Management Board on a daily basis.

Banking services in support of the brokerage business

Clients transfer cash funds to the payment agent of BinckBank with reference to their own account at BinckBank. As BinckBank does not act as a payment bank, it has set up a closed account system in which all cash transfers out of BinckBank can only be transferred to a fixed contra account with another payment bank in The Netherlands or Belgium. In order to have the necessary funds at their disposal, retail clients – and professional clients acting on behalf of their retail clients – can transmit funds through the internet or by written instruction. As at 30 September 2007, BinckBank had approximately €540 million in funds entrusted.

Retail clients of BinckBank and retail clients of BinckBank's professional clients have the option of obtaining a credit facility from BinckBank, secured either by a right of pledge on their securities portfolio with the Company or by a bank guarantee. Credit is only granted on the basis of the value of marketable securities forming part of the client's portfolio; derivatives are not taken into account. The amount of credit provided will be calculated on the basis of a sliding scale, varying from 30% on marketable local securities to 80% for government securities. Credit clients are monitored by the Risk Management Department, which reports to the Management Board, on a daily basis.

In addition to granting credit on securities, the Company also issues bank guarantees, on a limited scale, to its clients for obligations to other credit institutions, using the client's securities portfolio as collateral.

BinckBank provides custody services to its clients by means of Bewaarbedrijf BinckBank B.V. As at 30 September 2007, Bewaarbedrijf BinckBank B.V. held approximately €3 billion in custody for its clients.

Banking services are only provided by the Company to retail clients in support of its brokerage services, not on a stand-alone basis. As at 30 September 2007, BinckBank had granted an aggregate amount of approximately €185 million of credit to both retail clients and the underlying retail clients of the business unit Professional Services. The value of these clients' securities and bank accounts with the Company amounted to approximately €590 million as at 30 September 2007.

Treasury

The Company's treasury department, which forms part of the finance department, is responsible for investing and, when necessary, raising funds with a view to securing the Company's liquidity position as well as a positive interest margin. The funds to be invested consist of the net credit balance of clients' bank accounts with the Company. Funds can only be invested with counterparties approved by the Management Board. Funds are either invested in the money market or invested in exchange traded bonds. The treasury department is also responsible for hedging the Company's currency exposure. A number of tasks of the treasury department have been outsourced to Florint through Binck V.O.F. Florint is managed by the two former managers of the bond trading activities of Binck Securities which were recently divested to Florint, as well as an experienced bond and related interest instruments manager. Florint's management has the expertise to manage the treasury portfolio of the Company in a more sophisticated manner using both predominantly governmental bonds and interest derivatives within agreed perimeters.

Exchange memberships

In order to support its business, BinckBank is a member of the stock exchange of Euronext in Amsterdam, a member of Xetra as a broker for Binck Securities and a member of Eurex for the trading activities of BinckBank's own clients. Binck Securities is a member of the European stock exchanges of Euronext. Binck België is a member of the derivative exchanges of Euronext in Amsterdam, Brussels and Paris. Trading on other stock exchanges is conducted through local brokers.

5.5 Market overview and positioning before the Acquisition

The national and international markets for online brokerage are characterised by a high degree of competition and rapid technological and regulatory change. Two categories of providers can be distinguished in the market: niche players like BinckBank and the retail departments of large banks. In a changing market environment the following general trends are visible:

- niche players are increasing their market share at the cost of large banks. However, banks are increasing their efforts to develop better online services;
- given the maturity of the Dutch online brokerage market, growth rates are expected to decrease in coming years and future growth is expected to be generated by means of international expansion and/or by creating a broader product range;
- commission prices are expected to decrease in the future;
- international competition is expected to increase in national markets and is expected to be reinforced by the implementation of the MiFID, which was due on 1 November 2007, improving the ability for licensed financial service providers to operate cross border within the European Union on the basis of a 'European passport'.

The Professional Services business unit is active in a niche market. The competition for services to asset managers targeting retail clients is mainly formed by other niche players (often private banks) or large retail banks servicing some asset managers targeting retail clients in addition to their core business. The most important competitors in the Dutch market are Theodoor Gillisen Bankiers N.V., Kas Bank N.V. and SNS Bank N.V. In the Belgian market, the most important competitors are KBC Bank N.V. and Puilaetco Private Bankers N.V. The competition in connection with the BPO services and sales of software to professional clients, e.g. banks, comes from IT firms and a few niche players. For potential professional clients (banks) in The Netherlands, BPO services are provided by Ordina N.V.

In a changing market environment, the following general trends are visible:

- in general, clients are looking for value for money; hence, a high end image and longstanding relationships with clients are of lesser importance;
- the importance of online services for private banks and asset managers targeting retail clients is growing, pursuant to clients' wishes;
- the MiFID requires professional clients to become more transparent in their income and the costs charged to clients; and
- private banks are increasingly looking for outsourcing opportunities for their operations department as this is frequently a cheaper alternative and enables them to improve service quality and more easily allows for fulfilling new development requirements.

Six months ended 30 June 2007 (unaudited)

(x €1,000)	Total Netherlands	Other countries	Discontinued operations	Total
Interest income	7,103	530	2	7,635
Income from other investments	-	-	-	-
Commission Income	20,757	1,308	-	22,065
Results on financial transactions	-	-	5,132	5,132
Other Income	2,758	-	-	2,758
Total	30,618	1,838	5,134	37,590

Financial year ended 31 December 2006

(x €1,000)	Total Netherlands	Other countries	Discontinued operations	Total
Interest income	10,089	303	393	10,785
Income from other investments	33	-	-	33
Commission Income	35,118	683	-	35,801
Results on financial transactions	-	-	15,799	15,799
Other Income	855	-	-	855
Total	46,095	986	16,192	63,273

**Financial year ended 31 December 2005
(after restructuring professional services)**

(x €1,000)	Total Netherlands	Other countries	Discontinued operations	Total
Interest income	5,922	-	103	6,025
Income from other investments	7	-	-	7
Commission Income	22,569	-	-	22,569
Results on financial transactions	324	-	21,274	21,598
Other Income	-	-	-	-
Total	28,822	-	21,377	50,199

Financial year ended 31 December 2004

(x €1,000)	Total Netherlands	Other countries	Discontinued operations	Total
Interest income	2,903	-	61	2,964
Income from other investments	-	-	2,754	2,754
Commission Income	12,820	-	2,581	15,401
Results on financial transactions	-	-	18,846	18,846
Other Income	-	-	-	-
Total	15,723	-	24,242	39,965

Figure 5 – Geographical segmentation BinckBank revenues

5.5.1 Retail

In the retail segment, BinckBank is known as a discount online broker for self-supporting investors. According to market research performed on behalf of the Company and certain public information, BinckBank is one of the cheapest providers of online brokerage services in the retail market in The Netherlands. BinckBank believes it has a substantial cost advantage over its competitors based on its scalable business model. Competing directly on price, via the Company's marketing campaign, creates a transparent overview of the market and enables the potential clients to see the advantages of BinckBank and to encourage them to move from their current bank to BinckBank. BinckBank is committed to provide high quality services focused on the needs of its clients with the aim of raising levels of client satisfaction as the Company believes this will help counter client disloyalty from lowest price offerings.

The Netherlands

The Dutch market for online brokerage is a highly competitive market. The market is largely divided between BinckBank and Alex on the one hand and the larger banks (ABN AMRO, Rabobank, Fortis, SNS Bank and Postbank) on the other. The market size is estimated to be approximately 750,000 self-supporting private investors that jointly execute 14.5 million private trades in 2006. On 30 September 2007, BinckBank had approximately 55,500 clients in The Netherlands that executed approximately 1.9 million transactions. Whereas the average self-supporting private investor executes approximately 20 transactions per year, the average BinckBank client executes approximately 40 trades per year.

Although the larger banks have cut their fees in recent years to similar levels as BinckBank, BinckBank still generally offers the lowest fees in The Netherlands. Based on several independent surveys, BinckBank has been ranked the best internet broker in The Netherlands on numerous occasions (Beursbulletin, October 2007, November 2006. Beurs.nl, May 2007. Netprofiler Internet Brokeronderzoek 2006. Cash, April 2006).

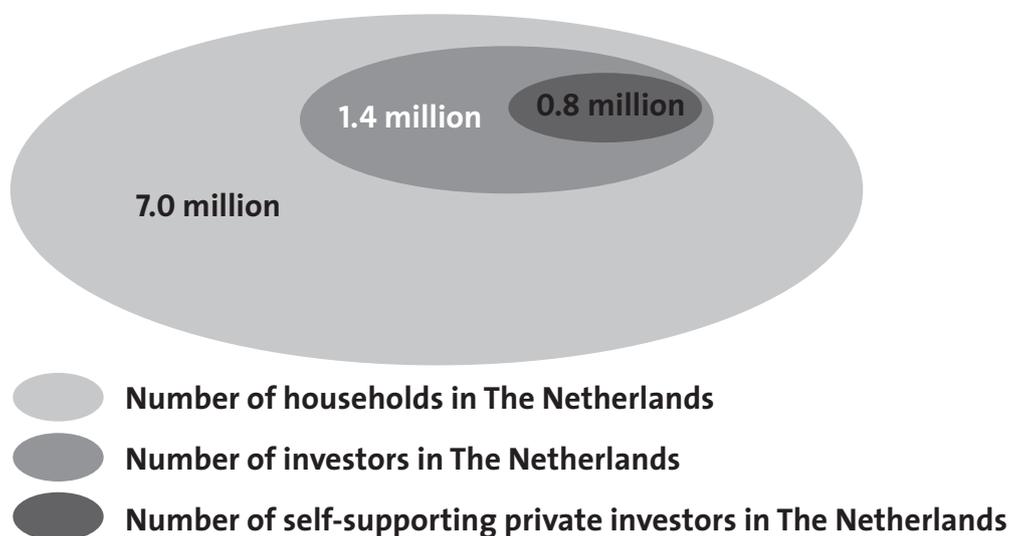


Figure 6 – Self-supporting private investors in the Dutch market

Belgium

In the Belgian market the competition comes from large banks (amongst others Dexia, Fortis, KBC and ING), Keytrade Bank S.A. and internet broker, Fortuneo Belgium, a branch office of Fortuneo Direct Finance S.A. The market size in general is estimated to be approximately 320,000 self-supporting private investors that execute approximately 4.5 million trades in 2006. In 2006, BinckBank had approximately 5,000 clients in Belgium who executed approximately 78,200 transactions. Keytrade Bank S.A. has reported to have 62,000 clients at year-end

2006. Fortuneo Belgium started its Belgian activities in the first half of 2007. On 30 September 2007, BinckBank had approximately 11,400 clients in Belgium.

France

The French market for online brokerage is serviced by large banks (amongst others Credit Mutuel, BNP and Société Generale) and their online subsidiaries (Fortuneo Direct Finance S.A., Cortal Consors S.A. and Boursorama (a branch office of Société Generale) and internet broker Bourse Direct. The market size is estimated to be 2.2 million self-supporting private investors that jointly executed approximately 35 million private trades in 2006. Fortuneo Direct Finance S.A., Cortal Consors S.A., Boursorama and Bourse Direct are known to have approximately 1 million clients each in 2006. Current brokerage fees in the Dutch market are considerably lower than fees of in the French market.

5.5.2 Professional Services

Based on the AFM register, The Netherlands has approximately 100 independent asset managers targeting retail clients, managing an estimated €6 billion in assets. On 30 September 2007, BinckBank serviced 70 asset managers with approximately 6,900 retail clients, managing approximately €1.2 billion in assets. Asset managers targeting retail clients normally use more than one custodian bank. A leading market player in this line of business in The Netherlands is Theodoor Gillisen Bankiers N.V. In Belgium, the market consists of approximately 20 independent asset managers targeting retail clients. These asset managers are serviced by niche players like BinckBank, such as KBC Bank N.V. and Puilaetco Private Bankers N.V. On 30 September 2007, BinckBank serviced 10 asset managers in Belgium with approximately 60 retail clients and approximately €16 million in assets.

The Netherlands has approximately 15 small to medium sized private banks. These banks either need software to manage their operational processes in the field of securities order execution, payments and banking administration or they consider outsourcing these operational processes to a third party. Syntel develops the software that is required to manage these processes, while BinckBank offers BPO services based on this software. The competition in the Dutch market in this area is mainly offered by Ordina N.V. (BPO) and Allshare B.V. (software) both of whom service few clients each, such as Staal Bankiers N.V., Insinger de Beaufort N.V. (BPO) and Kempen & Co N.V. (software). BinckBank expects to start servicing Friesland Bank N.V. in 2008 with its own BPO services.

5.6 Strategy before the Acquisition

BinckBank's business strategy is to provide private and professional investment clients with (i) fast and low-cost access to all of the world's leading financial markets, (ii) accurate administrative processing of cash and securities transactions and (iii) comprehensive market information.

By offering investors a high-quality product at low prices, combined with an intensive client focus, BinckBank aims to turn its clients into ambassadors for the services of BinckBank. BinckBank aims to create shareholder value for its Shareholders by concentrating on growing the customer base and maximising client satisfaction.

The business strategy envisages international expansion of all BinckBank's activities, broadening the range of services for banks by offering insourcing of execution of securities orders, securities administration and securities-related payments (BPO). The Company may consider also offering its BPO services to potential professional clients other than banks, such as insurance companies.

BinckBank intends to divest its remaining trading activity, as this is no longer regarded as core business.

5.7 Information and Communication Technology (ICT) before the Acquisition

BinckBank maintains modern and robust ICT infrastructure and applications to support both private (retail) and professional investment clients, thus allowing its clients to trade via its internet trading platform 24 hours a day, 7 days a week.

ICT Infrastructure

BinckBank operates synchronised ICT environments in The Netherlands and Belgium in order to ensure optimal business continuity. BinckBank's business can, in case of emergency, be run from its Antwerp office. Data and application back-ups are made internally on a daily basis using third party software. Every day, back-up files are transferred to cassette and stored at a third party location. The communications rooms (server rooms) are attached to uninterruptible power supplies (UPS). The UPS smoothes fluctuations in the general power supply, which lengthens the lifecycle of hardware equipment, and provides three hours battery cache in case of a power outage. During these three hours, BinckBank Amsterdam can switch its ICT operations smoothly to Antwerp. In 2006-2007, BinckBank laid down its ICT foundation for further international growth as well as ICT insourcing (BPO), rolling out a complete high-speed and redundantly switched network environment.

Applications

BinckBank distinguishes two types of business critical applications: (i) web based, *i.e.* front-end; and (ii) back office, *i.e.* back-end. Both front-end and back-end applications are and have been exclusively built and maintained by internal staff of BinckBank or its subsidiaries.

The heart of the financial transaction process is Europort, the back office suite developed by BinckBank's subsidiary Syntel. Together with Syntel, BinckBank's ICT staff maintains and supports this software. During 2007, Europort has been transformed into a robust multi-administration, multi-bank software suite, enabling BinckBank to offer BPO services. In connection with the outside financial world (clearing parties, exchanges, news feeds etc.), BinckBank uses Interport, communication brokerage software developed by Syntel and maintained by BinckBank's ICT staff.

BinckBank's application development policy is strict. In order to maximise flexibility and reduce complexity in client support, BinckBank uses a single application development suite, a single programming language and one set of development standards and policies. BinckBank has a "no legacy" policy concerning application developments, meaning that an ICT project is only finished when "legacy" components have been cleaned up.

Recently, BinckBank implemented a new industry standard programming language for front-end development and ceased using the programming language previously used for such development. Similarly, "old standard" components have been replaced with different or newer technologies which better suit BinckBank in supporting its clients. BinckBank's ICT development staff has been trained in the new programming language and meets formal certification requirements.

Security

BinckBank's ICT infrastructure and application development is reviewed and audited by leading companies in the industry accredited for security checks and code reviews. These audits are used to verify compliance with financial rules and regulations and generate an unbiased opinion on BinckBank's ICT infrastructure and application development.

Guidelines

Industry standard guidelines have been implemented for ICT maintenance and for project management.

5.8 Material contracts

Except as otherwise disclosed in this Prospectus, the Company has not entered into contracts outside the ordinary course of its business within the two years immediately preceding the date of this Prospectus which are material or which have been entered into at any other time and which contain provisions under which the Company has an obligation or entitlement that is material as of the date of this Prospectus.

5.9 Research and development

The IT department of BinckBank, in conjunction with external consultants, is developing a front office application for BinckBank's retail clients. In addition, an order management and back office system is being developed by BinckBank staff working at Syntel. Internal costs are directly taken into the profit and loss account. All costs relating to external consultants and the co-workers of Syntel are attributable to specific, well defined development projects and are capitalised and amortised over 5 years according to the Company's accounting policy.

Syntel also capitalises costs of development for applications it expects to be able to sell to clients in the foreseeable future. These amounted to approximately €454,000 at year end of 2006. This amount will also be amortised based on the Company's policy or impaired in case that no sales are forthcoming.

5.10 Intellectual property

BinckBank has registered seven Benelux trade mark registrations in the name of either BinckBank or any of its subsidiaries. In addition, BinckBank has registered several domain names in its name. In addition, BinckBank's subsidiary Syntel owns intellectual property rights.

5.11 Insurances

BinckBank is insured in conformity with market standards. BinckBank has, among other things, the following insurances: (i) third party liability insurance, (ii) bankers blanket bond and electronic and computer crime policy, combined with a financial institutions professional indemnity, (iii) broker policy and (iv) legal professional liability insurance.

5.12 Leases

The Company entered into a lease agreement with Kantorenfonds Beheer B.V. ("**Kantorenfonds**") dated 1 October 2000, concerning the lease of office space in the premises owned by Kantorenfonds on Vijzelstraat 20 in Amsterdam, The Netherlands. The lease amounts to €900,169.49 annually. The Company issued a bank guarantee in the amount of €225,042.37 as security for the payment of the lease terms under the agreement.

In June 2004, the Company and Nijenburg Beheer B.V. agreed that the latter will take over a part (587 m²) of the existing rental obligations of the Company under the lease agreement referred to above. Nijenburg Beheer B.V. will rent directly from Kantorenfonds and the Company will compensate Nijenburg Beheer B.V. with an amount of €30 per m².

The Company has further entered into a lease agreement, dated 29 August 2006, with Century Center Leasehold SPRL for office space of its subsidiary and branch office in Antwerp, Belgium and a lease agreement with UBS Real Estate Kapitalanlagegesellschaft mbH for office space of its future branch office in Levallois Perret near Paris, France.

Lastly, Syntel has entered into a lease agreement for office space for its head office in Reeuwijk, The Netherlands.

5.13 Legal and arbitration proceedings

Other than disclosed below, to the best knowledge of the Company and its subsidiaries there are not and have not been any governmental, legal or arbitration proceedings, nor is the Company or its subsidiaries aware of such proceedings threatening or pending, which may have or have had in the 12 months before the date of this Prospectus significant effects on the financial position or profitability of the Company and/or its subsidiaries.

Client claims

BinckBank was obliged to pay the entire execution value of the securities deposit of a client of BinckBank and the credit balances of all his accounts at BinckBank to the tax authorities as a consequence of a seizure in execution (*executoriaal derdenbeslag*). Without any legal obligation, BinckBank sent the client a facsimile on 27 April 2007 for agreement to the sale of the client's securities deposit and the transfer of the client's credit balances. The client returned a signed copy of the facsimile. The client sent BinckBank a facsimile on 29 May 2007 with a claim of €404,036. The client asserted that he wrongfully assumed that the credit balance of one of his accounts was in US dollars, on the basis of the text of the facsimile dated 27 April 2007. The claim amounts to the difference between the amount of 1,512,126.52 in US Dollar and Euro respectively. BinckBank has challenged these allegations and has not heard from the client since.

On 10 September 2007, BinckBank received a letter from the attorney of a client, claiming that BinckBank is to be held liable for losses of more than €1,500,000 of this client. BinckBank and the client entered into a client agreement on 23 May 2005. The client asserted that BinckBank has failed in its duties, because BinckBank allegedly has not sufficiently investigated the investment goals, investment experience and financial position of the client while BinckBank has purchased options at request of the client without having entered into an option agreement. On 4 October 2007, BinckBank responded stating that no ground for liability exists, because BinckBank did not fail to meet its obligations towards the client, nor did BinckBank act in any way tortiously. BinckBank and the client have entered into a derivatives trading agreement based on which BinckBank has informed the client sufficiently of the risks of trading in derivatives. According to BinckBank, it has also sufficiently investigated the financial position of the client. The client has not filled out the questionnaire for determining the appropriateness of the services used by the client and the financial instruments the client invested in, making such assessment impossible. BinckBank has established a risk profile for the client on the basis of the information provided by the client. The risk profile also contains an explicit warning for the risks of trading in options.

6. ACQUISITION OF ALEX

6.1 Introduction

On 30 October 2007, BinckBank entered into a business sale agreement with Rabobank to acquire all of the assets and liabilities of Alex for a cash consideration of approximately €390 million. Alex is the unincorporated business that currently forms part of Rabobank which provides online trading capabilities in securities, options and other financial instruments, as well as certain other banking, advisory and asset management services under the trade name Alex.

6.2 History of Alex

In 1996, the predecessor of Alex was founded in conjunction with the Dutch Investors' Association (*Vereniging van Effectenbezitters*) ("**VEB**") as a business within Dexia Bank Nederland N.V. (formerly Bank Labouchere N.V.) under the brand name VEB Bottom-Line. As a result of the success of VEB Bottom-Line and increasing demand for online brokerage services, an additional brand, "Alex", was launched in 1999. Rabobank acquired Alex from Dexia Bank Nederland N.V. in 2003. In the following years the business continued to grow and the product range was expanded.

On 22 December 1995 Bank Labouchere N.V. (later renamed Dexia Bank Nederland N.V.), the previous owner of Alex, and VEB entered into an agreement with respect to VEB Bottom-Line (the "**VEB Agreement**"). On 28 March 2003, Dexia Bank Nederland N.V. was replaced as a party to the VEB Agreement by Rabobank. Recently, Rabobank and VEB agreed to amend the VEB Agreement. Pursuant to the renewed agreement, among other things (i) the product VEB Bottom-Line will be renamed Alex Bottom-Line, (ii) the product offering will be extended, (iii) the services will be offered against a profitable fee instead of against cost-price and (iv) the VEB agreed irrevocably that BinckBank will replace Rabobank after the Acquisition.

6.3 Core activities and business model of Alex

Alex is an online brokerage firm providing its retail clients with the opportunity to trade in securities, mutual funds, bonds and derivatives on the leading securities exchanges around the world. In addition, Alex offers asset and investment management products. Alex is based in The Netherlands and has a small representative office in Spain. Alex focuses on investors with at least €50,000 available for investment and/or investors with a regular trading pattern. It is positioned as an online broker and asset and investment management company for investors with value-added services such as online advice, online asset management and online saving accounts.

On 30 September 2007, Alex had 129,541 accounts divided into 95,211 online broker accounts and 6,507 Alex Bottom-Line accounts, 6,949 advisory and asset management accounts and 20,874 savings accounts. Total assets under administration amounted to approximately €4,875 million. Alex executed approximately 3.2 million transactions for its clients in 2006 and more than 2.6 million transactions in the nine-month period ended 30 September 2007.

Alex offers two types of product ranges:

Brokerage products

- Alex Advanced: broad web based trading package for private individuals looking for fast and high quality execution;
- Alex Pro: professional dealing room aimed at the very active trader; and
- Alex Bottom-Line: trading package for private individuals who are members of the VEB.

Asset and investment management products

- Alex Assist: online asset and investment management for private individuals based on computer-generated trading advice; and
- Alex Sparen: online savings product.

6.4 Market positioning of Alex

Alex positions itself as an online broker and asset and investment management company. Based on high quality products and services, a product innovative approach and a broad range of investment services, Alex targets investors with at least €50,000 available for investments and/or who invest on a regular basis and are willing to pay a premium, compared to discount brokers, for high levels of service.

6.5 Organisational structure of Alex

Currently, Alex operates as a business unit of Rabobank. Alex is not a separate legal entity and depends partly on the services and infrastructure of Rabobank (see "Risk Factors – Risks relating to carving Alex out of Rabobank"). However, Alex is run and monitored as an entirely separate operation. Alex is located, for example, in a separate office, which is not part of any Rabobank business. Alex is organised as four divisions: Operations, Sales & Marketing, Business Development and ICT. In addition, there are a number of staff organisations that report directly to the management team, consisting of the division heads. As at 30 September 2007, Alex employed approximately 171 internal FTEs and approximately 54 external FTEs.

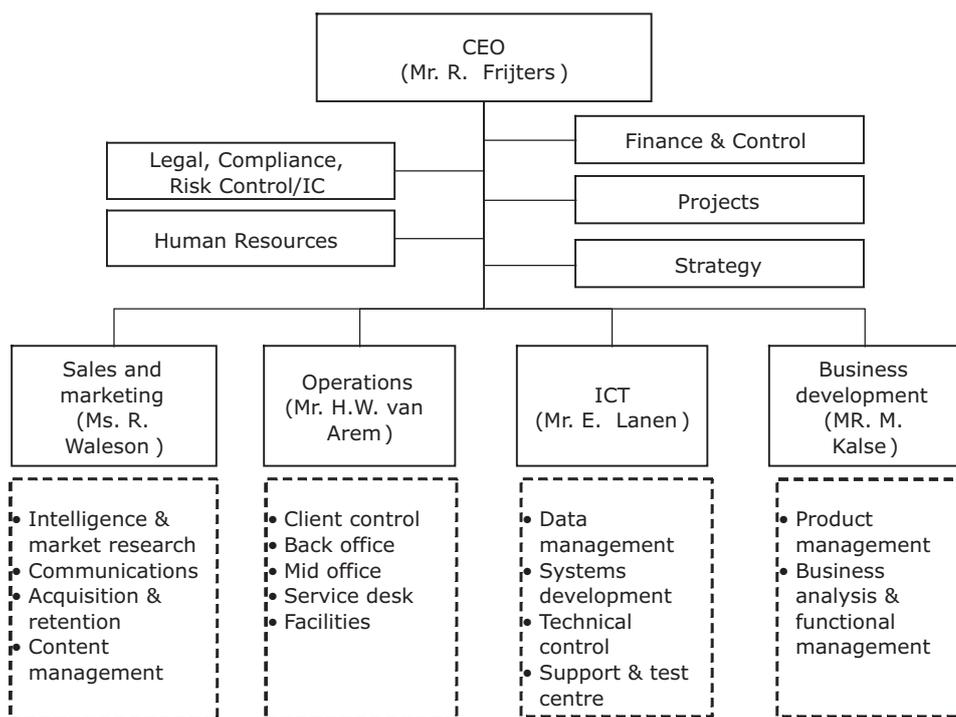


Figure 7 – Organisational chart of Alex

6.6 Management of Alex

Alex does not have a separate statutory management board or supervisory board, as it is not a legal entity. However, Alex' key employees operate as a management team. At the top level of Alex' business, Mr. R. Frijters operates as CEO. The staff departments are headed by Mr. P. Verhaar and Mr. M. van Bakel. Sales & Marketing, Operations, ICT and Business Development are lead by Ms. R. Waleson, Mr. H.W. van Arem, Mr. E. Lanen and Mr. M. Kalse respectively.

6.7 Information and Communication Technology (ICT) of Alex

To provide online brokerage services to its clients, Alex must maintain modern and robust ICT infrastructure and applications, allowing its clients to trade via its internet trading platform, 24 hours a day, 7 days a week.

ICT infrastructure

Alex maintains a three-tier IT infrastructure. The first-tier consists of client applications and interfaces which correspond with the various Alex products. The second-tier consists of applications providing business logistics such as Topline and Europort. The third-tier is made up of various Oracle and Microsoft databases.

Client orders are processed using the Topline client interface and are sent to Europort, which subsequently sends orders to the relevant stock markets. Information on executed orders is then sent back to Europort. Journal entries are made into SAP One. Data is collected from third parties using Europort and third party software and hardware which can be used for streaming financial data of Alex' clients by Alex. The licences for the use of third party software and hardware have in some cases been concluded between Rabobank and the respective third parties. Alex depends on the Rabobank systems for the provision of a number of business critical IT services, such as SWIFT payments, USD payments and processing pin code requests by Alex' clients.

Alex uses Dell servers. IBM and EMC2 back-up and availability systems are in place.

Applications

Alex predominantly uses software applications developed by third parties. In addition, Alex has developed its own application called Topline, which it uses to process client orders. Topline consists of various functions which are integrated through third party software product called Tibco. Alex' other key application for the processing of client orders is Europort, which has been developed by Syntel and is used for interfacing with Alex' financial administration and for securities transactions and payments to external parties.

Alex uses external software developers extensively. Furthermore, Alex engages the services of some external employees.

Security and continuity

Alex aims to have the highest system availability as possible. A number of tools are in place to monitor the capacity of individual IT components. With respect to server availability and security, Oracle has been installed at Alex' primary server location in a high availability cluster.

Projects

Alex is currently implementing a number of ICT projects including migration projects, implementation of software, replacement of servers and projects concerning back-up and restore functions.

Guidelines

Industry standard guidelines have been implemented for ICT maintenance and for project management.

6.8 Acquisition rationale

BinckBank believes that the Acquisition is strategically compelling as the businesses of BinckBank and Alex are a strong fit. In particular, the Acquisition will allow BinckBank to strengthen its operations by:

- having two strong labels, which together create a leading full-service online bank for investors and a top 5 European position;
- broadening the client base with a more diversified product offering;
- realising substantial economies of scale and cost savings; and
- benefiting from combining the innovative excellence and longstanding experience of the two pioneers of Dutch online brokerage.

The position of BinckBank and Alex combined will be particularly strong in the Dutch market for retail investors, as it will create the largest independent full-service online broker for all Dutch online investors for all Dutch investors, enabling BinckBank to further expand its client base.

BinckBank and Alex offer high quality online investment products, with a wide range of functionalities. In the retail segment, BinckBank is known as a discount online broker for self-supporting investors, whereas Alex is positioned as an online broker and asset and investment management company for investors with value-added services such as online advice, online asset management and online saving accounts. To safeguard the services offered to the existing clients, both labels will be maintained and their product offering remains unchanged. The combination of the Alex and Binck labels in one company will enable BinckBank to reach a broader group of investors both domestically and internationally. As a result, BinckBank will develop into a European full-service online bank for investors.

6.9 Business sale agreement

The Company signed a binding business sale agreement in relation to the Acquisition on 30 October 2007. The principal terms and conditions of the Acquisition are summarised below.

Consideration

The Company has entered into a binding business sale agreement to acquire Alex for a cash consideration of €390 million, based on the expected net asset value of Alex on the closing date of the Acquisition of €3.0 million. In case the net asset value of Alex on the closing date of the Acquisition differs from €3.0 million, the exact consideration for the Acquisition will be adjusted accordingly. However, from the business sale agreement it follows that any upward adjustment will not exceed €1.0 million and any downward adjustment will not exceed €3.0 million. Profit will accrue to the Company from closing onwards. The Acquisition is expected to close on 31 December 2007. The consideration for the Acquisition will be adjusted up to a maximum amount of €5.0 million if clients of Alex (with certain exceptions) transfer their assets held in custody by Alex to accounts with Rabobank between signing and closing of the Acquisition and if such transfer of assets results in a reduction of the total transaction commission (provisiebaten) income of Alex exceeding 1%.

The Company believes the consideration for the Acquisition to be justified by the business growth opportunities, synergies, cost savings, tax saving, revenue benefits and other benefits the Company expects to achieve as a combination of the two labels of Binck and Alex.

Representations, warranties and indemnities

The Acquisition documentation provides for certain representations, warranties and indemnities to the Company. These representations, warranties and indemnities are subject to certain limitations and restrictions on the Company bringing claims and, in the case of warranties, to certain general and specific disclosures. The Company believes that the legal risks associated with the Acquisition are adequately covered.

Competing activities

The Company and Rabobank have agreed that Rabobank will be allowed to offer internet brokerage services after the Acquisition.

Conditions to completion

Completion of the Acquisition is subject to certain conditions precedent, including:

- successful completion of the Offering;
- approval by the Netherlands Competition Authority (*Nederlandse Mededingingsautoriteit*) (the "NCA");
- obtaining a declaration of no objection from the Dutch Central Bank (*De Nederlandsche Bank N.V.*) (the "DCB"); and
- no material adverse change has occurred or has become known to the Company such that it cannot reasonably be expected from the Company to continue with the Acquisition on the terms of the business sale agreement with Rabobank.

On 16 November 2007, the NCA has granted its approval.

On 26 November 2007, the DCB granted BinckBank a declaration of no objection which is required in connection with the Acquisition pursuant to Article 3:96, section 1 under d of the FSA. DCB has attached certain provisos to the declaration of no objection, including that (i) the professionalism and size of the staff positions of the Combination must be increased as per 1 February 2008, by, amongst others, safeguarding the independence of the IAD, (ii) as per 31 December 2007, BinckBank and Alex must comply with the provisions in connection with

the Identification (Provision of Services) Act (*Wet identificatie bij dienstverlening*), MiFID and Customer Due Diligence for banks, (iii) BinckBank must ensure that an integration scheme will be drawn up before the integration of the IT of Alex into that of BinckBank which must be based on an analysis of the organisational and technical risks involved and which must be submitted for approval to DCB prior to its implementation and (iv) ultimately on 31 January 2008, BinckBank must have adequate server backup capacities in connection with the Acquisition. The declaration of no objection has been granted based on the assumption that the Acquisition will be completed on or before 31 December 2007. Furthermore, the declaration of no objection will lapse if this assumption appears to be inaccurate and the Acquisition can not be completed within three months following the date of the declaration of no objection.

With respect to (ii) above, approximately 10,000 clients of Alex, representing approximately 10% of the total number of online trading accounts of Alex as at 30 September 2007 and representing approximately 10% of the trading income of Alex, have not been properly identified pursuant to the Identification (Provision of Services) Act (*Wet identificatie bij dienstverlening*). These clients have been requested to cooperate in complying with the applicable provisions of this act. In conformity with the provisos to the declaration of no objection granted by DCB (see "Acquisition of Alex – Business Sale Agreement"), the Company may, ultimately, be required to cease rendering services to and to terminate the relationship with any clients with respect to whom the applicable provisions of this act will not be complied with as per 1 January 2008.

6.10 Acquisition structure

The Acquisition is structured as an assets and liabilities transaction.

6.11 Financing of the Acquisition

BinckBank intends to finance the Acquisition with the proceeds of the Offering and existing cash resources. If the Acquisition, for whatever reason, will not be completed, the Company intends to return the net proceeds of the Offering received by the Company to the Shareholders in the most efficient manner (either through a dividend distribution, a capital reduction or otherwise).

7. BINCKBANK FOLLOWING THE ACQUISITION

7.1 Introduction

By undertaking the Acquisition, the Combination intends to develop into a European full-service online bank for investors.

7.2 Integration, business benefits and synergies of the Acquisition

Following the Acquisition, Alex will be fully integrated into BinckBank's business unit retail ("**Retail**"). Combining BinckBank's and Alex' operations is expected to result in significant business benefits and synergies of approximately €18 to €20 million (pre tax) per year as per 2010, at which time the integration is expected to be complete. These benefits are expected to be back-end loaded, meaning that the majority is expected to be realised in the last two years of the integration. For example, the combined trading volume is expected to lead to a decline of costs per trade and BinckBank's treasury management is expected to lead to increased interest margins. In addition, cost advantages are expected to be realised as the result of integrating marketing, information technology and other operations.

The combination of an increased and diversified client base and substantial business benefits and synergies is expected to result in accretion of adjusted earnings per share ("**EPS**") as of 2008.

The Management Board is dedicated to achieve an efficient merger of Alex and BinckBank. For this purpose, an integration team will be established consisting of BinckBank's Management Board supported by members of senior management of Alex and BinckBank. This team will coordinate the integration of the two businesses and aims to identify further value enhancing opportunities and develop integration plans. The total one-off integration costs are relatively limited as BinckBank expects to be able to reallocate personnel and capacity and such costs are expected to be approximately €5 million.

7.3 Financial impact of the Acquisition

BinckBank's future financial statements will be impacted by a number of specific elements, which are outlined below.

Commercial Goodwill

At the date of the Acquisition, BinckBank will allocate the costs of the Acquisition by recognising Alex' identifiable assets, liabilities and contingent liabilities at their fair values at that date. Commercial goodwill is measured as the residual cost of the business combination after recognising Alex' identifiable assets, liabilities and contingent liabilities ("**Commercial Goodwill**"). After the initial recognition, BinckBank will measure the Commercial Goodwill acquired in the business combination at cost less any accumulated impairment losses.

Based on the current available valuation information, the purchase method in accordance with IFRS 3 results in the recognition of the identifiable intangible assets of €241.5 million not previously recognised in Alex' financial information and Commercial Goodwill of an amount of €150.5 million as per 30 June 2007. This pro forma financial information is based on the audited financial information of Alex for the year ended 31 December 2006 and the unaudited interim financial information of Alex for the six-month period ended 30 June 2007.

The Commercial Goodwill will not be amortised but will instead be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. The identified intangible assets will be amortised over an average period of 5 to 10 years and this amortisation will be included as a non-cash item in BinckBank's income statement ("**IFRS Amortisation**"). The Commercial Goodwill and identified

intangible assets need to be deducted from BinckBank's core capital when determining the solvency ratio of BinckBank, which is based on its total actual own funds compared to the total extended risk weighted assets (the "BIS Ratio"). This deduction will decrease over time as the identified intangible assets are amortised. BinckBank's core capital for determination of the BIS Ratio will increase annually with the sum of the retained earnings and the IFRS Amortisation.

Fiscal Goodwill

The Acquisition will be a taxable transaction, i.e. an assets and liabilities transaction whereby Rabobank will sell all related assets and liabilities including the goodwill. As a result, BinckBank is allowed to amortise the goodwill acquired for Dutch corporate income tax purposes ("Fiscal Goodwill"). The Fiscal Goodwill includes the identifiable intangible assets not previously recognised by Alex and the Commercial Goodwill. This Fiscal Goodwill amounts to approximately €392 million based on the unaudited interim financial information for the six-month period ended 30 June 2007 of Alex. The amortisation period of Fiscal Goodwill is expected to be 10 years, but has to be finally agreed upon with the Dutch tax authorities. The annual expected tax saving is approximately €10 million.

The Fiscal Goodwill amortisation will decrease the corporate income tax payable. However, this tax saving will not be fully recognised in BinckBank's income statement under IFRS. The difference between the corporate income tax payable and the income tax expense will become apparent in the cash flow statement and will be recognised as a deferred tax liability during the amortisation period. If the Company would recognise an impairment of Commercial Goodwill, this will decrease the recognised deferred tax liability.

Income statement

Taking into account IFRS Amortisation, interest income as a result of the cash flow arising from the tax saving on the amortisation of Fiscal Goodwill, loss of interest income on existing cash resources used as funds for the transaction and the tax consequences of these items, the pro forma combined net profit in 2006 amounts to €27.6 million and to €18.6 million for the six-month period ended 30 June 2007. This pro forma financial information is based on the financial information of both BinckBank and Alex for the year ended 31 December 2006 and the six-month period ended 30 June 2007. Actual contribution to BinckBank's net profit as from the date of the Acquisition will be impacted in particular by cost synergies, restructuring costs and the amortisation for the identifiable intangible assets, as determined in the purchase price accounting adjustments.

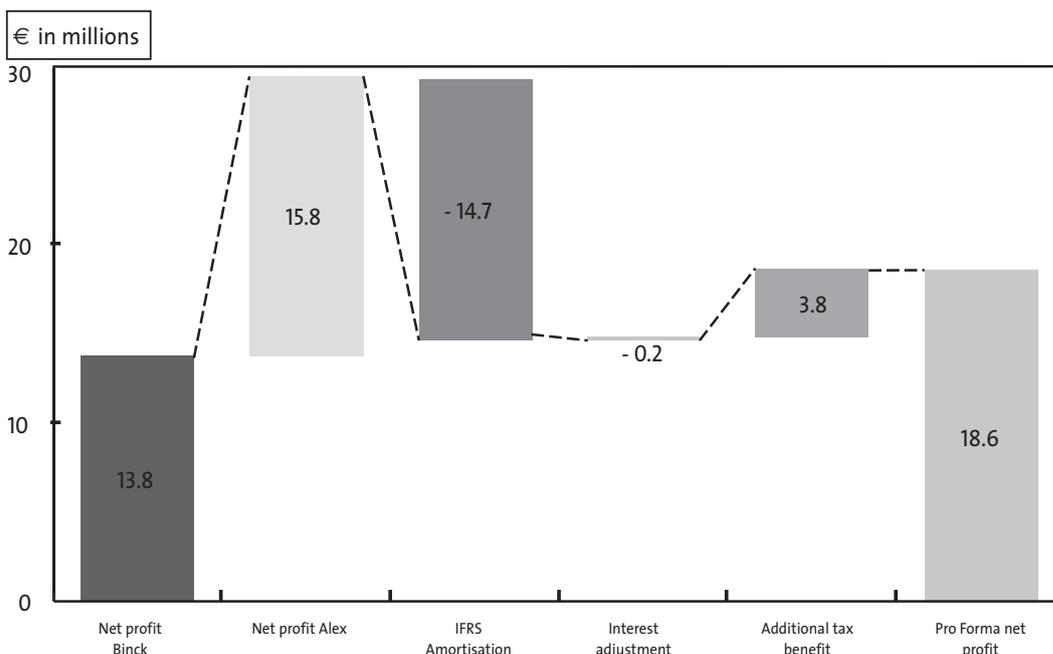


Figure 8 – Pro forma financial impact on net profit in graphics (six-month period ended 30 June 2007)

Adjusted net profit

As described above, the Company's future income statements will include the non-cash IFRS Amortisation. In addition, the Company will have additional annual tax savings, to the extent not recognised as IFRS Amortisation or impairment of Commercial Goodwill, for an envisaged period of 10 years. In order to provide investors a better insight in the development of BinckBank's profitability, BinckBank will report an adjusted net profit, which is corrected for these two items. BinckBank expects the Acquisition to be accretive on an adjusted EPS ("**Adjusted EPS**") basis as at 2008.

(x €1,000)	Financial year ended 31 December 2006	Six months ended 30 June 2007
1) Pro forma combined net profit	27,588	18,559
2) IFRS Amortisation	29,379	14,690
3) Fiscal Goodwill amortisation	39,200	19,600
IFRS Amortisation	(29,379)	(14,690)
Additional amortisation in tax accounts	9,821	4,910
4) Tax saving on additional amortisation in tax accounts	2,504	1,252
Pro forma combined adjusted net profit	59,471	34,501

Figure 9 – Pro forma financial impact on net profit in numbers (six-month period ended 30 June 2007)

Notes

1. Pro forma combined net profit as discussed in "Unaudited Pro Forma Financial Information".
2. IFRS Amortisation as discussed in "Unaudited Pro Forma Financial Information".
3. Fiscal Goodwill amortisation in tax accounts taken into account an amortisable amount of €392 million and an expected amortisation period of 10 years.
4. Tax saving of additional amortisation in tax accounts calculated as nominal tax rate of 25,5% times the difference between the expected amortisation of Fiscal Goodwill and IFRS Amortisation of €9,821 million and €4,910 million for 2006 and the six-month period ended 30 June 2007 respectively.

Capital adequacy policy

To be in compliance with DCB capital requirements the largest part of the Acquisition needs to be financed with equity capital. As the BIS Ratio improves based on IFRS Amortisation and expected profits, the BIS Ratio of BinckBank is expected to increase sharply.

Following the Acquisition, BinckBank will take a disciplined approach to its capital adequacy, which is expected to lead to a BIS Ratio between 12% and 20% under Basel II. Towards and above the high end of this range, BinckBank aims to return excess equity by way of share buybacks or additional dividends.

The Priority Shareholder may determine the dividend policy of the Company. Currently, the Priority Shareholder's dividend policy is to return 50% of earnings annually. Following the Acquisition, the target payout ratio remains 50%, while the basis will be the adjusted net profit.

7.4 Core activities and business model following the Acquisition

Following the Acquisition, the present activities of Alex will be integrated in BinckBank's business unit Retail.

In addition to the current online brokerage services of the Company, referred to in "Business before the Acquisition – Core activities and business model before the Acquisition", BinckBank will also offer retail clients, under the label Alex, online savings accounts and online tools for asset and investment management following the Acquisition.

7.5 Market positioning following the Acquisition

BinckBank will target the retail investor market in The Netherlands through two labels:

- Binck, positioned as a discount online broker for self-supporting investors aiming at the more active investors; and
- Alex, positioned as an online broker and asset and investment management company aiming at the more affluent investors.

Furthermore, the positioning of the Professional Services business unit will remain unchanged, servicing asset managers and private banks with order execution, administrative processing of securities transactions and BPO or software licensing services.

Following the Acquisition, BinckBank will be positioned as a European full-service online bank for investors.

	Number of accounts	Number of transactions	Assets under administration (x € billion)
Online brokerage			
Binck	66,900	1,938,300	2.4
Alex	101,700	2,559,000	4.0
Asset management & advisory (Alex)	6,900	91,000	0.2
Online saving accounts (Alex)	20,900	-	0.7
Professional Services (Binck)	6,900	200,300	1.2
Total	203,300	4,788,600	8.5

Figure 10 – BinckBank pro forma online banking products under two labels as at 30 September 2007

7.6 Strategy following the Acquisition

BinckBank aims to develop itself to a European full-service online bank for investors. BinckBank's business strategy following the Acquisition is to provide private and professional investment clients with (i) fast and low-cost access to all of the world's leading financial markets, (ii) online advisory and asset management services, (iii) online saving accounts, (iv) accurate administrative processing of cash and securities transactions and (v) comprehensive market information.

Following the Acquisition, the Combination will have more than 200,000 accounts and approximately €8.5 billion assets under administration. During the first nine months of 2007, BinckBank and Alex jointly executed approximately 4.8 million securities transactions for private investors. In the coming years BinckBank aims to gather €10 billion of assets under administration and to service 200,000 self-supporting retail investors in The Netherlands. In addition, BinckBank aims to grow to 20,000 advisory and asset management accounts and 45,000 saving accounts in the Dutch retail market.

The targets for the Professional Services business unit of BinckBank and the international expansion will remain unchanged. However, the Acquisition will be followed by a dedicated period. As this will strongly draw on managerial and operational resources, the introduction of the French activities as announced before, will be postponed until mid 2008.

The Company seeks to achieve its strategy by (i) expanding its online brokerage activities for individual retail investors internationally, (ii) developing online tools in the field of advisory and asset management and offering these tools to investors, which together with an online savings account can support each type of investor, (iii) delivering integrated front and back-office services to professional market parties, (iv) providing investors with (online) access to international securities markets and (v) supplying software and BPO services to financial institutions in connection with the processing and administration of securities transactions and similar banking services.

7.7 Information and Communication Technology (ICT) following the Acquisition

This paragraph attempts to describe the similarities and discrepancies between BinckBank's and Alex' ICT infrastructure which may provide (scale and cost) advantages or specific risks following the Acquisition on the basis of the current ICT systems of BinckBank and Alex.

ICT infrastructure

Both businesses use a combined platform (Windows and Unix/AIX), as well as network security hardware from Cisco. Combining the two businesses will result in a consolidation of hardware used by both businesses. Integration of hardware platforms is made easier by shared hardware platform technologies. Both businesses are investing in the same technology solutions for virtualisation software. This shared technology can furthermore assist in integrating the ICT infrastructures of both businesses. All future hardware challenges of the combined businesses can be addressed through a combined effort, thus bringing even more robust and more efficient hardware solutions within reach of the combined ICT departments.

Applications

Both businesses use Europort as their main back office (transaction processing) software suite. Syntel, the BinckBank subsidiary responsible for Europort developments, can combine its software development activities for all Europort resources that are shared. As both businesses use different web based, i.e. front-end applications, the best parts of these technologies can either be combined or a single standard can be chosen to further consolidate software developments.

Security

BinckBank's track record on network security and its experience with recent and modern network security implementations can be fully utilised to integrate all future security developments in a combined ICT security approach.

Guidelines

Industry standard guidelines have been implemented at both BinckBank and Alex. Both businesses therefore adhere to similar industry standards for support and maintenance, which will simplify the integration.

Staff

Integrating both ICT departments might bring redundancy in the ICT sub-departments. Furthermore, BinckBank expects that the growth in staff of the combined ICT departments will be significantly lower as many ICT tasks can be combined into a single effort.

7.8 Management and employees following the Acquisition

Following the Acquisition, BinckBank will maintain its simple and transparent management structure. The management board of the Combination will consist of the current Management Board. It is BinckBank's intention to strengthen the Management Board with a new Chief Financial Officer ("CFO"). The management team will consist of the directors of the business units Retail and Professional Services and the director of IT and Operations.

Mr. R. Frijters and Mr. P. Verhaar, current directors of Alex, will not join BinckBank after the Acquisition. Following the Acquisition, senior managers of Alex and BinckBank will become jointly form a management team.

The Acquisition will not lead to forced redundancies. BinckBank expects to need all the staff currently employed by both organisations in order to manage the integration of Alex and to support further growth. The Combination is expected to improve efficiency and support the growth over the next few years with only a limited increase in the number of full-time employees ("FTEs").

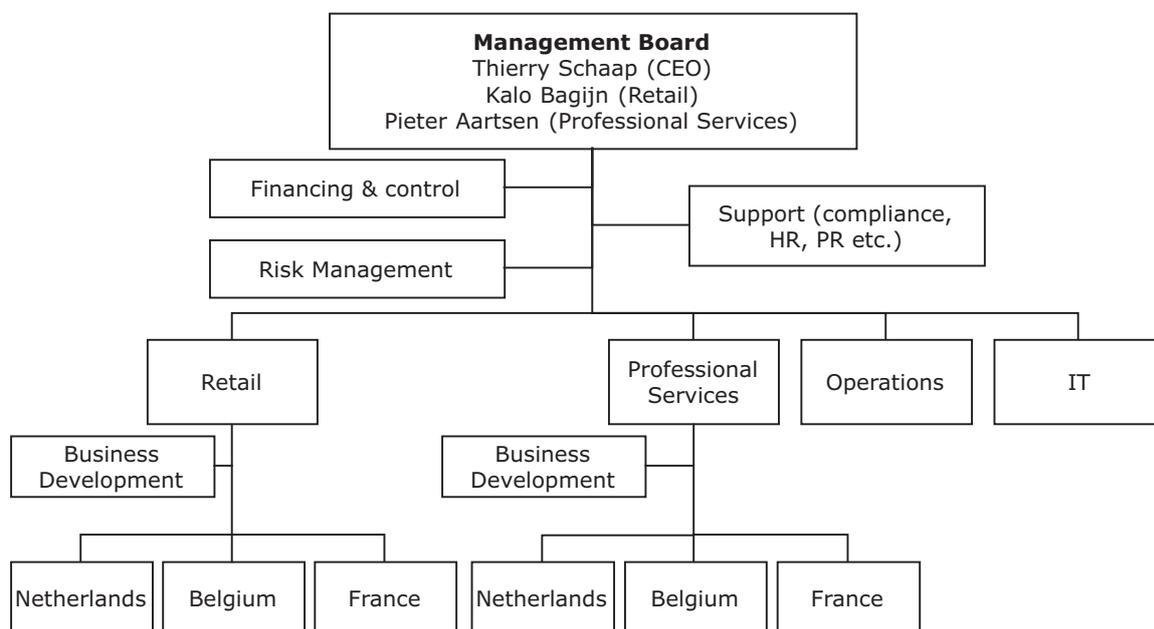


Figure 11 – Organisational structure of the Combination

8. UNAUDITED PRO FORMA FINANCIAL INFORMATION

8.1 Introduction

The following unaudited pro forma financial information is presented to illustrate the financial impact of the acquisition on the income statements as if it had occurred on 1 January 2006 and on the balance sheet as if it had occurred on 30 June 2007.

The unaudited pro forma financial information has been presented for illustrative purposes only and does not purport to (i) represent what the Company's results from operations or financial condition would have actually been had the Acquisition in fact occurred as of 1 January 2006 or 30 June 2007 respectively, or (ii) project the results of the Company's operations for any future period or the Company's financial condition for any future date.

The pro forma financial information is based on the Company's audited consolidated financial statements for the year ended 31 December 2006 and the unaudited consolidated financial statements for the six-month period ended 30 June 2007 as well as the audited financial information of Alex for the year ended 31 December 2006 and the unaudited interim financial information of Alex for the six-month period ended 30 June 2007 and certain adjustments and assumptions have been made regarding the Company's combined operations after giving effect to the Acquisition. These adjustments and assumptions include the net asset value of Alex, the results of the preliminary PPA analysis, the anticipated financing structure and the costs related to the Acquisition as further explained in this chapter and the assumption that Alex' employees will be transferred to the BinckBank defined contribution pension scheme. The information on the basis of which these adjustments and assumptions have been made is preliminary, and these type of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the pro forma financial information does not reflect all costs that are expected to be incurred by the Company in connection with the Acquisition. As a result, the Combination's actual financial condition and results from operations following the Acquisition may not be consistent with, or evident from, this pro forma financial information. The assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the Combination's financial condition or results from operations following the Acquisition.

The unaudited pro forma financial information has been prepared in a manner consistent with the accounting policies as applied by the Company. The unaudited pro forma financial information should be read in conjunction with "Operating and Financial Review" and the Company's consolidated financial statements for the year ended 31 December 2006 and the Company's consolidated financial statements for the period ended 30 June 2007, including the notes thereto, included elsewhere in this Prospectus.

This section contains:

- a paragraph "Financial information", showing the unaudited pro forma balance sheet as at 30 June 2007 and the unaudited pro forma income statements for the year ended 31 December 2006 and for the six months ended 30 June 2007;
- a paragraph "Pro forma accounting adjustments", explaining the adjustments to be made in order to be consistent with the accounting policies of the Company;
- a paragraph "Pro forma acquisition adjustments", explaining the adjustments of the Acquisition;
- a paragraph "Pro forma PPA and financing adjustments", explaining the effects of PPA and the effects of the financing of the Acquisition, assuming the financing of the Acquisition was in place as of 1 January 2006; and
- a paragraph "Pro forma contingent liability", explaining the contingent liability for the Company in connection with the VEB Agreement.

IFRS 3 requires all business combinations to be accounted for by applying the purchase method. The Company shall, at the date of the Acquisition, allocate the costs of the Acquisition by recognising Alex' identifiable assets, liabilities and contingent liabilities at their fair values at that date. As of this date, the Company has not fully completed all of the detailed valuation studies necessary to arrive at the required estimates of the fair market value of the Alex' identifiable assets to be acquired and Alex' liabilities and contingent liabilities to be assumed and the related allocation of the costs of acquisition. IFRS allows for the use of provisional values, as long as any adjustments to those provisional values as a result of completing the initial accounting are recognised within twelve months of the Acquisition. Had the Company been able to complete the valuations, the PPA may have resulted in a different outcome, affecting both goodwill and the net profit included in the unaudited pro forma financial information.

Despite the relatively autonomous nature of Alex' operations with respect to Rabobank, it does receive a number of services through its relationship with Rabobank. In the future situation, a number of relationships will have to be formalised and/or replaced by other providers which will also affect the income statement. Specifically, Rabobank has arranged memberships, clearing and framework contracts. The unaudited pro forma financial information does not take into account any adjustments for the related party transactions between Alex and Rabobank.

The unaudited pro forma financial information does not take into account any synergy benefits and one-off costs of realising such synergies, nor any adjustments for liabilities that may result from integration activities.

The pro forma combined accruals for corporate income tax do not reflect the amount that would have resulted had the Combination filed consolidated income tax returns during the periods presented.

8.2 Financial information

BinckBank

The financial information of the financial year ended 31 December 2006 and the six-month period ended 30 June 2007 of the Company is based on the Company's accounting policies as applied by the Company in preparing its audited financial statements for the financial year ended 31 December 2006 (IFRS) and the reviewed interim consolidated financial statements for the six months ended 30 June 2007 (see "Index to Financial Information – Audited financial statements of BinckBank for the year ended 31 December 2006 under IFRS" and "Index to Financial Information – Reviewed interim consolidated financial statements of BinckBank for the half year ended 30 June 2007 under IFRS")

Alex

The historical financial information in this Prospectus regarding Alex has been derived from Rabobank's internal reporting package used for the preparation of the annual accounts for the year ended 31 December 2006 and internal reporting package used for the preparation of the Rabobank's semi-annual accounts for the six months ended 30 June 2007, prepared by Rabobank in accordance with the internal instructions for reporting packages of Rabobank as applied for internal reporting and consolidation purposes only.

Unaudited pro forma balance sheet as per 30 June 2007 Combination

(x €1,000)	BinckBank	Alex	Pro forma accounting adjustments	Pro forma acquisition adjustments	Pro forma PPA and Financing	Pro forma Combi- nation
Assets						
Cash	11,104	4	-	-	-	11,108
Banks	277,600	757,667	-	(18,530) ²⁾	(20,000) ³⁾	996,737
Loans and receivables	332,175	534,093	122,248 ¹⁾	-	-	988,516
Interest bearing securities	37,698	-	-	-	-	37,698
Shares and other variable- income securities	106,648	-	163,314 ¹⁾	-	-	269,962
Other investments	29	-	-	-	-	29
Intangible assets	12,397	-	-	-	392,000 ⁴⁾	404,397
Property, plant and equipment	3,436	3,016	-	-	-	6,452
Tax	5,931	-	-	-	2,550 ³⁾	8,481
Deferred tax assets	2,960	-	-	-	-	2,960
Other assets	19,173	5,524	-	-	-	24,697
Prepayments and accrued income	7,796	11,390	-	-	-	19,186
Assets of discontinued activities	121,291	-	-	-	-	121,291
Total assets	938,238	1,311,694	285,562	-	-	2,891,514
Liabilities						
Bankers	-	51,170	-	-	-	51,170
Funds entrusted	562,610	1,225,315	-	-	-	1,787,925
Liabilities in respect of securities	71,490	-	122,248 ¹⁾	-	-	193,738
Deferred tax liabilities	92	-	-	-	-	92
Other liabilities	114,318	9,867	163,314 ¹⁾	(5,422) ²⁾	-	282,077
Accruals and deferred income	6,408	9,234	-	-	-	15,642
Provisions	419	269	-	(269) ²⁾	-	419
Liabilities of discontinued activities	106,282	-	-	-	-	106,282
Shareholders' equity	76,619	15,839	-	(15,839) ²⁾	377,550 ³⁾	454,169
Total liabilities	938,238	1,311,694	285,562	-	-	2,891,514

Figure 12 – Unaudited pro forma balance sheet as per 30 June 2007 Combination

Notes to the balance sheet

1. These pro forma accounting adjustments relate to the derivative positions of Alex held on behalf of its clients account and at the client's risk. In accordance with banking regulations, these positions have to be presented on balance.
2. Adjustment for the acquisition of the estimated net asset value of Alex in accordance with the business sale agreement.
3. The consideration for the acquisition will be financed as follows:

Existing cash resources	20,000
Tax asset on expenses and commissions paid	(2,550)
Shareholders' equity	<u>377,550</u> ^{a)}
	395,000

a) After deduction €7,450 of expenses and commissions relating to the financing of the acquisition (after tax).

4. Assuming the fulfilment of the acquisition, the pro forma goodwill and other identified intangible assets are determined as follows:

Purchase price, including €5,000 acquisition costs	395,000
Estimated net asset value of Alex	<u>(3,000)</u>
Total intangible assets	392,000
Identified intangible assets (customer relationships, core deposits and Alex brand name)	241,544
Pro forma goodwill	<u>150,456</u>
Total intangible assets	392,000

Unaudited pro forma income statement for the six months ended 30 June 2007 Combination

(x €1,000)	BinckBank	Alex	Pro forma accounting adjustments	Pro forma acquisition adjustments	Pro forma PPA and Financing	Pro forma Combi- nation
Revenue						
Interest income	12,266	23,604	-	-	(150) ¹⁾	35,720
Interest expense	(4,633)	(12,834)	-	-	-	(17,467)
Interest	7,633	10,770	-	-	(150)	18,253
Income from other investments	-	-	-	-	-	-
Commission income	33,714	42,140	-	-	-	75,854
Commission expense	(11,321)	(11,232)	-	-	-	(22,553)
Commission	22,393	30,908	-	-	-	53,301
Results on financial transactions	-	-	-	-	-	-
Other income	2,430	-	-	-	-	2,430
Total revenue	32,456	41,678	-	-	(150)	73,984
Expenses						
Staff costs	7,835	10,649	-	-	-	18,484
Other operating expenses	6,495	9,084	-	-	-	15,579
Depreciation and amortisation	837	747	-	-	14,690 ²⁾	16,274
Impairment of other investments	-	-	-	-	-	-
Total expenses	15,167	20,480	-	-	14,690	50,337
Value adjustment to receivables	-	(63)	-	-	-	(63)
Operating profit before tax	17,289	21,261	-	-	(14,840)	23,711
Tax	(4,172)	(5,422)	-	-	3,784 ³⁾	(5,810)
Profit on continuing operations	13,117	15,839	-	-	(11,055)	17,901
Profit on discontinued operations	658	-	-	-	-	658
Net profit	13,775	15,839	-	-	(11,055)	18,559

Figure 13 - Unaudited pro forma income statement for the six months ended 30 June 2007 Combination

Notes to the income statement

1. The adjustment of interest income relates to:
 - a. a decrease of interest income as a result of financing part of the cash consideration with existing cash resources; and
 - b. an increase of interest income as a result of the cash flow arising from the tax saving on the amortisation of Fiscal Goodwill.

The adjustment is calculated at a rate of 4% and is as follows:

Loss of interest income as a result of financing with existing cash resources	(400)
Interest income on cash flow arising from the tax saving on the amortisation of Fiscal Goodwill	250
	<hr/>
	(150)

2. The depreciation and amortisation pro forma adjustment relates to the amortisation charge with respect to the identified intangible assets of Alex. The adjustment is calculated as the six-month pro rata straight-line amortisation of the identified intangible assets over a period of 5 to 10 years.
3. Total pro forma adjustments before tax amount to €14.8 million. Taking into account a tax rate of 25.5%, this results in a pro forma tax adjustment of €3.8 million.

Unaudited pro forma income statement for 2006 Combination

(x €1,000)	BinckBank	Alex	Pro forma accounting adjustments	Pro forma acquisition adjustments	Pro forma PPA and Financing	Pro forma Combi- nation
Revenue						
Interest income	15,837	32,164	-	-	(600) ¹⁾	47,401
Interest expense	(5,052)	(14,244)	-	-	-	(19,296)
Interest	10,785	17,920	-	-	(600)	28,105
Income from other investments	33	-	-	-	-	33
Commission income	54,492	79,447	-	-	-	133,939
Commission expense	(18,691)	(22,469)	-	-	-	(41,160)
Commission	35,801	56,978	-	-	-	92,779
Results on financial transactions	8,208	-	-	-	-	8,208
Other income	855	-	-	-	-	855
Total revenue	55,682	74,898	-	-	(600)	129,980
Expenses						
Staff costs	15,192	17,901	-	-	-	33,093
Other operating expenses	9,589	20,328	-	-	-	29,917
Depreciation and amortisation	1,902	1,603	-	-	29,379 ²⁾	32,884
Impairment of other investments	69	-	-	-	-	69
Total expenses	26,752	39,832	-	-	29,379	95,963
Value adjustment to receivables	-	4	-	-	-	4
Operating profit before tax	28,930	35,062	-	-	(29,979)	34,013
Tax	(5,120)	(10,378)	-	-	8,874 ³⁾	(6,624)
Profit on continuing operations	23,810	24,684	-	-	(21,105)	27,389
Profit on discontinued operations	199	-	-	-	-	199
Net profit	24,009	24,684	-	-	(21,105)	27,588

Figure 14 - Unaudited pro forma income statement for 2006 Combination

Notes to the income statement

1. The adjustment of interest income relates to:
 - a. a decrease of interest income as a result of financing part of the cash consideration with existing cash resources; and
 - b. an increase of interest income as a result of the cash flow arising from the tax saving on the amortisation of Fiscal Goodwill.

The adjustment is calculated at a rate of 4% and is as follows:

Loss of interest income as a result of financing with existing cash resources	(800)
Interest income on cash flow arising from the tax saving on the amortisation of Fiscal Goodwill	200
	<hr/>
	(600)

2. The depreciation and amortisation pro forma adjustment relates to the amortisation charge with respect to the identified intangible assets of Alex. The adjustment is calculated as the straight-line amortisation of the identified intangible assets over a period of 5 to 10 years.
3. Total pro forma adjustments before tax amount to €30.0 million. Taking into account a tax rate of 29.6%, this results in a pro forma tax adjustment of €8.9 million.

8.3 Pro forma accounting adjustments

The financial information of Alex has been prepared on the basis of accounting policies which differ from the Company's accounting policies. This information has been restated to the Company's accounting policies for the material differences that have been identified.

8.4 Pro forma Acquisition adjustments

Adjustments have been made for the Acquisition of the net asset value of Alex in accordance with the business sale agreement. These relate to retained earnings, corporate taxation and provisions for bad debts.

8.5 Pro forma PPA and financing adjustments

Pro forma PPA

IFRS 3 requires all business combinations to be accounted for by applying the purchase method. The Company shall, at the date of the Acquisition, allocate the costs of the Acquisition by recognising Alex' identifiable assets, liabilities and contingent liabilities at their fair values at that date. Actual results will differ from this unaudited pro forma financial information once the Company has completed the valuation studies necessary to finalise the required purchase price allocation and the final purchase price for Alex is known. BinckBank will make these adjustments after closing of the Acquisition.

As part the PPA, acquired assets and (contingent) liabilities are accounted for at fair value. These PPA and financing adjustments are to reflect the allocation of the costs of Acquisition, amounts related to the Company's current and non-current tangible assets, intangible assets (both definite-lived and indefinite-lived (goodwill)), and current and non-current liabilities at an amount equal to the preliminary accounting estimate of their fair values, the amortisation expense related to the estimated identifiable intangible assets, and changes in depreciation and amortisation expenses resulting from the estimated fair value adjustments to net tangible assets and the income tax effect related to the PPA.

The difference between the costs of the Acquisition and the identifiable assets, liabilities or contingent liabilities results in the amount recognised as goodwill. The goodwill will not be amortised. Instead, the goodwill will be tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The identified intangible assets will be amortised over an average period of approximately 5 to 10 years and this amortisation will be included as a non-cash item in the Company's profit and loss statement.

Financing adjustments

The acquisition of Alex will be financed with equity, raised by the Offering described in this Prospectus, combined with debt financing and own cash. The aggregate gross proceeds to the Company of the Offer Shares are expected to amount to €385.0 million.

The related expenses and commissions payable in connection with the Offering amount to approximately €7.5 million net of tax. The net proceeds (€377.5 million) are presented as an increase of share capital and share premium. The unaudited pro forma income statements are based on the assumption that the Offering was completed on 1 January 2006. The remaining part of the consideration for the Acquisition, amounting to €20.0 million, will be financed through own cash.

8.6 Pro forma contingent liability

On 22 December 1995 Bank Labouchere N.V. (later renamed Dexia Bank Nederland N.V.), the previous owner of Alex, and VEB entered into the VEB Agreement. On 28 March 2003, Dexia Bank Nederland N.V. was replaced as a party to the VEB Agreement by Rabobank. The VEB Agreement has recently been amended. Pursuant to the renewed agreement, among other things (i) the product VEB Bottom-Line has been renamed Alex Bottom-Line, (ii) the product offering will be extended, (iii) the services will be offered against a profitable fee instead of against costprice and (iv) the VEB agreed irrevocably that BinckBank will replace Rabobank after the Acquisition.

In case the VEB Agreement, as amended, will be terminated by BinckBank, a repayment will be due for an amount equal to the custody fee and dividend commission that each client of Alex Bottom-Line has paid at the commencement of the client agreement and the amount of custody fees as well as dividend commissions that each client has supplemented when certain limitations were exceeded. This contingent liability could amount to approximately €10 million.

8.7 Auditors' assurance report on pro forma financial information

To: the Management Board of BinckBank N.V.

In accordance with EU Regulation No 809/2004, we report on the compilation of the unaudited pro forma financial information ("**Pro Forma Financial Information**") of BinckBank N.V. (the "**Company**") consisting of the unaudited pro forma balance sheet of the Company as at 30 June 2007, the unaudited pro forma income statement of the Company for the periods ended 31 December 2006 and 30 June 2007 and accompanying notes to the unaudited Pro Forma Financial Information, which is set out in paragraph 8.2 of the Company's prospectus dated 26 November 2007.

The Pro Forma Financial Information has been compiled on the basis described in paragraphs 8.1, 8.3, 8.4 and 8.5 of the Company's prospectus for illustrative purposes only, to provide information about how the acquisition of Alex might have affected the unaudited consolidated balance sheet of the Company as at 30 June 2007 and the unaudited income statement of the Company for the periods ended 31 December 2006 and 30 June 2007. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

Management's responsibility

It is management's responsibility to compile the Pro Forma Financial Information in accordance with the requirements of EU Regulation No 809/2004.

Reporting responsibility

It is our responsibility to form an opinion, as required by Annex II item 7 of EU Regulation No 809/2004, as to the proper compilation of the Pro Forma Financial Information. The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of Alex to the accounting policies of the Company, or the assumptions summarized in the accompanying notes. We are not responsible for updating any reports or opinions previously issued by us for any events that occurred subsequent to the date of our report on the historical financial information used in the compilation of the Pro Forma Financial Information.

Work performed

We conducted our work in accordance with International Standard on Assurance Engagements 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". We planned and performed our work to obtain reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in paragraph 8.2 of the Company's prospectus, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with management of the Company.

Opinion

In our opinion:

- a) The Pro Forma Financial Information has been properly compiled on the basis stated in paragraph 8.1, 8.3, 8.4 and 8.5 of the Company's prospectus to the Pro Forma Financial Information; and
- b) That basis is consistent with the accounting policies of the Company.

Emphasis of matter

We draw the attention to paragraph 8.1 of the Company's prospectus to the Pro Forma Financial Information describing that the Pro Forma Financial Information does not take into account any adjustments for the related party transactions between Alex and Rabobank. In the combined situation, a number of relationships will have to be formalised and/or replaced by other providers which will also affect the income statement of BinckBank. Our opinion is not qualified in respect of this matter.

This report is issued for the sole purpose of the offering of new ordinary shares by granting the existing holders of ordinary shares in the capital of the Company the right to subscribe for the offer shares pro rata to their holdings in the ordinary shares in The Netherlands and the admission of new ordinary shares of the Company to Euronext Amsterdam and other regulated markets in the European Union or European Economic Area. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the rights offering described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the offering to the public of the new ordinary shares of the Company in The Netherlands, Belgium and elsewhere and the listing thereof on Euronext Amsterdam.

26 November 2007

Amsterdam

for Ernst & Young Accountants

signed by N.G.D. Warmer

9. CAPITALISATION AND RATIOS

The DCB requires the Company to maintain a BIS Ratio of 8%. In addition thereto, the Company maintains certain financial ratios.

	9 months ended 30 September 2007	6 months ended 30 June 2007	Financial year ended 31 December 2006
Shareholders' equity	80,176	76,619	71,289
Actual own funds	65,699	61,494	62,841
Risk weighted assets ¹	350,513	338,860	231,817
Tier 1 capital	65,699	61,494	62,841
Tier 1 ratio	18.7%	15.3%	24.6%
BIS Ratio	18.7%	15.3%	24.6%

Notes to the ratios

1. Including risk weighted assets on trading activities

Figure 15 – Ratios

The DCB requires certain minimum capital standards. BinckBank's assets are weighted according to risk factors prescribed by the DCB. The BIS Ratio which is required by the DCB for the banking industry is generally 8%. BinckBank's internal policy is to maintain a BIS Ratio between 12% and 20%.

The international capital adequacy guidelines set out by Basel II have a positive effect for BinckBank's risk weighted assets compared to Basel I. The capital requirements for credit risk will decline as a result of the allowed credit risk mitigation. BinckBank will be subject to additional capital requirements for operational risk. On balance BinckBank will have lower risk weighted assets. Based on Basel II, BinckBank has estimated that it will report stand alone risk weighted assets of 304,490 as at 30 June 2007 and consequently a BIS Ratio of 20.2%. Basel II will be fully implemented in The Netherlands as of 1 January 2008.

As from the Acquisition, the Combination will report its capital requirements based on the Basel II regulations.

See "BinckBank following the Acquisition – Financial impact of the Acquisition" for the Combination's internal capital adequacy policy following the Acquisition, which is based on Basel II.

Liquidity ratio

The guidelines of the DCB relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain of its liabilities. The guidelines impose additional liquidity requirements if the amount of liabilities of a bank with respect to one debtor or group of related debtors exceeds a certain limited amount.

Capitalisation

The following table sets out the Company's consolidated capitalisation as at 30 September 2007.

	(x €1,000)
Total current debt¹	1,095
Guaranteed	-
Secured	1,095
Unguaranteed / unsecured	-
Total non-current debt (excluding current portion of long-term debt)	-
Guaranteed	-
Secured	-
Unguaranteed / unsecured	-
Shareholders' equity	80,176
Share capital ²	3,084
Other reserves	24,963
Unappropriated profit	22,129

Figure 16 – Capitalisation table

Notes to the capitalisation table

1. Next to the liabilities mentioned above, BinckBank has liabilities as stated in its balance sheet concerning liabilities in respect of securities, other liabilities, accruals and deferred income, provisions and pension liabilities. These liabilities are all secured.
2. The Company's authorised share capital amounts to €10,000,005, consisting of 100,000,000 Ordinary Shares with a nominal value of €0.10 each and 50 Priority Shares with a nominal value of €0.10 each. The issued and paid up share capital comprises 30,837,403 Ordinary Shares before the Offering.

10. OPERATING AND FINANCIAL REVIEW

10.1 Overview

BinckBank operates in two different business units: (i) Retail, providing internet brokerage services to retail investors and (ii) Professional Services, providing services to professional investment clients. With regard to its current trading activities, BinckBank has announced to be looking for a possible divestment. These activities are shown as discontinued operations as from mid 2007 in accordance with IFRS 5.

10.2 Basis of financial presentation

The Company's consolidated financial statements for the financial year 2004 have been prepared in accordance with Dutch GAAP. These figures have been adjusted in accordance with IFRS as comparative figures in the financial statements for the financial year 2005. The Company's consolidated financial statements for the financial years 2005 and 2006 have been prepared in accordance with IFRS adopted by the International Accounting Standards Board and adopted by the European Commission.

10.3 Major events since 2004

Effectenbank Binck N.V.

In May 2004, AOT made a strategic acquisition with the purchase of the remaining shares of its subsidiary Effectenbank Binck N.V. As of this date the core business of AOT changed into the brokerage and banking activities of Effectenbank Binck N.V. The aforementioned companies were renamed Binck N.V. and BinckBank N.V. respectively. In 2006, a merger between Binck N.V. and BinckBank N.V. was effected, creating a more efficient organisation and hence establishing cost advantages and further strengthening the Company's financial position.

Divestments trading activities

As of 2004, the following trading activities, among other things, of AOT were divested: AOT Derivatives B.V. (including the Paris branch office), Kweekvijver Holding B.V., AOT Floorbroker B.V., AOT Australia Pty LTD. and HIT. These divestments led to a significant change of the profile of the Company and consequently to significant changes in the financial statements of the Company for the years ended 31 December 2004, 2005 and 2006.

HIT

On 24 July 2006, BinckBank agreed to sell its derivatives trading activities in its subsidiary HIT to Van der Moolen Equities Limited. On 13 October 2006 the divestment of the HIT activities was completed.

Syntel

On 18 October 2006, BinckBank made a strategic acquisition with the purchase of Syntel. Syntel is a leading market player in The Netherlands in software for financial institutions for processing and administrating securities transactions. This acquisition has strengthened BinckBank's position in the market for BPO services because it gives BinckBank the ability to control the technology which lies at the heart of these services and thus helps to assure their continuity. In addition to the existing revenues, BinckBank aims to generate another solid revenue stream with its BPO service in addition to its existing Professional Services revenue stream. Since the acquisition date, Syntel's revenue is accounted for in the Professional Services business unit.

Binck Securities

In April 2007, BinckBank agreed to sell its bond trading activities to Florint. This divestment was completed on 1 October 2007. In its mid year press release BinckBank announced a possible divestment of the remaining share

trading activities in Binck Securities. Consequently, BinckBank reported the activities of Binck Securities in its financial statements as discontinued operations as of 1 July 2007.

10.4 Risk management

Introduction

Given its exposure to various risks in the course of its operations, BinckBank performs risk analysis to gain a better understanding of these risks and to monitor their development. How well the Company monitors and controls risk depends on its organisational structure and the control measures the Company employs. Risk analysis and risk control measures are subjected to internal audit, the results of which are discussed in the meetings of the Management Board, the audit committee of the Supervisory Board (the "**Audit Committee**") and the Supervisory Board as a whole. The risks are described in broad outline under "Risk Factors". In this chapter solely the risks for which BinckBank has risk management in place, are described. Identifying risks and implementing and modifying relevant risk control measures are ongoing processes within BinckBank.

BinckBank's internal audit department (the "**IAD**") performs regular risk analyses and internal audits of the implementation and functioning of the internal control and risk management procedures. The IAD reports its findings to the responsible manager, the Management Board, the Audit Committee and the Supervisory Board. On the basis of the risk analysis, an internal audit plan is prepared and submitted to the Audit Committee for adoption. The plan provides for all identified areas of risk in all business units to undergo an internal audit over a two-year period. The plan also provides for follow-up audits by the IAD to verify that appropriate action has been taken with regard to deficiencies or areas identified in previous audits as requiring attention. The IAD updates the risk analysis annually to reflect new activities, procedures and findings.

Internal audits are performed on a continuous basis with the broad aim of making an informed judgment of the internal management procedures and organisation in the identified areas of risk within BinckBank. These audits, as well as audits initiated by the AFM as supervisory authority, identified several deficiencies, mostly relating to the Company's policies, which have been solved or can be solved in the short-term.

At a more general level, it should be noted that keeping pace with BinckBank's growth represents a significant challenge for system support, and this involves some risks. Several major system modification projects, designed to facilitate future growth, are currently running.

The procedure used by BinckBank is based on an internal cascade system, whereby a statement regarding the functioning of the local internal risk-management procedures and organisation is issued by the local management.

Credit risk

Credit risk is the risk that a party trading a financial instrument and/or the issuer of the instrument will fail to discharge an obligation relating to the instrument and consequently causes BinckBank to incur a financial loss. This credit risk is relevant to the items in the balance sheet included under the headings of banks, loans and receivables and other assets.

BinckBank's activities involve providing loans and receivables. These credits are provided only if secured by readily marketable collateral such as securities and bank guarantees. Given the nature of the loans and the collateral provided, the credit risk is limited. Most of these loans are provided to natural and legal persons in The Netherlands. In the case of loans collateralised by securities, the amounts lent depend on the liquidity and market price of the relevant securities. BinckBank's Risk Management Department is responsible for monitoring lending. This department performs automated monitoring of loans on the basis of real-time prices. The risks in

this form of lending are the risk of a change in the market price of the securities provided as collateral, the risk of computer malfunctioning (operating risk) and the risk of credit monitoring procedures functioning incorrectly (operating risk).

In addition, BinckBank uses funds entrusted to fund loans to banks and corporates, subject to internal limits that have been set for both the level and duration of such lending to approved counterparties. The credit risk resulting from such lending is monitored in the form of periodic credit reviews.

In the case of its institutional brokerage activities, BinckBank is exposed to a credit risk if counterparties fail to discharge their obligations in over-the-counter ("OTC") transactions. Limits have been set for counterparties. Most of these transactions are in shares and bonds. The risk in this respect is managed by monitoring settlements (i.e. by reconciling positions and transactions).

Market risk

Market risk comprises three sorts of risk:

- Currency risk;
- Interest rate risk; and
- Price risk.

Currency risk

Currency risk is the risk that the value of an item denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The following items in the balance sheet are exposed to currency risks: banks, interest-bearing securities, shares and other variable-income securities, other liabilities and funds entrusted.

Currency risks relating to the Company's trading and brokerage activities are hedged as soon as possible in accordance with internal guidelines, unless a currency position is taken as part of a trading strategy that has been approved by the Risk Committee. The currency position is monitored daily in order to ensure that it remains within the set limits, whereby the Company is not exposed to any significant currency risk.

Interest rate risk

Interest rate risk is the risk that future profitability will be affected by fluctuations in interest rates. This risk applies to items in the balance sheet included under the headings of banks, loans and receivables, interest-bearing securities, shares and other variable-income securities, other liabilities and funds entrusted.

BinckBank manages this risk to the extent that it affects its banking activities by ensuring that interest periods on amounts placed with and by the Company are aligned and maintained within certain set limits. The portfolio also contains a balanced spread of differing maturities and includes bonds on which the interest coupons are adjusted periodically.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates and the market prices of securities and derivatives. This risk relates to items in the balance sheet included under the headings of interest-bearing securities, shares and other variable-income securities and other liabilities.

BinckBank has a trading portfolio of shares and derivatives in connection with its trading activities. Fluctuations in prices of securities and derivatives have a direct effect on the value of the trading portfolio and, therefore, on the equity and results of BinckBank. In order to manage the price risks in its trading portfolio, BinckBank has set up an internal system of limits, which are monitored by the Risk Management Department. The Risk Committee meets periodically to discuss and approve the system of limits, the risks in existing positions and limits and

proposals for new trading strategies. The Risk Management Department takes action immediately if any limits are exceeded. This also includes compulsory reporting on all occasions to the responsible member of the Management Board. BinckBank's trading activities sometimes also require it, as a liquidity provider, to purchase or sell securities.

BinckBank has a portfolio of fixed-interest securities (some of which are held as investments to maturity, while others are investments available for sale). The financial instruments held in this portfolio are determined by the Management Board. The value of the portfolio can fluctuate as a result of changes in interest rates and the creditworthiness of the issuers of bonds. BinckBank invests only in fixed-interest securities satisfying internally set limits.

Liquidity risk

Liquidity risk is the risk of a current and future threat to BinckBank's equity and results if the Company were unable at any time to meet its short-term payment commitments without incurring disproportionate costs and/or losses. This risk applies in principle to all assets and liabilities in the balance sheet.

The periods for which deposits and credit balances placed with BinckBank are lent to other parties are limited and are mainly intraday or overnight. This enables the Company to absorb fluctuations in the levels of funds entrusted by clients. The Company determines its liquidity position daily, with all activities being taken into account, so as to ensure that its liquidity risk is monitored and managed.

10.5 Critical accounting policies and accounting estimates

Significant accounting judgements and accounting estimates

The preparation of the financial statements involves making assumptions and accounting estimates on the recognition and valuation of assets and liabilities, contingent rights and liabilities and income and expense items. The most significant assumptions for the future and other key sources of accounting estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, are the accounting estimates made in respect of impairment losses on loans and receivables, other investments and other assets and the measurement of the fair value of certain assets and liabilities and the provisions.

Goodwill

Goodwill acquired in a business combination is carried at cost on initial recognition, measured as the excess of the cost of the business combination over BinckBank's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Subsequently, goodwill is carried at cost less any cumulative impairment losses.

At least once a year BinckBank performs an impairment test on goodwill. This involves estimating the value in use of the cash-generating units to which the goodwill is attributed. In order to estimate the value in use, BinckBank makes an estimate of the expected future cash flows from the cash-generating unit and also determines a suitable discount rate for calculating the present value of those cash flows.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less cumulative amortisation and any cumulative impairment losses. Intangible assets are determined as having either a definite or an indefinite useful life. Intangible assets with a definite useful life are amortised over the useful life and tested for impairment if there are indications that an asset may be

impaired. Amortisation of intangible assets with a definite useful life is presented in the income statement in the cost category appropriate to the function of the asset concerned. Intangible assets with an indefinite useful life are subjected to an annual impairment test, either individually or at the level of the cash-generating unit. These intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reassessed annually.

Costs of research and development

Research costs are recognised as incurred. An intangible asset which results from development costs incurred on an individual project is only recognised if BinckBank can show that completion of this intangible asset is technically feasible, that it will bring future economic benefits and that it is possible to measure the costs incurred during development reliably. After initial recognition of the development costs, the asset is carried at cost less any cumulative amortisation and cumulative impairment losses. Any such capitalised costs are amortised over the period in which the expected future sales from the project concerned are to be realised. The carrying amount of the development costs is tested for impairment annually if the asset is not yet in use or more frequently if there are indications of impairment during the year.

Determination of fair value

The fair value of a financial instrument is based on the market price if there is an active market for that instrument. Financial assets are carried at the bid price, financial liabilities are carried at the offer price and 'risk off-setting' positions are carried at the mid-price, excluding transaction costs. If no market price is available, the fair value of the financial instrument is estimated on the basis of the most recent commercial transactions in the market or the current market value of another, essentially similar, instrument or by using pricing models or by determining the present value of the cash flows.

Impairment of financial assets

At each balance sheet date, BinckBank assesses whether there is objective evidence of impairment of financial assets individually or groups of financial assets collectively. If impairment is indicated, the amount of any impairment loss is determined as follows: (i) held-to-maturity investments and loans and receivables and (ii) available-for-sale assets.

(i) Held-to-maturity investments/loans and receivables

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the income statement. If the amount of an impairment loss subsequently decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, providing the carrying amount of the asset does not exceed the amortised cost at the reversal date.

(ii) Available-for-sale financial assets

If an available-for-sale financial asset is impaired, an amount equal to the difference between its acquisition cost (net of any repayments of principal and any amortisation) and current fair value less any impairment losses previously recognised in profit or loss is transferred from equity to the income statement. Reversals of impairment losses relating to equity instruments classified as available for sale are not recognised through profit or loss. Reversals of impairment losses relating to debt instruments are reversed through the income statement if the increase in the fair value of the instrument can be objectively related to an event occurring after the previous impairment loss was recognised in the income statement.

Clients' derivatives

BinckBank executes derivatives transactions on behalf of its clients and holds the resultant positions for the client's account and at the client's risk. Financial settlement with the clients concerned in respect of such transactions and positions is effected immediately. The clients have lodged adequate collateral with BinckBank to cover the positions held.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax facilities and unused tax loss carry-forwards when it is probable that taxable profits will be available against which the deferred tax asset can be utilised, enabling the deductible temporary differences, unused tax facilities and unused tax loss carry-forwards to be used. The carrying amount of the deferred tax assets is assessed at the balance sheet date and reduced if it is not probable that sufficient taxable profits will be available against which some or all of the deferred tax assets can be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and recognised to the extent that it is probable that taxable profits will be available in the future against which the deferred tax asset can be utilised. Deferred tax assets and liabilities are carried at the tax rates expected to be applicable to the period in which the asset is realised or the liability is settled, based on enacted tax rates and applicable tax law. The tax on items recognised directly in equity is accounted for directly in equity instead of in the income statement. Deferred tax assets and liabilities are presented as a net amount if there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and the deferred tax is related to the same taxable entity and the same tax authority.

10.6 Major factors affecting the Company's results

BinckBank believes that the following factors have had and will continue to have a material effect on BinckBank's results from operations and financial condition.

Interest

For BinckBank the interest margin is a substantial and growing part of its income. The net interest margin is basically the difference between (i) the interest paid (expense) to funds entrusted and call money and (ii) the interest received (income) on clients' overdrafts, call money and interest on financial assets (bond portfolio). Effective April 2007, the interest paid is largely depending on a fixed percentage of the funds entrusted, while the interest received is largely depending on clients willing to use overdrafts (depending on financial market circumstances) and the development of the interest curve (difference in interest on short-term versus long-term). The total interest income is in itself becoming more important to BinckBank as a source of income. This income itself is depending on the development of the interest curve and the perception of clients of the developments of the financial markets.

Commission

Commission comprises fees for services performed for and by third parties in respect of securities transactions and related services. The commission depends on (i) the development in the field of fee structure in the market, (ii) the development of the Company's client base and (iii) the development of the transactions executed on behalf of the Company's clients. As an online bank the core activity of BinckBank is brokerage. Therefore BinckBank is heavily depending on the commission income from securities transactions. BinckBank is active in a very competitive environment in which competition on fees is very common. The fees BinckBank calculates to its clients compared to the fees calculated by competitors is in itself an important factor in the development of the client base of BinckBank next to, for example, service level. As BinckBank distinguishes itself as being a discount online for self-supporting investors aiming at the more active investors, it automatically attracts clients who are cost aware and also who are in general very active (as for them the fee difference is of significant

relevance). The average activity of clients with respect to executed securities transactions depends on financial market circumstances.

Results on financial transactions

These are the results accomplished on transactions in the trading portfolio for the account and risk of BinckBank. The trading activities are basically an activity established in the past, which is as of mid 2004 no longer a strategic core activity. Therefore the overall size of the results of financial transactions has decreased substantially over the last few years. In 2004 and 2005, all non-profitable trading activities were made redundant, while in 2006 and 2007 some remaining profitable trading activities were sold or are being hived off. The overall importance of results of financial transactions for BinckBank is therefore diminishing. The results of financial transactions for the remaining trading activities are depending on market circumstances and the trading strategies used by the Company's traders.

Other income

In October 2006, BinckBank acquired Syntel which is active in the field of selling software and corresponding consultancy in the field of processing and administrating securities transactions and related payments to financial institutions in The Netherlands. This income is categorised as 'other income'. The other income is depending on developments by clients and potential clients (mid and smaller sized banks in The Netherlands and Belgium) in expenses for software development.

Staff costs

The largest expense for BinckBank is staff costs. The development of staff costs depends on the growth of the number of staff and their remuneration. Even though BinckBank has thoroughly automated many processes thoroughly, BinckBank needs to grow its staff level based on the growth and diversification of its activities and client base.

Other operating expenses

Other operating expenses comprise the costs concerning marketing, lease of the premises, ICT, costs for providing of information (for example quotes and news), service contracts and other overhead costs. As the activities and client base of BinckBank grew rapidly over the last years, the other operating expenses grew as well. The business model of BinckBank is, based on automation, a scalable model and over time the cost income ratio has therefore improved.

Tax

BinckBank has unused tax losses of approximately €21.1 million through its subsidiary Binck België as per 31 December 2006. In 2006, a deferred tax asset of approximately €2.9 million was recognised (via the income statement) for the carry forward of unused tax losses based on expected taxable profits in the future. The remaining unused tax losses shall be recognised to the extent that it is probable that future taxable profit in Binck België will be available.

Business adjustments

BinckBank is active in a competitive environment and has transformed itself since 2004 from trading for its own account to an online bank for investors. Hence, changes in income and costs have occurred with (i) divesting part of the trading activities (2004 to 2007), (ii) termination of the wholesale brokerage activities (2005 to the beginning of 2006) and (iii) the acquisition of Syntel (2006). Further, due to strong growth as of 2006, the activities for professional clients have been separated from the Retail business unit into a separate business unit, Professional Services.

10.7 Results from operations

10.7.1 Consolidated results

The figure below gives the income statement for the six-month period ended 30 June 2007 compared to the six-month period ended 30 June 2006.

Income statement (x €1,000)	Six months ended 30 June 2007	Six months ended 30 June 2006
Revenues	32,456	23,671
Expenses	(15,167)	(9,042)
Profit before tax	17,289	14,629
Tax	(4,172)	(3,983)
Profit on continuing operations	13,117	10,646
Profit on discontinued operations	658	585
Net profit	13,775	11,231
Cost/income ratio	46.7%	38.2%
Figures per Ordinary Share		
EPS	€0.45	€0.37
Dividend per Ordinary Share	€0.14	€0.11
Number of transactions	1.4 million	1.1 million
Assets under Administration (x € billion)	3.4	2.1
Number of clients	68,500	45,900

Figure 17 – Income statement for the six months ended 30 June 2007 and 30 June 2006

The figure below gives the income statement for the financial years ended 31 December 2006, 2005 and 2004. The differences in the below statement for the 2005 figures relate to adjustments made for the activities which have been discontinued in 2006. The 2004 figures have not been adjusted for the discontinued operations of 2006.

Income statement (x €1,000)	From 2006 annual report		From 2005 annual report	
	2006	2005	2005	2004
Revenues	55,682	44,113	50,191	39,965
Expenses	(26,752)	(26,322)	(31,521)	(35,051)
Profit before tax	28,930	17,791	18,670	4,914
Tax	(5,120)	(4,879)	(5,142)	(1,606)
Profit on continuing operations	23,810	12,912	13,528	3,308
Profit on discontinued operations	199	616	-	-
Net profit	24,009	13,528	13,528	3,308
Cost/income ratio	48.0%	59.7%	62.8%	87.7%
Figures per Ordinary Share				
EPS	€0.79	€0.45	€0.45	€0.10
Dividend per Ordinary Share	€0.40	€0.22	€0.22	€0.05
Number of transactions	2.1 million	1.2 million	1.2 million	0.5 million
Assets under Administration (x € billion)	2.7	1.6	1.6	0.7
Number of clients	54,100	32,800	32,800	19,900

Figure 18 – Income statement for the financial years 2006, 2005 and 2004

10.8 Comparison of the six months ended 30 June 2007 and the six months ended 30 June 2006

10.8.1 Consolidated income statement

	1 January 2007 – 30 June 2007 (x €1,000)	1 January 2006 – 30 June 2006 (x €1,000)
Revenues		
Interest income	12,266	6,466
Interest expense	(4,633)	(1,687)
Interest	7,633	4,779
Commission income	33,714	28,413
Commission expense	(11,321)	(9,521)
Commission	22,393	18,892
Other income	2,430	-
Total revenues	32,456	23,671
Expenses		
Staff costs	(7,835)	(4,143)
Other operating expenses	(6,495)	(4,145)
Depreciation and amortisation	(837)	(754)
Total expenses	(15,167)	(9,042)
Operating profit before tax	17,289	14,629
Tax	(4,172)	(3,983)
Profit on continuing operations	13,117	10,646
Profit on discontinued operations	658	585
Profit	13,775	11,231
EPS from continuing operations	€0.43	€0.35
EPS from discontinued operations	€0.02	€0.02
EPS	€0.45	€0.37
Cost/income ratio	46.7%	38.2%
Number of transactions	1.4 million	1.1 million
Assets under Administration (x € billion)	3.4	2.1
Number of clients	68,500	45,900

Figure 19 – Income statement for the six months ended 30 June 2007 and 30 June 2006

The first six months of 2007 were characterised by robust growth, with all business units contributing to the profit of €13.8 million. In compliance with the requirements of IFRS 5, the results of the trading activities have been presented as profit on discontinued operations based on discussions with management of the trading activities concerning a possible management buy-out. By hiving off all the trading activities BinckBank will be able to concentrate on expanding the core business units Retail and Professional Services.

Total expenses increased to €15.2 million compared to €9.0 million in the first half of 2006 (+67.7%). The relatively large increase in expenses is related to the costs connected with its expansion of the Belgian operations, where the cost/income ratio is still on the high side at its early stage of development, a structural change in the cost/income ratio due to the acquisition of Syntel in the fourth quarter of 2006 and, to a lesser extent, to start-up costs for new operations in France and for the BPO activities. The combined effect was a rise in the cost/income ratio to 46.7% compared to 38.2% for the corresponding period last year.

Interest

The higher interest margin reflects the positive margin that was realised on the incremental funds entrusted following an increased client base.

Commission

The increase in commission was generated by a strong volume growth of the number of transactions driven by the larger client base. The number of transactions per client decreased in the first half of 2007 compared to the first half of 2006 caused by exceptional market circumstances in the first half of 2006. The adverse effect of the cut in the rates charged for the execution of securities transactions was more than mitigated by the volume growth. Custody fees, as part of commissions, increased as a result of the increased Assets under Administration.

Other income

Other income comprises amounts charged to third parties during the year in respect of goods and services supplied relating to hardware and software. This income was generated by Syntel, which was acquired in October 2006 and is as such a new item in the results.

Staff costs

Staff costs increased sharply compared to the first six months of 2006. This was largely due to the activities of Syntel which are included in the 2007 consolidated figures but not in the 2006 figures and the increase in staff numbers necessary to facilitate the growth of the Company. Furthermore, the figures include the cost of the start up operation in France.

Other operating expenses

The increase of the other operating expenses is largely attributable to the activities of Syntel which are included in the 2007 consolidated figures but not in the 2006 figures. Furthermore, there were additional costs relating to start up operation in France.

Depreciation and amortisation

Depreciation and amortisation costs in 2007 are higher due to the inclusion of the activities of Syntel and the amortisation of the newly recognised intangibles fixed assets identified at the date of the acquisition of Syntel in October 2006.

Tax

The tax burden in the first half of 2007 declined compared to the first half of 2006. This was the combined effect of a reduction in the top rate of tax in The Netherlands from 29.6% to 25.5% and a recognition of additional deferred tax assets of €0.3 million in respect of tax loss carry forwards in Belgium.

10.8.2 Consolidated balance sheet

Balance sheet 30 June 2007 compared to 31 December 2006

	30 June 2007 (x €1,000)	31 December 2006 (x €1,000)
Assets		
Cash	11,104	5,672
Banks	277,600	159,546
Loans and receivables	332,175	216,332
Interest-bearing securities	37,698	57,492
Shares and other variable-income securities	106,648	75,676
Other investments	29	29
Intangible assets	12,397	11,511
Property, plant and equipment	3,436	2,613
Tax	5,931	4,933
Deferred tax assets	2,960	2,963
Other assets	19,173	20,258
Prepayments and deferred income	7,796	4,931
Assets of discontinued operations	121,291	58,653
Total assets	938,238	620,610
Equity and liabilities		
Funds entrusted	562,610	383,543
Liabilities in respect of securities	71,490	32,739
Deferred tax liabilities	92	109
Other liabilities	114,318	82,848
Accruals and deferred income	6,408	5,213
Provisions	419	445
Liabilities of discontinued operations	106,282	44,424
Shareholders' equity		
- Share capital	3,084	3,084
- Share premium	20,855	20,855
- Repurchased shares	(504)	(956)
- Unappropriated results	13,775	24,009
- Other reserves and retained earnings	39,409	24,297
	76,619	71,289
Total equity and liabilities	938,238	620,610

Figure 20 – Balance sheet 30 June 2007 compared to 31 December 2006

Total assets

Total assets increased from €620.6 million to €938.2 million (+51.2%) during the first six months of 2007. 'Loans and receivables' and 'banks' were up by €115.8 million and €118.1 million respectively. This reflected the growth of the business in terms of number of clients and value of the funds entrusted.

Discontinued activities

In connection with the planned divestment of the trading activities, these activities (including the activities of HIT in 2006) have been presented as assets and liabilities on discontinued operations in compliance with IFRS 5.

Banks

This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by the bank regulators. At 30 June 2007, the item 'banks' was equal to €277.6 million, an increase of €118.1 million compared to the €159.5 million at 31 December 2006. The increase was largely resulting from higher investments in money market loans to banks following increased funds entrusted by clients.

Loans and receivables

The increased 'loans and receivables' were mainly caused by an increase in the receivables of clients with an amount of €89.8 million. This increase in receivables of clients was a consequence of the total increase of the number of clients of BinckBank. Also the interest-bearing call money increased by €26.0 million as a result of the higher funds entrusted by private clients.

Interest-bearing securities

Interest bearing securities decreased during the first six months of 2007 as a result of redemptions. These funds were mainly re-invested in money market loans to banks.

Shares and other variable-income securities

'Shares and other variable-income securities' comprises the long option positions held for clients in BinckBank's name for the account and risk of the relevant clients. The increase was caused by the increase in the number of clients and trading opportunities.

Intangible assets

The intangible assets mainly relate to goodwill in connection with the acquisition of Syntel and other intangible assets recognised at the moment of acquisition. The total amount of intangible assets relating to the acquisition of Syntel was €9.8 million. Furthermore, intangible assets comprise software and development costs.

Tax

All income tax assessments up to and including the year 2004 have been settled. The receivable relates to income tax for the years 2005 until the 6 month period ended 30 June 2007.

Deferred tax assets

The movement in the deferred tax assets is a result of the decrease relating to the results achieved in the first six months of 2007 and an increase caused by a reassessment of the deferred tax assets as a result of improved profitability of the Belgian operation.

Other assets

For the greater part this item relates to receivables in respect of securities transactions. It takes approximately three days to settle a security purchase. During this period the securities are shown in the balance of BinckBank, although results coming forward from these positions are for the account of the clients.

Funds entrusted

The higher amount of funds entrusted was mainly due to the large increase of the number of clients.

Liabilities in respect of securities

'Liabilities in respect of securities' comprises the short option positions held for clients. The increase was caused by the increase in the number of clients and by possible trading opportunities.

Other liabilities

The increase in the first six months in 2007 was mainly due to the fact that long derivative positions held for clients increased. BinckBank cannot directly influence this position, since this is depending on investment decisions of clients. The increase is mainly caused by the higher number of clients.

Accruals and deferred income

The increase in this line is mainly due to a higher interest accrual as a result of the growth of the volume of funds entrusted by clients.

10.8.3 By segment

Business unit Retail

Income statement – Retail	Six months ended	Six months ended	Change %
(x €1,000)	30 June 2007	30 June 2006	
Revenues	24,959	20,294	23.0
Expenses	(10,143)	(6,913)	46.7
Profit before tax	14,816	13,381	10.7
Cost/income ratio	40.6%	34.1%	
Number of transactions	1,258,200	973,600	29.2
Assets under Administration (x € billion)	2.3	1.5	53.3
Number of clients	62,200	41,600	49.5

Figure 21 – Income statement for the six months ended 30 June 2007 and 30 June 2006 Retail

Retail posted a profit before tax of €14.8 million in the first half of 2007 compared to €13.4 million for the corresponding period last year (+10.7%). Revenues increased to €25.0 million compared to €20.3 million in the first half of 2006 (+23.0%). Total expenses in the first half of 2007 increased by 46.7% to €10.1 million, compared to €6.9 million in the corresponding period last year. The relatively large increase in expenses was connected with start-up costs for new operations in France and costs connected with the expansion of the Belgian operations, where the cost/income ratio is still relatively high at this early stage.

The total number of Retail clients increased in the first half of 2007 to 62,200, including 9,800 Belgian clients, compared to 41,600 in the corresponding period last year (+49.5%). Retail clients generated around 1,258,200 transactions in the first half of 2007 (including approximately 141,000 transactions in Belgium) compared to around 973,600 in the corresponding period last year (+29.2%).

At the end of the first half of the year, Retail clients' Assets under Administration totalled €2.3 billion compared to €1.5 billion last year (+53.3%). Client assets in Belgium already totalled €316 million at the end of the first half. The interest margin increased by 60.1% to €6.6 million compared to €4.1 million in the corresponding period in 2006.

Business unit Professional Services

Income statement – Professional services (x €1,000)	Six months ended 30 June 2007	Six months ended 30 June 2006	Change %
Revenues	7,497	3,377	122.0
Expenses	(5,024)	(2,129)	136.0
Profit before tax	2,473	1,248	98.2
Cost/income ratio	67.0%	63.0%	
Number of transactions	126,800	110,900	14.3
Assets under Administration (x € billion)	1.1	0.6	83.3
Number of clients	6,300	4,300	46.5

Figure 22 – Income statement for the six months ended 30 June 2007 and 30 June 2006 Professional Services

The figures for Syntel have been included in the consolidation and have been presented as part of the results of Professional Services with effect from the beginning of 2007. The comparative figures for the first half of 2006 have not been restated to include Syntel's results. In the first half of 2007, Syntel generated total revenues of approximately €3.5 million, before elimination of activities performed on behalf of BinckBank, with total expenses amounting to €2.8 million, resulting in a profit contribution of approximately €0.7 million.

Professional Services achieved a profit before tax of €2.5 million in the first half of 2007 compared to €1.2 million in the corresponding period last year (+98.2%). Revenues increased to €7.5 million compared to €3.4 million in the first half of 2006 (+121.9%). Total expenses rose by 135.9% to €5.0 million, compared to €2.1 million in the first half of 2006.

The total number of private investors with a securities account administered by BinckBank through its professional clients increased in the first half of 2007 to 6,300 compared to 4,300 at the end of the first half of 2006 (+46.5%). These clients generated approximately 126,800 transactions compared to approximately 110,900 in the first half of 2006 (+14.3%).

At the end of the first half of 2007, client assets totalled in excess of €1.1 billion compared to €0.6 billion for the corresponding period last year (+83.3%). The interest margin increased by 57.4% to €1.0 million compared to €0.6 million in the first half of 2006.

*Trading activities***Income statement – trading activities**

(x €1,000)	Six months ended 30 June 2007	Six months ended 30 June 2006	Change %
Revenues	5,134	12,345	(58.4)
Expenses	(4,257)	(11,513)	(63.0)
Profit before tax	877	832	5.4

Figure 23 – Income statement for the six months ended 30 June 2007 and 30 June 2006 trading activities

The 2006 profit of approximately €0.3 million before tax posted by the former subsidiary HIT should be noted when comparing the figures.

The profit before tax for the trading activities amounted to €0.9 million in the first half of 2007 compared to €0.8 million in the first half of 2006 (+5.4%). Revenues in the first half of 2007 amounted to €5.1 million compared to €12.3 million in the corresponding period last year (–58.4%). Total expenses fell to €4.3 million compared to €11.5 million in the first half of 2006 (–63.0%). The sharp decline in both revenues and expenses is largely as a result of the discontinuation of the HIT operations in the first half of 2006.

10.9 Comparison of the year ended 31 December 2006 and the year ended 31 December 2005

10.9.1 Consolidated income statement

	31 December 2006 (x €1,000)	31 December 2005 (x €1,000)
Revenue		
Interest income	16,226	8,269
Interest expense	(5,441)	(2,244)
Interest	10,785	6,025
Income from other investments	33	7
Commission income	54,492	34,090
Commission expense	(18,691)	(11,521)
Commission	35,801	22,569
Results on financial transactions	8,208	15,512
Other income	855	-
Total revenue	55,682	44,113
Expenses		
Staff costs	15,192	16,612
Other operating expenses	9,589	8,127
Depreciation and amortisation	1,902	1,575
Impairment of other investments	69	8
Total expenses	26,752	26,322
Operating profit before tax	28,930	17,791
Tax	(5,120)	(4,879)
Profit on continued activities	23,810	12,912
Profit on discontinued activities	199	616
Profit for the year	24,009	13,528
Attributable to Shareholders:	24,009	13,609
Minority interests	-	(81)
	24,009	13,528
EPS		
EPS on continued activities	€0.78	€0.43
EPS on discontinued activities	€0.01	€0.02
EPS	€0.79	€0.45
Cost/income ratio	48.0%	59.7%
Number of transactions	2.1 million	1.2 million
Assets under Administration (x € billion)	2.7	1.6
Number of clients	54,100	32,800

Figure 24 – Income statement for the financial years 2006 and 2005

The net profit in 2006 amounted to €24.0 million, from €13.5 million in 2005 (+77.5%). The net profit includes a non-recurring tax benefit of €2.9 million which relates to the recognition of a deferred tax asset for the carry forward of unused tax losses in Belgium and non-recurring income of €0.2 million in the form of amounts released from a provision for loss-making contracts and a €0.2 million release of a tax provision which had been overestimated in the past. As the 2005 figures include non-recurring net income of approximately €1.3 million, the profit growth adjusted for non-recurring items amounted to 69.7%.

Total revenues rose to €55.7 million from €44.1 million in 2005 (+26.2%). Total expenses were only marginally higher, rising to €26.8 million compared to €26.3 million in 2005 (+1.6%). This modest growth in expenses reflects the sale of HIT's activities, the tight focus on cost control and the high-level of IT. The net effect in 2006 was the improvement of the cost/income ratio to 48.0% (2005: 59.7%).

Interest

The increased interest margin was due to the growth in funds entrusted and interest income. The interest rates BinckBank calculates on the funds entrusted by clients (interest expense) and the receivables relating to cash equivalents, client overdrafts and interest-bearing securities (interest income) are based on market rates which rose during 2006. This led to both the interest income and expense being higher when compared to 2005.

Commission

The increase in commission was due to the higher number of transactions, based on both the growth of the client base and the increase of trades per client supported by favourable market circumstances. Although the average price per transaction slightly deteriorated, the strong volume growth caused a large increase in commission. The commission expense as a percentage of the commission income stayed more or less stable at 34.0%.

Results on financial transactions

Included under this heading are the proprietary trading results. Due to increased competition some of the very profitable trading strategies of 2005 could not be continued at a same level of profitability in 2006. As a result the 2006 results on financial transactions were unable to match the strong figure of 2005.

Other income

Other income comprises amounts charged to third parties during the year in respect of goods and services supplied relating to hardware and software. This income was generated by the subsidiary Syntel acquired in 2006 and therefore relates only to the period 18 October 2006 to 31 December 2006.

Staff costs

Although the average number of staff increased from 167 in 2005 to 195 in 2006, the total staff costs were lower compared to 2005. The salary and social security components in the staff costs increased as a consequence of the increased number of staff with €1.9 million. However, the 2006 variable remuneration was down sharply compared to 2005 as a result of the lower results on financial transactions. Consequently the total staff costs decreased with €1.4 million.

Other operating costs

The increase of the other operating costs was due to increased marketing activities in 2006. The marketing costs grew from €2.4 million in 2005 to €4.0 million in 2006.

Tax

Taxation includes a non-recurring tax saving of €2.9 million in respect of a partly capitalised tax loss in Belgium of approximately €21.1 million (as at year-end 2006) and €0.2 million released from a tax provision which had been overestimated in the past.

10.9.2 Consolidated balance sheet

Balance sheet 2006 compared to 2005

	31 December 2006 (x €1,000)	31 December 2005 (x €1,000)
Assets		
Cash	5,672	7,685
Banks	164,617	171,113
Loans and receivables	216,332	124,764
Interest-bearing securities	67,828	42,427
Shares and other variable-income securities	100,613	120,656
Other investments	29	88
Intangible assets	11,511	1,051
Property, plant and equipment	2,613	1,829
Tax	5,443	4,870
Deferred tax assets	2,963	-
Other assets	38,020	21,010
Prepayments and accrued income	4,969	3,184
Total assets	620,610	498,677
Equity and liabilities		
Funds entrusted	383,543	235,836
Liabilities in respect of securities	60,494	111,353
Deferred tax liabilities	109	-
Other liabilities	96,737	84,031
Accruals and deferred income	7,993	11,699
Provisions	445	512
Shareholders' equity		
- Share capital	3,084	3,084
- Share premium	20,855	20,855
- Repurchased shares	(956)	(1,121)
- Unappropriated results	24,009	13,609
- Other reserves and retained earnings	24,297	18,819
	71,289	55,246
Total equity and liabilities	620,610	498,677

Figure 25 – Balance sheet for the financial years 2006 and 2005

Total assets

Total assets increased from €498.7 million in 2005 to €620.6 million in 2006 (+24.5%). The largest increase in total assets concerned the item 'loans and receivables', up by €91.6 million. This was mainly due to the growth of the business in terms of the value of funds entrusted and client overdrafts.

Banks

At year end 2006, the item 'banks' was equal to €164.6 million, a decrease of €6.5 million compared to €171.1 million of 2005. This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by the bank regulators.

Loans and receivables

This item mainly comprises receivables from clients that are collateralised by securities and/or bank guarantees, private sector call money and public sector loans. The increased 'loans and receivables' were mainly caused by an increase in the receivables of clients with an amount of €69.0 million. This increase in receivables of clients was a consequence of the total increase of the number of clients of BinckBank. In addition, the interest-bearing call money increased by €22.5 million as a result of higher funds entrusted by clients.

Interest-bearing securities

The larger amount of funds entrusted enabled BinckBank to increase the total amount in interest-bearing securities contributing to higher interest income.

Shares and other variable-income securities

At the end of 2006 the securities held in the trading portfolio were significantly lower than per the end of 2005. The total trading portfolio is a balance of long and short positions. In 2005 also the short positions accounted for under 'liabilities in respect of securities' was significantly higher than in 2006. The balance of long and short positions was in 2006 as well as in 2005 within the boundaries of the internal Company guidelines. The variance in volume of long and short positions is caused by trading opportunities.

Intangible assets

The increase of intangible assets was mainly due to the acquisition of Syntel. The goodwill paid as well as the intangible assets recognised at the moment of acquisitions are reported in this line. The total amount of intangible assets relating to the acquisition of Syntel was €9.8 million.

Property, plant and equipment

Next to the increase in this balance item due to the acquisition of Syntel, also the increase in business activities caused additional investments.

Tax

All income tax assessments up to and including the year 2003 are settled. The receivable relates to income tax for the years 2004 up to and including 2006.

Deferred tax assets

In 2006, a deferred tax asset in Binck België has been recognised for the carry forward of unused tax losses to the extent that future taxable profit will be available. The expected return of profitability of Binck België resulted in the recognition of tax loss carry forwards amounting to €2.9 million. The total unused tax losses as at year-end 2006 amounted to €21.1 million (2005: €22.4 million).

Other assets

The increase in this line was due to high purchases of securities by banking clients in the last few days before year-end. It takes approximately three days to settle a security purchase. During this period the securities are shown in the balance of BinckBank, although results coming forward from these positions are for the account of the clients.

Funds entrusted

The higher amount of funds entrusted was due to the large increase of the number of clients. Also the average amount of funds entrusted per client slightly increased in 2006.

Liabilities in respect of securities

At the end of 2006 the securities held in the trading portfolio were significantly lower than as at the end of 2005. The total trading portfolio is a balance of long and short positions. In 2005 also the long positions accounted for under 'Shares and other variable-income securities' was significantly higher than in 2006. The balance of long and short positions was in 2006 as well as in 2005 within the limits of Company guidelines. The variance in volume of long and short positions is caused by possible trading opportunities.

Other liabilities

The increase in 2006 was mainly due to the fact that long derivative positions held for clients increased. BinckBank cannot directly influence this position, since this is depending on investment decisions of clients. The increase is mainly caused by the higher number of clients.

Accruals and deferred income

The decrease in this line was mainly caused by the lower accrual for staff costs of approximately €4.5 million. The staff costs under this heading largely comprise staff bonuses payable. Due to the lower result on financial transactions in the business line proprietary trading less bonuses to personnel were awarded.

10.9.3 By segment

Business unit Retail

Income statement – Retail (x €1,000)

	2006	2005	Change %
Revenues	39,287	23,401	67.9
Expenses	(13,937)	(9,493)	46.8
Profit before tax	25,350	13,908	82.3
Cost/income ratio	35.5%	40.6%	
Number of transactions	1,894,300	1,019,300	85.8
Assets under Administration (x € billion)	1.9	1.1	72.7
Number of clients	48,700	29,200	66.8

Figure 26 – Income statement for the financial years 2006 and 2005 Retail

Reflecting the explosive growth in the number of clients and the number of transactions they generate, the Retail business unit again contributed the larger part of the result, posting pre-tax profit of €25.4 million, compared to €13.9 million in 2005 (+82.3%).

The total number of retail clients grew to 48,700, from 29,200 as at year-end 2005 (+66.8%). Together they generated 1.9 million transactions, compared to 1.0 million in 2005 (+85.8%).

As at year-end 2006, BinckBank in Belgium had 5,200 clients who together generated 78,200 transactions. Assets under Administration in Belgium as at year-end 2006 amounted to €141 million.

Business unit Professional Services

Income statement – Professional Services

(x €1,000)	2006	2005	Change %
Revenues	7,794	5,421	43.8
Expenses	(4,974)	(4,881)	1.9
Profit before tax	2,820	540	422.2
Cost/income ratio	63.8%	90.0%	
Number of transactions	222,000	144,700	53.4
Assets under Administration (x € billion)	0.8	0.5	60.0
Number of clients	5,400	3,600	50.0

Figure 27 – Income statement for the financial years 2006 and 2005 Professional Services

Professional Services generated an explosive growth in pre-tax profit to €2.8 million, compared to €0.5 million in 2005 (+422.2%).

Expenses in 2005 included approximately €1.2 million in respect of terminated wholesale activities, compared to approximately €500,000 in 2006. Further approximately 600 former retail clients (*Rendementrekening*) are now included in the Professional Services client base.

Trading activities

Income statement – trading activities

(x €1,000)	2006	2005	Change %
Revenues	8,601	15,291	(43.8)
Expenses	(7,841)	(11,948)	(34.3)
Profit before tax	760	3,343	(77.3)
Cost/income ratio	91.2%	78.1%	

Figure 28 – Income statement for the financial years 2006 and 2005 trading activities

Total revenues decreased from €15.3 million to €8.6 million in 2006 (-43.8%). Expenses decreased from €11.9 million to €7.8 million (-34.3%), mainly caused by a reduction in performance-related bonuses.

10.10 Comparison of the year ended 31 December 2005 and the year ended 31 December 2004

10.10.1 Consolidated income statement

	2005 (x €1,000)	2004 (x €1,000)
Revenue		
Interest income	8,269	3,937
Interest expense	(2,244)	(973)
Interest	6,025	2,964
Income from other investments	(1)	2,754
Commission income	34,090	25,005
Commission expense	(11,521)	(9,604)
Commission	22,569	15,401
Results on financial transactions	21,598	18,846
Other income	-	-
Total revenue	50,191	39,965
Expenses		
Staff costs	20,674	21,968
Other operating expenses	9,210	10,888
Depreciation and amortisation	1,637	2,195
Total expenses	31,521	35,051
Operating profit before tax	18,670	4,914
Tax	(5,142)	(1,606)
Profit for the year	13,528	3,308
Attributable to:		
Shareholders	13,609	2,808
Minority interests	(81)	500
	13,528	3,308
EPS	€0.45	€0.10
Cost/income ratio	62.8%	87.7%
Number of transactions	1.2 million	0.5 million
Assets under Administration (x € billion)	1.6	0.7
Number of clients	32,800	19,900

Figure 29 – Income statement for the financial years 2005 and 2004

The net profit in 2005 was €13.5 million, compared to €3.3 million in 2004. The Retail business unit made the largest contribution to the result, adding €10.7 million to net profit, compared to €3.8 million in 2004. The wholesale business unit posted a loss of €0.8 million after corporation tax, compared to a profit of €0.6 million in 2004. The trading activities reported a net profit of €3.6 million, compared to a loss of €1.1 million in 2004. When comparing the result with the 2004 figure, it should be noted that the trading activity's profit for that year was adversely affected by substantial non-recurring reorganisation charges.

The 2005 result includes non-recurring income in the form of a liquidation payment from the Dutch Stock Exchange Association Foundation (*Stichting Vereniging voor de Effectenhandel*) of around €580,000 and the non-recurring release of approximately €700,000 from tax provisions in favour of the trading activities.

Interest

The increased interest margin was due to the growth in the funds entrusted and the positive margin obtained on the incremental funds entrusted.

Income from other investments

This item comprises dividends received and realised changes in the fair value of other investments. In 2004, securities and participating interest included the dividend on and proceeds of the sale of the shares in The London Stock Exchange (€2.7 million).

Commission

The increase in commission was due to the higher number of transactions. Although the average price per transaction decreased slightly, the strong volume growth caused a large increase in commission. The commission margin further improved thanks to focus on costs which resulted in lower commission expenses in 2005 compared to 2004. Commission expense as a percentage of the commission income decreased from 38% to 34%. Due to the termination of the wholesale activities, the commission income decreased by €1.0 million.

Results on financial transactions

Included under this heading are the proprietary trading results. The year 2005 provided a good result for the trading activities as a result of the introduction of some very profitable trading strategies. In addition, the loss making trading activities were closed during the year 2004.

Staff costs

The average number of staff decreased from 234 in 2004 to 167 in 2005. This caused a decrease of wages, salaries and social security charges by €2.4 million. In addition, in the year 2004 an amount for staff redundancy costs was paid because of the closing of loss-making activities of €1.1 million. As a consequence of the good trading results in 2005, BinckBank had to pay higher bonuses compared to 2004 for an amount of €2.2 million. As a combined result the total staff costs decreased with €1.3 million.

Other operating costs

In spite of higher marketing costs in 2005 compared to 2004 (increase of €0.9 million), the total 'other operating expenses' decreased. As a result of the divestments of loss-making trading activities in 2004 less operating expenses had to be made.

Depreciation and amortisation

The depreciation costs in 2005 were lower than 2004. This is caused by an impairment on 'property, plant and equipment' was made of €0.6 million as a consequence of the closure of loss-making trading activities in 2004.

10.10.2 Consolidated balance sheet

Balance sheet 2005 compared to 2004

Consolidated balance sheet	31 December 2005 (x €1,000)	31 December 2004 (x €1,000)
Assets		
Cash	7,685	2,198
Banks	171,113	102,396
Loans and receivables	124,764	62,386
Interest-bearing securities	42,011	40,984
Shares and other variable-income securities	120,656	93,217
Other investments	88	102
Intangible assets	1,051	643
Property, plant and equipment	1,829	2,296
Tax receivables	4,870	1,991
Other assets	21,010	17,442
Prepayments and accrued income	3,600	2,096
Total assets	498,677	325,751
Equity and liabilities		
Funds entrusted	235,836	127,535
Liabilities in respect of securities	111,353	91,452
Other liabilities	84,031	50,433
Accruals and deferred income	11,699	8,577
Provisions	512	1,100
Shareholders' equity		
- Share capital	3,084	3,084
- Share premium	20,855	20,855
- Repurchased shares	(1,121)	(1,121)
- Unappropriated results	13,609	2,808
- Other reserves and retained earnings	18,819	20,086
- Minority interests	-	942
	55,246	46,654
Total equity and liabilities	498,677	325,751

Figure 30 – Balance sheet for the financial years 2005 and 2004

Total assets

Total assets increased from €325.8 million to €498.7 million (+53.1%). The largest increase in total assets concerned the items 'banks' and 'loans and receivables', up by €131.1 million. This was mainly due to the growth of the business in terms of value of funds entrusted. These items comprises interest-bearing bank accounts and receivables from clients that are collateralised by securities and/or bank guarantees.

Banks

At year end 2005, the item 'banks' was equal to €171.1 million, an increase of €68.7 million compared to €102.4 million of 2004. This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by the bank regulators.

Loans and receivables

The increased 'loans and receivables' were mainly caused by an increase in the receivables of clients with an amount of €50.1 million. This increase in receivables of clients was a consequence of the total increase of the number of clients of BinckBank. Also the interest-bearing call money increased by €12.3 million as a result of higher funds entrusted by clients.

Shares and other variable-income securities

The increase in this section was predominantly caused by the higher amount of long option positions held for banking clients. This caused an increase of €30.0 million on which BinckBank has no direct influence.

Intangible assets and property, plant and equipment

In 2004 investments in software were accounted for in the line 'property, plant and equipment'. For a total overview the figures of intangible assets and 'property, plant and equipment' for 2005 and 2004 should be combined.

Tax

This item relates to the off-setting of tax losses attributable to 2004 against tax paid in the past and dividend tax off-settable in 2005 less corporation tax due for 2005. There were no deferred tax assets or liabilities as at 31 December 2005.

Other assets

The increase in this line was due to high purchases of securities by banking clients in the last few days before year-end of €4.0 million. It takes approximately three days to settle a security purchase. During this period the securities are shown in the balance of BinckBank, although results coming forward from these positions are for the account of the clients.

Prepayments and accrued income

The increase in 2005 compared to 2004 is largely caused by the fact that more interest was generated and because of this a higher amount of interest receivable was outstanding in 2005.

Funds entrusted

The higher amount of 'funds entrusted' was due to the large increase of the number of clients. Also the average amount of funds entrusted per client increased significantly in 2005.

Liabilities in respect of securities

At the end of 2005 the securities held in the trading portfolio increased with €9.2 million compared to the end of 2004. The size of this portfolio is a snapshot per balance sheet date and relates to possible trading opportunities. Another variance in this item is caused by short positions in derivatives held by clients of €9.0 million, which cannot be influenced by BinckBank.

Other liabilities

The increase in 2005 was mainly due to the fact that long derivative positions held for clients increased (€30.0 million). BinckBank cannot influence this position, since this is depending on investment decisions of clients. The increase is mainly caused by the higher number of clients.

Accruals and deferred income

The increase in this line was mainly caused by the higher accrual for staff costs of approximately €2.0 million. This amount comprises staff bonuses payable. Due to the good result on financial transaction in the business line proprietary trading in 2005 higher bonuses to personnel were awarded.

Provisions

Total provisions in 2005 were lower than in 2004 since the provision for reorganisation costs (2004: €0.5 million) could be released to the result in 2005.

10.10.3 By segment

Business unit Retail

Income statement – Retail

(x €1,000)	2005	2004	Change %
Revenues	27,523	14,233	93.4
Expenses	(11,883)	(8,402)	41.4
Profit before tax	15,640	5,831	168.2
Cost/income ratio	43.2%	59.0%	
Number of transactions	1,019,300	430,300	136.9
Assets under Administration (x € billion)	1.1	0.5	120.0
Number of clients	29,200	17,600	65.9

Figure 31 – Income statement for the financial years 2005 and 2004 Retail

The Retail business unit reported a profit of €15.6 million in 2005, compared to €5.8 million in 2004 (+168.2%). Total income increased to €27.5 million from €14.2 million in 2004 (+93.4%). Expenses increased with 41.4%, from €8.4 million in 2004 to €11.9 million in 2005.

Retail's Assets under Administration (cash and securities) rose in 2005 to €1.1 billion, from €0.5 billion in 2004 (+120.0%). The growing interest margin is a major source of income for the Retail business unit, increasing in 2005 to €5.9 million compared to €2.8 million in 2004 (+107.0%).

Business unit Wholesale

Income statement – Wholesale

(x €1,000)	2005	2004	Change %
Revenues	1,299	4,071	(68.1)
Expenses	(2,492)	(3,377)	(26.2)
Profit before tax	(1,193)	694	(271.9)
Cost/income ratio	191.8%	83.0%	
Number of transactions	144,700	108,500	33.4
Assets under Administration (x € billion)	0.5	0.2	150.0
Number of clients	3,600	2,300	56.5

Figure 32 – Income statement for the financial years 2005 and 2004 Wholesale

Wholesale posted a loss of €1.2 million in 2005, compared to a profit of €0.7 million in 2004. Revenues declined to €1.3 million, from €4.1 million in 2004 (-68.1%). The business unit's expenses totalled €2.5 million in 2005, as against €3.4 million in 2004 (-26.2%).

Trading activities

Income statement – trading activities

(x €1,000)	2005	2004	Change %
Revenues	21,369	21,661	(1.3)
Expenses	(17,146)	(23,272)	(26.3)
Profit before tax	4,223	(1,611)	(362.1)
Cost/income ratio	80.2%	107.4%	

Figure 33 – Income statement for the financial years 2005 and 2004 trading activities

Trading posted a profit of €4.2 million in 2005, against a loss of €1.6 million in 2004. It should be noted that the 2004 result was adversely affected by substantial non-recurring reorganisation charges. Total revenues declined to €21.4 million, compared to €21.7 million in 2004. Variable remuneration of the staff involved in the trading activities accounted for a significant share of the business unit's expenses in 2005. This performance-related profit-sharing scheme cost €7.5 million in 2005, compared to €4.9 million in 2004.

10.11 Liquidity and capital resources

The cash flow statement is prepared according to the indirect method, distinguishing cash flows from operating, investment and financing activities. With regard to BinckBank's operations, the primary sources of liquidity are client funds entrusted, commission income, and income from loans and advances while its main use of funds are for the granting of new loans, operating costs and investments in interest bearing securities.

The following table shows the consolidated cash flow statement for BinckBank for 2004, 2005 and 2006 based on IFRS:

	From 2006 annual report		From 2005 annual report	
	2006 (x €1,000)	2005 (x €1,000)	2005 (x €1,000)	2004 (x €1,000)
Cash flow from operating activities				
Profit for the year attributable to Shareholders	24,009	13,609	13,609	2,808
Amortisation of intangible assets	732	414	414	372
Depreciation of property, plant and equipment	1,170	1,223	1,223	1,823
Non-cash items included in profit	935	263	263	420
Impairment losses	-	-	-	282
Provisions	(313)	(588)	(588)	(7,199)
Movements in:				
Banks (balances not available on demand)	18,722	(14,221)	(14,221)	7,753
Loans and receivables	(62,689)	(41,173)	(50,128)	(35,586)
Interest bearing securities	(25,556)	(1,502)	(1,741)	(6,432)
Shares and variable income securities	40,727	2,558	(27,439)	152,255
Other assets, prepayments and accrued income	(21,426)	(7,951)	(7,951)	(3,906)
Fund entrusted	147,707	108,301	108,301	7,699
Liabilities in respect of securities	(62,238)	10,946	19,901	(56,677)
Other liabilities, accruals and deferred income	(16,241)	5,168	35,165	(16,549)
Net cash flow from operating activities	45,539	77,047	76,808	47,063
Cash flow from investing activities				
Investments in subsidiaries adjusted for acquired cash	(6,707)	(1,446)	(1,446)	(19,730)
Disposals of subsidiaries	(14)	-	-	1,923
Investments in other investments	4	14	14	-
Investments in interest bearing securities	-	-	239	(29,772)
Investments in intangible assets	(956)	(822)	(822)	(729)
Investments in property, plant and equipment	(1,668)	(756)	(756)	(1,253)
Disposals of property, plant and equipment	-	-	-	13
Other assets	-	-	-	286
Net cash flow from investment activities	(9,341)	(3,010)	(2,771)	(49,262)
Cash flow from financing activities				
Issue of share capital	-	-	-	12,647
Profit-sharing bond loan	(235)	1,555	1,555	-
Dividends paid				
- Final dividend for preceding year	(4,889)	(1,527)	(1,527)	-
- Interim dividend current period	(3,361)	(1,832)	(1,832)	-
Net cash flow from financing activities	(8,485)	(1,804)	(1,804)	12,647
Net cash flow	27,713	72,233	72,233	10,448
Opening balance of cash and cash equivalents	146,705	74,472	74,472	64,024
Closing balance of cash and cash equivalents	174,418	146,705	146,705	74,472
Movement	27,713	72,233	72,233	10,448
The cash and cash equivalents presented in the consolidated cash flow statement are included in the consolidated balance sheet under the following headings:				
Cash	5,672	7,685	7,685	2,198
Banks (excluding balances not available on demand)	126,746	114,520	114,520	60,024
Loans and receivables (call money)	42,000	24,500	24,500	12,250
Total	174,418	146,705	146,705	74,472

Figure 34 – Cash flow statement for the financial years 2006, 2005 and 2004

The differences in the above statement for the 2005 figures were caused by reclassifications relating to client derivative positions. The 2004 figures have not been adjusted.

10.12 Working capital statement

BinckBank is of the opinion that the Combination's working capital is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

11. DIVIDEND AND DIVIDEND POLICY

11.1 Dividend policy

Annually, to the extent possible, 6% of the nominal value is paid on the Priority Shares (50 x €0.10 x 6%) in accordance with the Articles of Association. The Priority Shareholder determines thereafter what proportion of the profit, if any, is to be retained, which amount is not distributed to the Shareholders, but is added to the Company's reserves.

The remainder of the profit is placed at the disposal of the General Meeting, meaning that the General Meeting can choose to distribute the remaining profit, to add it to reserves or a combination of the two. Distributions may, according to the Articles of Association, be paid in cash or entirely or partially in Ordinary Shares.

The current dividend policy of the Priority Shareholder is to place the remainder of the profit at the disposal of the General Meeting only if the total net annual profit exceeds 5% of BinckBank's shareholders' equity and only if doing so would not, in the Priority Shareholder's view, reduce the Company's liquidity and capital adequacy to insufficient levels. If, with due observance of these conditions, a proportion of the profit is placed at the disposal of the General Meeting, the Priority Shareholder will aim in principle for a payout ratio of 50% of the net EPS. The EPS will be corrected for the amortisation expense as a result of IFRS following the Acquisition (see "BinckBank following the Acquisition – Financial impact of the Acquisition"). The Priority Shareholder may decide to change this dividend policy.

In addition to the above, the Management Board is empowered to decide on the distribution of an interim dividend, if, according to an interim capital statement as referred to in section 105(4) of Book 2 of the Dutch Civil Code, shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association, and provided that it is done after prior approval of the Priority Shareholder.

Distributions of dividend shall be made payable to all Shareholders at the latest after fourteen days after its determination. The claim on distribution shall lapse for the benefit of the Company on expiry of five years, counting from the day when the dividend was made payable.

Following the Acquisition, BinckBank will take a disciplined approach to its capital adequacy, which is expected to lead to a BIS Ratio between 12% and 20% under Basel II. Towards and above the high end of the range, BinckBank aims to return excess equity by way of share buybacks and/or to pay additional dividends.

11.2 Historical dividends

The following dividends were paid in the period 2002 to the first half of 2007.

	Interim dividend	Total dividend	Full year EPS	Total dividend as % of full year EPS
2007	€0.14	N/A	N/A	N/A
2006	€0.11	€0.40	€0.79	50.6%
2005	€0.06	€0.22	€0.45	48.9%
2004	€0.00	€0.05	€0.10	50.0%
2003	€0.00	€0.00	(€0.42)	0.0%
2002	€0.00	€0.00	(€0.39)	0.0%

Figure 35 – Historical dividends

12. MANAGEMENT AND EMPLOYEES

BinckBank has a two-tier management structure, which means that the management and supervisory functions are assigned to different corporate bodies: the Management Board and the Supervisory Board. The Management Board is responsible for the day-to-day management of the Company and its short-term, medium-term and long-term strategy, while the Supervisory Board oversees and advises the Management Board.

Set out below is a summary of relevant information concerning the Management Board, the Supervisory Board and employees and a brief summary of certain significant provisions of Dutch corporate law and the Articles of Association as they currently read in respect of the Management Board and the Supervisory Board.

12.1 Management Board

Powers, composition and functioning

The Management Board is responsible for the Company's day-to-day management and its short-term, medium-term and long-term strategy.

The Management Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its prior approval, as described below.

The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, with the exception of those acts that are prohibited by law or by the Articles of Association. The Management Board as a whole is entitled to represent the Company. The Company may also be represented by two managing directors acting jointly, one managing director acting jointly with one confidential clerk, or two confidential clerks acting jointly. If there is a conflict of interest between the Company and one or more members of the Management Board, BinckBank shall be represented in the same manner as described above. In all cases in which the Company has a conflict of interest with a member of the Management Board in private, the resolution to enter into the relevant legal act shall require the prior approval of the Supervisory Board. The absence of the approval of the Supervisory Board shall not affect the power of representation of the Management Board.

Members of the Management Board shall be appointed by the General Meeting on the basis of a non-binding list of candidates drawn up by the Priority Shareholder. The Priority Shareholder shall be invited by the Management Board to prepare the necessary nomination. The nomination shall be prepared within two months after the aforementioned invitation has been sent. If the Priority Shareholder does not make use of its right to prepare a nomination or does not prepare it in time, the General Meeting shall be free in its appointment. The Articles of Association provide that the number of members of the Management Board will be determined by the Priority Shareholder and will consist of a minimum of two members. A member of the Management Board shall be appointed for a maximum of four years, which appointment can be renewed, each time for a period not exceeding four years.

Managing directors may be suspended and dismissed by the General Meeting at any time. According to the Articles of Association, a resolution of the General Meeting to suspend or dismiss members of the Management Board requires a two-third majority of the votes cast, representing more than half of the issued share capital. Members of the Management Board may also be suspended by the Supervisory Board, which suspension may be ended by the General Meeting. According to best-practice provision IV.1.1. of the Dutch Corporate Governance Code (*Code Tabaksblat*) (the "**Code**"), members of the Management Board may be dismissed or suspended by an

absolute majority of the votes cast by the General Meeting. The Company intends to amend its Articles of Association in order to comply with the Code. Until the Articles of Association have been amended, the Management Board has agreed to already comply with this best-practice provision.

The Management Board may lay down further rules about its method of work and internal organisation, including those concerning holding and calling meetings and passing resolutions at its meetings or without a meeting and also about the division of tasks. The determination of such rules shall require the prior approval of the Supervisory Board. On 26 October 2004, the Management Board adopted a Management Board Regulation in which such further rules are laid down.

Pursuant to the Management Board Regulation, at meetings of the Management Board, each member of the Management Board may cast one vote. The Management Board aims at passing resolutions with general votes. If this is not possible, resolutions shall be passed by a majority of votes. The Management Board can only pass resolutions if at least a majority of the members are present.

The Management Board Regulation requires decisions of the Management Board to be approved by the Supervisory Board for, *inter alia*, the following matters:

- investments deviating from amounts included in policies or budgets;
- all other acts insofar they amount to a value above €2,500,000;
- determination of the operational and financial targets of the Company;
- determination of the strategy which must lead to realising the targets;
- determination of the preconditions in relation to the strategy, for instance with respect to the financial ratios;
- granting of personal loans and guarantees to members of the Management Board under the conditions described in the applicable Code; and
- the appointment and dismissal of the Company secretary by the Management Board.

The Articles of Association require decisions of the Management Board to be approved by the Priority Shareholder for the following matters:

- legal acts in connection with taking shares in which special obligations have been imposed on the Company; and
- legal acts affecting the acquisition of shares on another footing than on which participation in the Company is available to the public.

In addition, the Priority Shareholder may request the Supervisory Board in writing to approve any resolution it deems relevant.

Pursuant to the Articles of Association and the Management Board Regulation, decisions of the Management Board involving a significant change in BinckBank's identity or character are subject to the approval of the General Meeting and the Supervisory Board. Such changes include:

- the transfer of all or substantially all of the Company's business to a third party;
- the entry into or termination of long-term co-operation of the Company or of a subsidiary, with another legal entity or company or as a fully liable partner in a limited or general partnership if such a co-operation or termination, is of far reaching significance to the Company; and
- the acquisition or disposal, by BinckBank or a subsidiary, of a participating interest in the capital of a company valued at 33% or more of the Company's assets according to its most recently adopted consolidated annual balance sheet.

Members of the Management Board

The Management Board currently has three members. The following table sets out information with respect to each of the members of the Management Board, their respective ages and their positions at BinckBank as of the date of this Prospectus.

Name	Age	Position	Member since	Term
Mr. T.C.V. Schaap	35	Chairman of the Management Board	6 May 2004	4 years
Mr. K.J. Bagijn	36	Member of the Management Board	6 May 2004	4 years
Mr. P. Aartsen	43	Member of the Management Board	27 March 2006	4 years

Figure 36 – Members of the Management Board

The business address of all members of the Management Board is Vijzelstraat 20, 1017 HK Amsterdam, The Netherlands.

Mr. T.C.V. Schaap

Mr. T.C.V. Schaap has been chairman of the Management Board since 1 January 2006. As chairman, Mr. T.C.V. Schaap is responsible for Finance, trading activities, Operations, IT, the Risk Management Department, the IAD, Human Resources, Legal and Investor Relations. From 2004 to year-end 2005 Mr. T.C.V. Schaap served as Chief Financial Officer of BinckBank. Mr. T.C.V. Schaap is one of the co-founders of Binck Brokers N.V. (now BinckBank) and was its first general manager. Mr. T.C.V. Schaap is the sole director and shareholder of Thimay B.V., a personal holding company.

Mr. K.J. Bagijn

Mr. K.J. Bagijn has been a member of the Management Board since 2004. Mr. K.J. Bagijn is responsible for Retail, Communication and Public Relations. From 1996 until 2000, Mr. K.J. Bagijn was employed by IMG Holland Investment Management Group B.V., ending his career with that company as Head of Private & Institutional Relations. Mr. K.J. Bagijn is one of the founders of Binck Brokers N.V. (now BinckBank). Mr. K.J. Bagijn is a member of the advisory board of Antaurus Capital Management B.V. In addition, Mr. K.J. Bagijn is the sole director and shareholder of Hinkal Beheer B.V., a personal holding company.

Mr. P. Aartsen

Mr. P. Aartsen has been a member of the Management Board since 2006. Mr. P. Aartsen is responsible for Professional Services. From 1990 until 2004, Mr. P. Aartsen was employed by Kas Bank N.V. where he held several positions within the Institutional Banking division and was appointed Head of Benelux Sales & Relationships Management in 1996. In 2001, Mr. P. Aartsen was Head of Sales & Relationships Management UK, before joining Deutsche Bank AG in London as Head European Securities Clearing and Vice President with responsibility for product development and sales.

Further information on the Management Board as a whole

The members of the Management Board are employed by the Company on the basis of an employment agreement for a definite period of time (*i.e.* four years). Before entering into the current employment agreements with the Company, Mr. T.C.V. Schaap and Mr. K.J. Bagijn were employed by the legal predecessor of the Company,

Binck Brokers N.V., for an indefinite period of time. The former employment agreements of Mr. T.C.V. Schaap and Mr. K.J. Bagijn have been terminated by mutual consent. Pursuant to Dutch employment law, as a consequence thereof, the current employment agreements for a definite period of time cannot be terminated by operation of law but can only be terminated by giving notice. The employment agreements between the Company and each of the members of the Management Board contain a non-compete and business relations clause. In the event Mr. T.C.V. Schaap or Mr. K.J. Bagijn terminate the employment agreement early, the period for this clause is nine months and in case of Mr. P. Aartsen, six months. In the event the Company terminates the employment agreement early, the period for this clause is twelve months and in case of Mr. P. Aartsen, nine months. If the employment agreements end by operation of law and the Company does not make the respective member of the Management Board a reasonable offer to enter into another employment agreement, the non-compete and business relations clause will cease to have any effect. It has been agreed between the Company and all members of the Management Board that each of them will receive a maximum of one year's base salary in the event their employment agreement is terminated other than due to an instant dismissal.

At the date of this Prospectus, no member of the Management Board has, in the previous five years (i) been convicted of any offences relating to fraud, (ii) held an executive function at any company at the time of or immediately preceding any bankruptcy, receivership or liquidation, (iii) been subject to any official public sanction by any statutory or regulatory authority (including any designated professional body) and (iv) been the subject of any official public incrimination or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Except as disclosed in "– Shareholdings of the Management Board and the Supervisory Board" below and "Major Shareholders and Related Party Transactions", no member of the Management Board has a conflict of interest (actual or potential) between any duties to the Company and his private interests and/or other duties. There is no family relationship between any member of the Management Board, Supervisory Board or senior management.

12.2 Supervisory Board

Powers, composition and functioning

The Supervisory Board is responsible for overseeing the policy pursued by the Management Board and general course of business of the Company. It also provides advice to the Management Board in the best interests of the Company and its shareholders, in both the short and long-term.

In performing its duties, the Supervisory Board is required to act in the interests of the Company and its business as a whole. The members of the Supervisory Board are generally not authorised to represent the Company in dealings with third parties.

Members of the Supervisory Board shall be appointed by the General Meeting on the basis of a non-binding list of candidates drawn up by the Priority Shareholder. The Priority Shareholder shall be invited by the Management Board to prepare the necessary nomination. The nomination shall be prepared within two months after the aforementioned invitation has been sent. If the Priority Shareholder does not make use of its right to prepare a nomination or does not do so in time, the General Meeting shall be free in its appointment. The Articles of Association provide that the number of members of the Supervisory Board will be determined by the Priority Shareholder and will consist of a minimum of three members.

A member of the Supervisory Board shall be appointed for a maximum of four years, which appointment can be renewed provided that the term of office cannot be longer than three terms of four years. The members of the Supervisory Board retire periodically in accordance with a rotation plan prepared by the Supervisory Board. The Supervisory Board has prepared a profile for its size and composition, taking into consideration the nature of the business, its activities and the desired expertise, background and independence of the Supervisory Board members. The Supervisory Board appoints a chairman from its members. Members of the Supervisory Board may be suspended and dismissed by the General Meeting at any time. A resolution of the General Meeting to suspend or dismiss members of the Supervisory Board requires a two-third majority of the votes cast, representing at least more than half of the issued share capital. According to best-practice provision IV.1.1. of the Code, members of the Supervisory Board may be dismissed or suspended by an absolute majority of the votes cast by the General Meeting. The Company intends to amend its Articles of Association in order to comply with the Code. Until the Articles of Association have been amended, the Supervisory Board has agreed to already comply with this best-practice provision.

On 20 October 2004, the Supervisory Board adopted a Supervisory Board Regulation.

In accordance with the Supervisory Board Regulation, a meeting of the Supervisory Board shall take place at least six times per year and may in addition be convened at any time if one or more members deems necessary. Decisions of the Supervisory Board shall be taken by majority of votes. The Supervisory Board can only pass resolutions if at least a majority of the members are present or represented.

Members of the Supervisory Board

The Supervisory Board currently has three members. It is the intention of the Company to increase the number of members of the Supervisory Board to four in due course. The following table sets out information with respect to each of the Supervisory Board members, their respective ages and their positions at BinckBank as of the date of this Prospectus.

Name	Age	Position	Member since	Term
Mr. C.J.M. Scholtes	62	Chairman of the Supervisory Board	6 May 2004	Re-elected in the General Meeting of 19 April 2007 until 2011
Mr. J.K. Brouwer	63	Member of the Supervisory Board	6 May 2004	Re-elected in the General Meeting of 19 April 2007 until 2009
Mr. A.M. van Westerloo	61	Member of the Supervisory Board	6 May 2004	Re-elected in the General Meeting of 19 April 2007 until 2011
Mr. L. Deuzeman	55	Member of the Supervisory Board	19 November 2007	Elected in the EGM of 19 November 2007 until 2011

Figure 37 – Members of the Supervisory Board

The business address of all members of the Supervisory Board is Vijzelstraat 20, 1017 HK Amsterdam, The Netherlands.

Mr. C.J.M. Scholtes

Mr. C.J.M. Scholtes has been the chairman of the Supervisory Board since 2004. Mr. C.J.M. Scholtes is also chairman of the supervisory board of IBUS Company N.V., a member of the executive board of finance house Colonnade B.V. and chairman of the investment committee of Kunst- en Cultuur Pensioen- en Levensverzekerings-maatschappij N.V. Mr. C.J.M. Scholtes is a former member of the executive board of Postbank N.V., NMB Postbank N.V. and ING Bank N.V. and former member of the executive committee of ING Asset Management B.V. and former member of the supervisory board of several investment funds of Postbank N.V., NMB Postbank N.V. and ING Bank N.V. Mr. C.J.M. Scholtes is also a former member of the supervisory board of Parcom N.V., Barings Private Equity Partners Ltd., Euroclear Nederland and RBC Dexia Investor Services Netherlands N.V. (previously known as NIEC CDC Labouchere Securities Services N.V.) and a former member of the executive committee of Euronext (previously known as the Amsterdam Stock Exchange and European Options Exchange). Mr. C.J.M. Scholtes was also project manager during the formation of the Dutch Securities Institute and the Stichting Financiële Dienstverlening.

Mr. J.K. Brouwer

Mr. J.K. Brouwer has been a member of the Supervisory Board since 2004. Mr. J.K. Brouwer represents NPM-Capital N.V. on the supervisory board of Koninklijke Jansen, Post & Cox B.V. (JPC Group) and Van Meijel Automatisering B.V. Mr. J.K. Brouwer is chairman of the supervisory board of Hausemann & Hötte Holding B.V. and a member of the supervisory board of Nobel, van Dijk & Partners B.V. Mr. J.K. Brouwer is also a member of the executive committees of Stichting Leerstoel Effectenrecht (Chair of Securities Law Foundation) at the University of Groningen and Stichting Vereniging voor de Effectenhandel (Amsterdam Stock Exchange Association). Furthermore he is chairman of Stichting Amindho and Stichting Jazzorchester of the Concertgebouw and a member of the advisory committee of Professional Vision B.V. Mr. J.K. Brouwer is a former general manager of Euronext (previously known as the Amsterdam Stock Exchange and European Options Exchange) and chairman of the supervisory board of NLKKAS, which is part of Euronext Clearing & Depository N.V. In 2003, Mr. J.K. Brouwer was involved in the bankruptcy of Tryllian B.V., a participation of NPM-Capital N.V., in his capacity as a member of the supervisory board of Tryllian B.V.

Mr. A.M. van Westerloo

Mr. A.M. van Westerloo has been a member of the Supervisory Board since 2004. Mr. A.M. van Westerloo is CEO of RTL Nederland B.V. and a member of the Operational Management Committee of RTL Group S.A. Mr. A.M. van Westerloo is also a member of the board of directors of CLT-UFA S.A., chairman of the Bertelsmann Synergy Committee Benelux, a member of the advisory council of DDB Amsterdam B.V., chairman of the Broadcast Business Club, a member of the general council of The Netherlands Institute for Classification of Audiovisual Media, a member of the council of Media Academie, a member of the advisory council of Entertainment Studies Hogeschool INHOLLAND and a member of the executive committee of RTL Nederland Sales B.V. (previously known as: IP Nederland B.V.). Mr. A.M. van Westerloo is the former CEO of SBS Broadcasting B.V., former general manager of RTL5 and former deputy general manager of AVRO.

Mr. L. Deuzeman

Mr. L. Deuzeman has been the CFO of Kempen & Co N.V. from 1990 to 1998 and from april 2005 to april 2007, for which bank Mr. L. Deuzeman has been a director of Finance and Administration from 1986 to 1990. In addition, Mr. L. Deuzeman has been managing partner of Greenfield Capital Partners N.V. from 1998 to 2003. Furthermore, Mr. L. Deuzeman has been a member of the board of directors of Publifisque B.V., Managementmij Tolsteeg B.V., Kempen Management B.V., Asmey B.V., Arceba B.V., Kempen Finance B.V., Global Property Research B.V., Kempen

Deelnemingen B.V., Greenpart B.V., Greenfield Management Services B.V. and Nethave Management B.V. Additionally, Mr L. Deuzeman has been a member of the supervisory board of Trustus Capital Management B.V., Engage B.V. and Cegeka N.V.

Currently, Mr. L. Deuzeman is a member of the supervisory board of Blue Sky Group B.V. as well as of Intereffekt Investment Funds N.V.. Furthermore, Mr. L. Deuzeman currently is a member of the management board of Amstel Private Equity Club, of Kempen Property Hedge Fund Limited, of Kempen Property Master Hedge Fund Limited, Kempen Custody Services N.V. and Kempen Bewaarder N.V.

Further information on the Supervisory Board as a whole

The members of the Supervisory Board have entered into an agreement for services with the Company.

Except as disclosed in " – Members of the Supervisory Board – Mr. J.K. Brouwer" above in the case of Mr. J.K. Brouwer in connection with his involvement as member of the supervisory board during the bankruptcy of Tryllian B.V., at the date of this Prospectus, no member of the Supervisory Board has, in the previous five years (i) been convicted of any offences relating to fraud, (ii) held an executive function at any company at the time of or immediately preceding any bankruptcy, receivership or liquidation, (iii) been subject to any official public sanction by any statutory or regulatory authority (including any designated professional body) and (iv) been the subject of any official public incrimination or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Except as disclosed in " – Shareholdings of the Management Board and the Supervisory Board" below and "Major Shareholders and Related Party Transactions", no member of the Supervisory Board has a conflict of interest (actual or potential) between any duties to the Company and his private interests and/or other duties.

12.3 Supervisory Board committees

The Supervisory Board currently has three members. As a result of this limited size, the duties which could be given to separate remuneration and nomination committees are the responsibility of the full Supervisory Board. The Supervisory Board does have an Audit Committee which supervises the internal control systems, risk management, compliance with external auditors' reports and the functioning of the internal auditors. The supervision on financial information and related publications is done by the Supervisory Board.

The current members of the Audit Committee are Mr. J.K. Brouwer, who chairs the committee and Mr. C.J.M. Scholtes.

12.4 Remuneration

Management Board remuneration

The remuneration of the members of the Management Board shall be determined by the Supervisory Board with observance of the remuneration policy determined by the General Meeting.

The remuneration policy is implemented in a remuneration report drawn up by the Supervisory Board. The remuneration report will serve as a guideline for the near future when determining the separate components of the remuneration package for the members of the Management Board by the Supervisory Board. The revised remuneration policy for the Management Board and the related rules on remuneration in the form of Ordinary

Shares were adopted and approved, respectively, by the annual General Meeting on 27 March 2006. The 2006 remuneration policy and the remuneration report for the financial year ended on 31 December 2006 have been posted on the Company's website.

The remuneration of the members of the Management Board consists of (i) a competitive fixed base salary which is paid monthly, (ii) a variable remuneration, as a reward for meeting short-term (one year) targets, consisting of an annual bonus paid in cash or in Optional Shares (as defined below) for at least 25% and at most 50% of the total cash bonus amount and (iii) a variable remuneration, as a reward for achieving medium/long-term (three year) targets, in the form of Free Shares (as defined below).

The following aggregate remuneration was paid to each of the members of the Management Board in 2006:

- gross annual salary: €210,600;
- pension: €22,000 for Mr. T.C.V. Schaap and Mr. K.J. Bagijn and €39,000 for Mr. P. Aartsen;
- social security: €6,000; and
- variable remuneration: €232,000, of which €65,812.50 was paid in the form of Ordinary Shares.

Fixed remuneration

The fixed annual remuneration of the members of the Management Board is set at a level which is appropriate to the size of the organisation and the responsibilities associated with managing a listed company. The fixed remuneration represents adequate compensation for the effort invested in and responsibilities assumed by the members of the Management Board which is appropriate to the level of their positions.

Other regular elements such as health insurance do not in principle form part of the remuneration package. Members of the Management Board are eligible for a company-car scheme on similar terms to those applying to the Company's commercial staff. Members of the Management Board are in principle eligible for a pension plan which is similar in terms of the cost to the Company to that applying to the majority of the other staff of BinckBank and its subsidiaries in The Netherlands.

Variable remuneration

The purpose of the variable remuneration is to reward the members of the Management Board for exceptional performance and reinforce their commitment to BinckBank and the achievement of its short and medium/long-term targets. The variable element therefore serves as a significant incentive to grow shareholder value in the short and medium/long-term.

The variable element is calculated as follows. If the members of the Management Board meet the annual budgets approved by the Supervisory Board in light of the short-term targets, they qualify for annual variable remuneration approximately equal to half of their fixed annual salary. The Supervisory Board has discretionary powers to vary this amount by 25%. If they achieve the medium/long-term targets, they may also qualify for Free Shares.

Short-term target and remuneration

The short-term target is to meet the annual budget set by the Supervisory Board for profit after tax, expressed as EPS, a quantifiable and measurable performance criterion.

The reward for achieving the short-term target is a bonus. The bonus is reduced on a pro rata basis if the individual was a member of the Management Board for less than the full year.

The Supervisory Board may, at its discretion, increase the bonus by up to a maximum of 25% if justified by the results. If the short-term target is not fully achieved, for example due to external circumstances beyond the Management Board's control, the Supervisory Board may, at its discretion, award the Management Board members a bonus of a maximum of 25% of their fixed annual salary.

Members of the Management Board may opt to receive at least 25% and at most 50% of their total cash bonus in Ordinary Shares (the "**Optional Shares**"). The Optional Shares cannot be sold for three years. The number of Optional Shares the members of the Management Board receive depends on the closing price on the date of award. The date of award is the date when the Company publishes a press release announcing the results for the previous financial year.

Additional Ordinary Shares for nil consideration (the "**Free Shares**") may be awarded if long-term targets are achieved. The 2005 remuneration policy states that, for the period 2005–2007 and each three-year period thereafter, one Free Share will be awarded for every two Optional Shares held if EPS grow by more than 50% and one Free Share will be awarded for each Optional Share held if EPS grow by more than 100%.

The income tax due on the part of the cash bonus paid in Optional Shares will be paid by the Company. If some or all of the Optional Shares are sold within three years, the income tax paid will be refunded immediately to the Company by the Management Board member concerned.

Medium/long-term target and remuneration

The medium/long-term target is set by the Supervisory Board in terms of profit after tax, expressed as EPS, a quantifiable and measurable performance criterion.

The reward for achieving the medium/long-term target takes the form of an award of Free Shares.

The medium/long-term target is growth of at least 50% in earnings per BinckBank share over a rolling three-year period, starting from the first financial year after that in which the individual was appointed to the Management Board (and was awarded Optional Shares).

The growth in EPS is initially calculated relative to the profit as shown by the adopted financial statements for the first year of membership of the Management Board and subsequently relative to each successive financial year.

Free Shares are awarded only for the Optional Shares awarded three years previously to, and still held by, members of the Management Board. The date of award of the Free Shares is the date when the Company publishes a press release announcing the results for the previous financial year.

Pursuant to the foregoing, one Free Share will be awarded for every two Optional Shares held if EPS grow by 50% or more and one Free Share will be awarded for each Optional Share held if EPS grow by 100% or more. Half Optional Shares or Free Shares are rounded downwards. Income tax on Free Shares thus awarded is for the Management Board member's account and risk.

Given the Company's present stage of development, the targets can be considered ambitious and challenging. The Supervisory Board checks each year that the growth percentages required to qualify for an award of free shares are realistic and submits any proposed changes which may be necessary to the approval of the General Meeting.

A member of the Management Board only qualifies for an award of Free Shares if he is still a member of the Management Board at the end of the third year following the relevant financial year. The Free Shares must be held for a period of five years thereafter or until the period of employment has been terminated if earlier, failing which the Management Board member is obliged to return the relevant Free Shares immediately to the Company.

The remuneration of the Management Board will be reconsidered due to the Acquisition and a new policy will be submitted for approval to the General Meeting in due course.

Supervisory Board remuneration

The members of the Supervisory Board receive a fixed remuneration, which shall be determined by the General Meeting. Members of the Supervisory Board shall not be granted any shares and/or rights to shares by way of remuneration. The Company shall not grant members of the Supervisory Board any personal loans, guarantees and the like, unless in the ordinary course of business and after approval by the Supervisory Board. Currently, the Company has not granted the members of the Supervisory Board any personal loans, guarantees and the like.

In 2006, the members of the Supervisory Board received an aggregate fixed remuneration of €103,000. In addition to the fixed remuneration, the members of the Supervisory Board received an additional amount when they served as a member of the Audit Committee. The chairman of the Supervisory Board or the Audit Committee, respectively, received a higher amount than the other members of the Supervisory Board or the Audit Committee, respectively.

12.5 Shareholdings of the Management Board and the Supervisory Board

The following provides the number of Ordinary Shares held by each member of the Management Board and the Supervisory Board as at 30 September 2007.

Management Board:

- Mr. T.C.V. Schaap: 653,251, of which 325,813 Ordinary Shares fall under a lock-up agreement, entered into in 2004 when AOT N.V. acquired the shares in the capital of Effectenbank Binck N.V. These shares cannot be sold or transferred before May 2008. In addition, see "Major Shareholders and related party transactions – Participation of the major shareholders and the founding members of the Management Board" and "Plan of distribution – Lock-up arrangements";
- Mr. K.J. Bagijn: 653,251, of which 325,813 Ordinary Shares fall under a lock-up agreement entered into in 2004 when AOT N.V. acquired the shares in the capital of Effectenbank Binck N.V. These shares cannot be sold or transferred before May 2008. In addition, see "Major Shareholders and related party transactions – Participation of the major shareholders and the founding members of the Management Board" and "Plan of distribution – Lock-up arrangements"; and
- Mr. P. Aartsen: 4,502.

Supervisory Board:

- Mr. C.J.M. Scholtes: 0;
- Mr. J.K. Brouwer: 0;
- Mr. A.M. van Westerloo: 0; and
- Mr. L. Deuzeman: 0.

12.6 Potential conflicts of interest

Mr. T.C.V. Schaap, Mr. K.J. Bagijn and Mr. P. Aartsen are all members of the Management Board as well as shareholders in the capital of the Company.

12.7 Employees

BinckBank's human resources policy is designed to attract and retain enthusiastic, motivated and talented people, because they can supply the energy and expertise needed to grow the Company's organisation. Customer focus, which is an integral part of BinckBank's culture at all levels, is one of the selection criteria the Company applies when recruiting new staff.

The number of employees as at 31 December 2006 increased to 223 in 2006 (2005: 170). The sharp increase was mainly due to the acquisition of Syntel. The client service department in the Retail business unit accounted for the largest share of new recruits.

The following table sets forth the average number of full-time employees on a country by country basis for the nine month period ended 30 September 2007 and the financial years ended 31 December 2006, 2005 and 2004.

Country	Nine month period ended 30 September 2007	Financial year ended 31 December 2006	Financial year ended 31 December 2005	Financial Year ended 31 December 2004
The Netherlands	240	177	145	159
Belgium	18	8	2	3
Rest of the world	3	10	20	72

Figure 38 – Number of FTEs

12.8 Incentives to employees

In 2004, 25,000 share options at €3.15 per share were granted to an employee of the Company, which expire on 21 December 2009. On the date of this Prospectus, these share options have not been exercised yet.

In connection with the recent acquisition of Syntel, the Company has granted certain employees of Syntel a share based payment of a gross value at the date of the acquisition amounting to €732,000 as an incentive. This share based payment will be offered in equal tranches in the four years following the closing date of the acquisition as far as the respective employees are still employed by Syntel or any of its subsidiaries. Syntel offers its employees this share based payment at year end under conditions subsequent in the form of (i) 30,820 restricted stock, *i.e.* Ordinary Shares, or (ii) 21,996 phantom stock, *i.e.* a gross cash payment.

Certain employees of the branch office of the Company in Belgium, of Binck België and of Syntel may receive a bonus of up to 5% of the net profit of the respective subsidiary or branch office with a maximum aggregate amount of €250,000 per employee. In addition, employees of the share trading department of Binck Securities could be entitled to a bonus determined on the basis of the gross trade results of the trading group and a specific employee.

On 1 October 2005, BinckBank issued profit-sharing bonds, *i.e.* a debenture loan, to a group of its employees for an aggregated amount of €1,555,000 with a duration of 3 years and 3 months. The loan is repayable without penalties. The interest depends on BinckBank's net profit and can vary between 0% and 15%. On 30 September 2007, BinckBank still had €1,095,000 of the debenture loan at its disposal.

In connection with the Acquisition, BinckBank expects to introduce an incentive plan for the key personnel of BinckBank and Alex by means of a share based payment at year end under conditions subsequent.

12.9 Works council

The Company recently installed a works council in The Netherlands. A works council is the representative body of the employees and is elected by the employees of the Company. The Management Board needs to seek the advice of the works council before taking certain resolutions with respect to the Company, such as those relating to a significant restructuring, change of control or acquisitions. The works council has given a positive advice with respect to the Acquisition. If the consultation procedure is not completed or followed correctly or the advice of the works council is not followed, such could lead to delay in the implementation of such transactions (the Company is obliged to suspend its implementation for a period of one month) and/or court proceedings. The works council has no right of advice on the contemplated issuance of shares.

The works council also has the right to advise on decisions regarding the appointment or dismissal of a member of the Management Board. However, the Company is not required to suspend the appointment or removal for one month if the works council's advice is negative. Nor is the works council entitled to lodge an appeal with the Enterprise Chamber of the Court of Appeal of Amsterdam (*Ondernemingskamer van het Gerechtshof Amsterdam*). If, however, the Company fails to properly request the works council's advice, the council may petition the special committee established to handle matters relating to the works council, as referred to above, and, if necessary, the cantonal court thereafter, for the opportunity to present its viewpoint.

Furthermore, the Company is required to obtain the works council's prior consent before establishing, amending or withdrawing, *inter alia*, a pension, profit-sharing or savings plan, rules regarding working hours or holidays and a system relating to remuneration or job classification. If the works council withholds its consent, the Company may request permission from the cantonal court to make the relevant decision notwithstanding the works council's opposition.

A works council is also established at Syntel. Both the Company and Syntel is on good terms with its works council.

12.10 Pension plans

BinckBank has pension arrangements for members of its Management Board and employees. The pension arrangements for the Management Board consist of individual capital arrangements and the pension arrangements for the staff consist of a defined contribution plan. The capital arrangement for pension purposes for Mr. T.C.V. Schaap and Mr. K.J. Bagijn in the financial year ended 31 December 2006 amounted to €22,000 each and for Mr. P. Aartsen to €39,000. Under the defined contribution plan, a percentage of employees' fixed salary is paid to a pension insurer. The percentage payable is age-related. The pension contributions are recognised in the year to which they relate.

In addition, BinckBank has a hybrid pension arrangement for the employees of its subsidiary Syntel which consists of a defined benefit plan in combination with a top hat defined contribution plan which is also insured with a pension provider.

Furthermore, Binck België has entered into various pension arrangements (defined contribution plans) for its employees. Under the pension rules a fixed amount is paid on an annual basis, which amount depends on the category to which the employee belongs. The pension rules provide for a return of 3.25%.

12.11 Liability of the members of the Management Board and the Supervisory Board

Under Dutch law, members of the Management Board and the Supervisory Board may be liable to BinckBank for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to the Company and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

13. CORPORATE GOVERNANCE

On 9 December 2003, a committee commissioned by the Dutch government (*Commissie Tabaksblad*) published the Code. The provisions of the Code took effect on 1 January 2005 and apply to annual reports for financial years starting on or after 1 January 2004. Dutch companies whose shares are listed on a government-recognised stock exchange must discuss compliance with the Code in their annual report. If a company does not apply the best practice provisions of the Code, it must explain the reasons why it does not apply them. The Company deviates from certain best-practice provisions and principles of the Code. The explanations for these deviations are given below. Furthermore, explanation is given for some best-practice provisions and principles of the Code, to which the Company complies.

BinckBank deviates to a minor extent from best-practice provision II.2.3 of the Code in which the allocation of shares for no financial consideration as a form of variable remuneration is discussed. The purpose of variable remuneration is, according to best-practice provision II.2.3, to reinforce the long-term commitment to a company of the members of the management board which can be achieved by requiring the members of the management board to retain such shares for a period of five years. The Company has decided that the members of the Management Board only need to retain the Optional Shares for three years. Furthermore, best-practice provision II.2.3 prescribes disclosure of the targets which the members of the management board need to achieve in order to receive such a variable remuneration, but the Company has decided not to disclose such targets as they involve information which relates to the Company's competitive position, such as financial and commercial objectives and disclosure would not be in the interests of the Company and the stakeholders.

BinckBank complies with best-practice provision II.2.6, which states that the supervisory board should adopt regulations embodying rules on the ownership of, and transactions in, securities by members of the management board other than the securities issued by a company, but for practical reasons the Company has integrated these regulations into the Management Board Regulation. After approval by the Supervisory Board, the Management Board Regulation was adopted by the Management Board at the end of 2004 and posted on the Company's website in 2005. The members of the Management Board are also bound by the Company's current regulations, which they have agreed to observe, on insider trading, price-sensitive information and personal investment transactions.

The Company does not fully comply with best-practice provision II.2.10 of the Code, which specifies the information to be provided by the supervisory board in its overview of the remuneration policy planned for the next financial year and subsequent years. BinckBank complies with this best-practice provision if and to the extent that it does not relate to information which relates to the Company's competitive position, such as financial and commercial objectives. The Management Board and the Supervisory Board do not consider it to be in the interests of the Company or its stakeholders to disclose such information. The same reservation applies to publication of the main elements of contracts between Management Board members and the Company immediately after these have been signed, as required by best-practice provision II.2.11 of the Code, if and to the extent that this relates to market-sensitive information.

The Company fully complies with principle III.5 of the Code, which recommends the supervisory board to appoint an audit committee, a remuneration committee and a selection and appointments committee to perform certain tasks on behalf of and under the responsibility of the supervisory board if the supervisory board consists of more than four members. Because its Supervisory Board consists of no more than three members, BinckBank has only appointed an audit committee. The tasks and functions of the remuneration committee and the selection and appointments committee are applicable in full and are performed by the Supervisory Board and included as such in the Supervisory Board Regulation.

BinckBank applies best-practice provision III.5.4. referring to the tasks of the audit committee, but some of the supervisory tasks have, for practical reasons, been assigned to the Supervisory Board as a whole and are for that reason included in the Supervisory Board Regulation.

Best-practice provision III.7.3. recommends the supervisory board to adopt regulations embodying rules on the ownership of, and transactions in, securities by members of the supervisory board other than the securities issued by a company. BinckBank complies with this best-practice provision, but for practical reasons has integrated these regulations into the Supervisory Board Regulation. This Regulation was adopted by the Supervisory Board in 2004 and have been posted on the Company's website. Apart from the fact that the Supervisory Board has not adopted separate regulations, the requirements of best-practice provision III.7.3 of the Code have been met. The members of the Supervisory Board are also bound by the Company's current regulations, which they have agreed to observe, on insider trading, price-sensitive information and personal investment transactions.

According to best-practice provision IV.1.1 of the Code, it needs to be possible to adopt a resolution procuring a dismissal of a member of the management board or the supervisory board by an absolute majority of the votes cast. A condition to this possibility can be that this majority represents a given proportion of the issued share capital, not exceeding one-third. The Company does not comply with this best-practice provision yet. However, BinckBank intends to implement this best-practice provision in the Articles of Association concurrently with the next amendment of the Articles of Association. The Management Board and the Supervisory Board have already adopted this best-practice provision and therefore, compliance is assured. The members of the Management Board and the Supervisory Board also, on a purely voluntary basis, complied with the majority and quorum requirements of this best-practice provision in respect of any resolution of the General Meeting to suspend them.

Best-practice provision IV.3.8. recommends a company to make the minutes of the general meeting of shareholders available within three months of the meeting on the request of the shareholders, after which the shareholders must be given three months to comment on the minutes. The minutes must then be adopted in the manner prescribed by the articles of association. This best-practice provision only applies to BinckBank if the chairman of the Management Board and/or the Management Board does not decide to have a notarial record made of the General Meeting, or at least of the resolutions adopted by the General Meeting, in which case BinckBank will comply with the best-practice provision. If it is decided to have a notarial record made of the General Meeting, or at least of the resolutions adopted by the General Meeting, that record will have absolute evidential value. In the absence of evidence to the contrary, it will be accepted by all as an accurate representation of the proceedings of the General Meeting. It is permitted in that case not to include responses by Shareholders in the record.

14. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

14.1 Holdings prior to and following the Offering

The following table sets out the name of each person (other than members of the Management Board and the Supervisory Board), who, as at the date of this Prospectus and as far as BinckBank is aware, has a direct or indirect interest in the Company's share capital or voting rights which is notifiable under the FSA. These Shareholders do not have different voting rights than any other Shareholder.

Holdings prior to the Offering

Name	% of share capital	Type of interest
Friesland Bank N.V. (<i>Vereniging Friesland Bank</i>)	18.73	Indirect
Beverweerd Investments N.V. (<i>Boron Investments N.V.</i>)	10.05	Indirect
Delta Finance Amsterdam B.V. (<i>Dhr. J. Klufft</i>)	6.11	Indirect
Navitas B.V.	5.17	Direct

Figure 39 – Major Shareholders

As a result of the Offering, Shareholders may experience dilution of up to 60.0% of their shareholdings.

14.2 Shareholders agreement

The Company has no knowledge of any shareholders agreement.

14.3 Participation of the Management Board

Each of the members of the Management Board will participate on a cash neutral basis in the Rights Offering.

14.4 Related party transactions

In October 2006, BinckBank N.V. was legally merged into its parent company Binck N.V., whereby Binck N.V. was the surviving entity and subsequently changed its name into BinckBank N.V.

The Company has signed a letter of intent with Friesland Bank N.V., a company to which group one of the Company's major Shareholders belongs, to provide BPO services to Friesland Bank N.V., consisting of securities execution and related administration for retail clients of Friesland Bank N.V. See "Business before the Acquisition – Core activities and business model before the Acquisition – Professional Services".

In April 2007, the Company agreed to divest the bond trading activities of Binck Securities by means of a management buy out to a company in formation, which was incorporated as Florint in July 2007, and to acquire 14,000 shares (35.0% of the share capital) in Florint after its incorporation as part of the consideration. This divestment was completed on 1 October 2007. See "Business before the Acquisition – History".

On 24 September 2007, the Company and Binck België entered into a general partnership agreement (*vennootschap onder firma*), Binck V.O.F., with the objective to assemble capital for joint investments. The capital of Binck V.O.F. is managed by Florint. See "Business before the Acquisition – History".

Other material related party transactions include the following:

- between BinckBank group companies regular business transactions are effected, such as:
 1. recharging personnel and overhead expenses; and
 2. usage of personnel and services of group companies;
- all intercompany transactions have been effected based on the 'at-arms-length' principle and have been eliminated in the consolidated financial statements;
- at the request of BinckBank, group companies will payout excess capital in the form of dividends to BinckBank; and
- BinckBank and some of its subsidiaries have entered into option agreements and profit-sharing debenture loans with some of its managers and employees. See "Management and Employees – Incentive to employees".

15. DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is information concerning the Company's share capital, summaries of certain provisions of its Articles of Association and certain requirements of Dutch legislation in effect on the date of this Prospectus. As a summary, this description does not contain all of the provisions of the Articles of Association and is qualified in its entirety by reference to the Articles of Association and the applicable provisions of Dutch law.

15.1 Introduction

The Company is a public limited liability company (*naamloze vennootschap*), was incorporated under Dutch law by a notarial deed dated 23 February 1981 and operates under Dutch law. The address of the registered office of the Company is Vijzelstraat 20, 1017 HK Amsterdam, The Netherlands. The Company is registered in the commercial register of the Chamber of Commerce and Industry in Amsterdam under the number 33162223. The telephone number of the Company is +31 (0)20 522 03 30.

15.2 Corporate purpose

Pursuant to Article 3 of the Articles of Association, the Company's objects and purposes are:

- to carry on the banking business;
- to manage capital both for the Company itself and for the account of third parties;
- to act as trustee and to perform other confidential functions;
- to deal in options, securities, futures contracts and commodities and derived products as well as to enter into currency transactions, everything both for the Company's own account and for account of third parties, insofar as necessary as a member of stock exchanges appropriate for the purpose, whether or not officially recognised, in The Netherlands and elsewhere;
- to gain possession of money claimable, in time or otherwise, and to perform credit provisions or investments for the Company's own account;
- to participate in, to finance, to be otherwise interested in and to conduct the management of enterprises and companies;
- to give guarantees, to provide security interests or to give other guarantees or to bind the Company itself jointly and severally or otherwise for obligations of group companies; and
- to do anything that is related to the above in the widest sense or may be conducive thereto.

15.3 Structure regime

The Company is obliged to report to the commercial register within 2 months after the adoption of its annual accounts, if the Company meets the criteria for a 'large' company in the sense of the structure regime. These criteria are:

- i) the issued share capital, plus reserves, is at least €16 million;
- ii) the Company or any of its subsidiaries has established a works council pursuant to a statutory requirement; and
- iii) the Company, together with its subsidiaries, has 100 or more employees in The Netherlands.

It is expected that these criteria will be met at the end of 2007. The structure regime rules become effective to the Company after it has been registered as such with the commercial register for three consecutive years.

In short, the structure regime rules are as follows. Companies falling under the structure regime must have a supervisory board. The general meeting of shareholders appoints the members of the supervisory board on the nomination of the supervisory board. The general meeting of shareholders can reject the nomination with a simple majority of the votes cast with at least one-third of the issued capital represented at the general meeting of shareholders.

The general meeting of shareholders and the works council have a right of recommendation. A third of the members of the supervisory board must be nominated on the basis of the recommendation of the works council. The supervisory board can object only on the grounds that the recommended candidate is inadequate or that the supervisory board will not be sufficiently assembled if the nominated candidate is appointed.

The supervisory board has broad powers in the structure regime. Major strategic and organisational decisions taken within the structure company must have the consent of the supervisory board. The supervisory board is also charged with the appointment and dismissal of the members of the management board.

15.4 Share capital

At the date of this Prospectus, the Company's authorised share capital is €10,000,005 divided into 100,000,000 Ordinary Shares with a nominal value of €0.10 each and 50 Priority Shares with a nominal value of €0.10 each. At the date of this Prospectus the Company's issued share capital is €3,083,745.30, consisting of 30,837,403 Ordinary Shares and 50 Priority Shares, which are paid up in full.

15.5 Form and transfer of the Ordinary Shares and the Priority Shares

Currently, the Company has Ordinary Shares and Priority Shares outstanding. The Ordinary Shares are in bearer or in registered form, at the holder's option. The Priority Shares are in registered form. No share certificates will be issued for shares in registered form.

The Ordinary Shares are divided into, not more than, 1,502 classical bearer share certificates (*klassieke toonderstukken*) and other bearer Ordinary Shares. The holders of the classical bearer share certificates are unknown to the Company. The classical bearer share certificates will be exchanged for bearer Ordinary Shares as soon as the holder of such classical bearer share certificate notifies the Company in order to receive his dividends and his Unexercised Rights Payment. All other bearer Ordinary Shares in issue from time to time shall be represented by one single share certificate which is intended to be held, and is currently held, on behalf of the party or parties entitled to it by Euroclear Nederland.

On the occasion of the issuance of Ordinary Shares the person becoming entitled to receive any Ordinary Shares may request the Company in writing to deliver registered Ordinary Shares. Thereafter, a participant in the collective deposit (*verzameldepot*) of a securities institution admitted to Euroclear Nederland may, at his own expense, require conversion of one or more of his bearer Ordinary Shares into Ordinary Shares in registered form. The transfer of a registered share shall be effected by means of a deed and, except where the Company is a party to the transaction, its acknowledgment in writing of the transfer. Currently there are no Ordinary Shares in registered form.

The Company has 50 Priority Shares outstanding which are held by the Priority Shareholder.

Anti-takeover defences

The Priority Shareholder holds 50 Priority Shares. Under the Articles of Association, the Priority Shareholder has a central role in many important decisions. For example, the members of the Management Board and the

Supervisory Board are appointed from a non-binding list of candidates drawn up by the Priority Shareholder, a resolution to amend the Articles of Association or to dissolve the Company can only be adopted on a proposal of the Priority Shareholder and the Priority Shareholder determines what part of the (remaining) profits is to be added to reserves.

In essence, the purpose of the Priority Shareholder is to counter any influence over BinckBank's management or operations which might be prejudicial to the independence of the Company and its related enterprise and to promote good governance of its affairs. The management board of the Priority Shareholder consists of three members. Member A is appointed by the Supervisory Board, member B by the Management Board and member C by members A and B together. The current members A, B and C of the Priority Shareholder's management board are Mr. C.J.M. Scholtes (chairman of the Supervisory Board), Mr. T.C.V Schaap (chairman of the Management Board) and Mr. J.K. Brouwer (member of the Supervisory Board), respectively.

15.6 Issue of Ordinary Shares

The issue of Ordinary Shares requires a resolution of the General Meeting, which may assign this authority to another corporate body for a maximum of five years. Save as provided otherwise by law, each Shareholder will have a pre-emptive right to issues of Ordinary Shares in proportion to the total amount of the Ordinary Shares held. Shareholders have no pre-emptive right to Ordinary Shares which are issued (i) to employees of the Company or a group company or (ii) for payment other than in cash. The pre-emptive right may be restricted or suspended by a resolution of the General Meeting. Pre-emptive rights can also be restricted or suspended by the corporate body referred to above, if it has been designated by resolution of the General Meeting, for a maximum of five years, as authorised to restrict or suspend pre-emptive rights. If less than half of the issued capital is represented at the General Meeting, a resolution by the General Meeting to restrict or suspend pre-emptive rights, to designate another corporate body as authorised to do so or to withdraw such designation requires a majority of at least two-thirds of the votes cast. These resolutions may only be adopted by the General Meeting on a motion by the Priority Shareholder.

15.7 Repurchase of Ordinary Shares by the Company

The Company may acquire fully paid Ordinary Shares at any time for no consideration, or, subject to certain provisions of Dutch law and the Articles of Association, if (i) its shareholders' equity minus the payment required to make the acquisition, does not fall below the sum of called-up and paid-up share capital and any statutory reserves and (ii) the Company and its subsidiaries would thereafter not hold Ordinary Shares or hold a pledge with an aggregate nominal value exceeding 10% of its issued share capital.

An acquisition of Ordinary Shares for a consideration should be authorised by the General Meeting. Such authorisation may apply for a maximum period of 18 months and must specify the number of Ordinary Shares that may be acquired, the manner in which Ordinary Shares may be acquired and the price limits within which Ordinary Shares may be acquired.

15.8 Capital reduction

The General Meeting may, subject to the approval of the Priority Shareholder, resolve to reduce the issued share capital. A resolution of the General Meeting to reduce the issued share capital shall designate the shares to which the resolution applies and shall make provisions for the implementation of such resolution. A partial repayment or exemption from the obligation to pay up shares, must be made pro rata, unless all the shareholders concerned agree otherwise, and shall be effected in accordance with the relevant provisions of the Dutch Civil Code.

A resolution of the General Meeting to reduce the issued share capital requires a majority of at least two-thirds of the votes cast if less than half of the issued share capital is represented at the meeting.

15.9 General Meeting

The annual General Meeting shall be held within six months following the end of each financial year to, *inter alia*, discuss the annual report of the Management Board with respect to the general state of affairs of the Company and the auditors' report, adopt the financial statements, determine the profit allocation and grant discharge to members of the Management Board and to members of the Supervisory Board.

General Meetings shall be held in The Netherlands in Amsterdam.

Notice of a General Meeting shall be given by the Management Board or the Supervisory Board. In the event that Shareholders (and/or persons having the rights conferred by law upon holders of depository receipts and Ordinary Shares issued with the Company's cooperation for Ordinary Shares in its capital) representing alone or in aggregate at least 10% of the Company's issued and outstanding share capital have requested a General Meeting to be held, such persons may give notice thereof if the Management Board or the Supervisory Board has not done so within sixty days following the receipt of the request. Notice of a General Meeting shall be given no later than on the fifteenth day prior to the day of the meeting.

The notice of a General Meeting must include an agenda indicating the items for discussion, as well as any proposals for the agenda. Shareholders (and/or persons having the rights conferred by law upon holders of depository receipts and shares issued with the Company's cooperation for shares in its capital) representing alone or in aggregate at least 1% of the Company's issued and outstanding share capital or shares representing a value of at least €50.0 million according to the Daily Official List may submit proposals for the agenda. Provided BinckBank receives such proposals no later than the sixtieth day before the General Meeting, and provided that such proposal does not conflict with the Company's general interests, BinckBank is required to include proposals in the notice the Company publishes at least 15 days before the meeting.

The Management Board may determine a record date to establish which shareholders are entitled to attend and vote in the General Meeting. Such a decision needs approval from the Supervisory Board.

An extraordinary General Meeting can be held whenever the Management Board or the Supervisory Board deems it necessary. Shareholders representing alone or in aggregate at least 10% of the Company's issued share capital may, pursuant to the Dutch Civil Code, request that an extraordinary General Meeting be convened.

Meetings of the Priority Shareholder can be held whenever one of the holders, the Management Board or the Supervisory Board deems it necessary.

15.10 Voting rights

Each share in the capital of BinckBank, including the Priority Shares, confers the right to cast one vote. Resolutions are adopted by a simple majority of the votes cast, except where a larger majority is prescribed by law or the Articles of Association. Shareholders may vote by proxy.

15.11 Annual accounts

Annually, and within five months following the end of the Company's financial year (unless the General Meeting has extended this period by a maximum of six months on account of special circumstances), the Management

Board is required to prepare the statutory annual accounts, which must be accompanied by an auditors' statement, an annual report and certain other information required under Dutch law. All members of the Management Board and the Supervisory Board must sign the annual accounts.

The annual accounts, the annual report, the other information required under Dutch law and the auditors' statement must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting. The annual accounts shall be adopted by the General Meeting.

15.12 Dividends and other distributions

The Company may only make distributions to its Shareholders in so far as its shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association.

Under the Articles of Association, if and insofar as profits allow it, a dividend of 6% of the nominal value is paid on the Priority Shares. The Priority Shareholder then determines what proportion of the profit is to be retained. This sum is not distributed to the Shareholders, but is added to the Company's reserves. The remainder of the profit is placed at the disposal of the General Meeting, which means that it can choose to distribute the remaining profit, to add it to reserves or a combination of the two. Distributions may, according to the provisions of the Articles of Association, be paid in cash or entirely or partially in Ordinary Shares. The current dividend policy of the Priority Shareholder is to place the remainder of the profit only at the disposal of the General Meeting if the total net annual profit exceeds 5% of BinckBank's shareholders' equity and only if doing so would not, in the Priority Shareholder's view, reduce the Company's liquidity and capital adequacy to insufficient levels. If, with due observance of these conditions, a proportion of the profit is placed at the disposal of the General Meeting, the Priority Shareholder will aim in principle for a payout ratio of 50% of the net EPS. The EPS will be corrected for the amortisation expense as a result of IFRS following the Acquisition (see "BinckBank following the Acquisition – Financial impact of the Acquisition"). The Priority Shareholder may decide to change this dividend policy.

15.13 Amendments to the Articles of Association

The General Meeting may only resolve to amend the Articles of Association at the proposal of the Priority Shareholder. Any such resolution requires a majority of at least two-thirds of the votes validly cast at the General Meeting.

15.14 Dissolution and liquidation

The General Meeting may only resolve to dissolve the Company at the proposal of the Priority Shareholder. Any such resolution requires a majority of at least two-thirds of the votes validly cast at the General Meeting.

In the event of dissolution, the liquidation shall be arranged by the Management Board under supervision of the Supervisory Board, unless the General Meeting appoints other liquidators. During liquidation, the provisions of the Articles of Association will remain in force as far as possible.

The balance of the Company's remaining equity after payment of debts will be distributed to the Shareholders in proportion to the number of shares that each shareholder holds, provided that not more than the nominal amount will be paid out for the Priority Shares.

15.15 Disclosure of holdings

Shareholders may be subject to notification obligations under the FSA. The FSA came in force as at 1 January 2007 and implements several provisions of the Transparency Directive (2004/109/EC) and is also aimed at simplifying and modernising the notification and disclosure procedures. The following description summarises those obligations. Shareholders are advised to consult with their own legal advisers to determine whether the notification obligations apply to them.

The most important notification requirements for the Company's investors based on the FSA are as follows:

- any person who, directly or indirectly, acquires or disposes of a capital interest or voting rights in the Company must forthwith give written notice to the AFM of such capital interest and/or voting rights. This notification obligation will exist if an acquisition or disposal causes the total percentage of the capital interest and/or voting rights held, to reach, exceed or fall below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%;
- any person whose capital interest or voting rights in the Company reaches, exceeds or falls below a threshold due to a change in the Company's outstanding capital or in votes that can be cast on the shares of the Company as notified to the AFM by the Company, should notify the AFM no later than the fourth trading day after the AFM has published the Company's notification; and
- any person whose holding of shares or voting rights in the Company is larger than or equal to 5% will be required to notify the AFM of any changes in the composition of this interest annually within four weeks from 31 December at 24:00 hours.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) shares (or depositary receipts for shares) directly held (or acquired or disposed of) by any person, (ii) shares (or depositary receipts for shares) held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement, and (iii) shares (or depositary receipts for shares) which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of including, but not limited to, on the basis of convertible bonds). Special rules apply to attribution of community of property. A holder of a pledge or right of usufruct in respect of the shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the shares or, in case of depositary receipts, the underlying shares. If a usufructuary acquires such (conditional) voting rights, this may trigger the reporting obligations for the holder of the shares (or depositary receipts for the shares).

15.16 Public offer rules

Based on the Directive 2004/25/EC of the European Parliament and of the Council of the European Union (the "Takeover Directive") each Member State should ensure the protection of minority shareholders by obliging the person that acquires control of a company to make an offer to all the holders of that company's voting securities for all their holdings at an equitable price. The Takeover Directive applies to all companies governed by the laws of a Member State of which all or some voting securities are admitted to trading on a regulated market in one or more Member States. The laws of the Member State in which a company has its registered office will determine the percentage of voting rights that is regarded as conferring control over that company.

Under the laws of The Netherlands, the above percentage has been determined to be 30%: a party – whether acting alone or in concert – that acquires 30% or more of the voting rights of a company whose shares are admitted to trading on a regulated market, has to make an offer for the remaining shares of that company. This obligation does not apply to shareholders with existing controlling interests of more than 30% of the voting rights at the effective date of the new public offer rules. Pursuant to the transitional rules of the implementation legislation, the new public offer rules do not apply to public offers that were yet announced under the former public offer rules.

15.17 Dutch squeeze-out proceedings

If a person or company or group company holds a total of at least 95% of a company's issued share capital by nominal value for its own account (the "**Controlling Entity**"), Dutch law permits the Controlling Entity to acquire the remaining ordinary shares in the company by initiating proceedings against the holders of the remaining ordinary shares. The price to be paid for such ordinary shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal.

Should the Controlling Entity's offer of a squeeze-out not be forthcoming, the draft bill for the implementation of the Takeover Directive also entitles those minority shareholders that have not previously tendered their shares to the right of a squeeze-out, if the Controlling Entity has acquired at least 95% of the class of shares subject to the public offer and represents at least 95% of the total voting rights attached to these shares. This regulation is not yet part of the laws of The Netherlands but will be implemented by the bill for the implementation of the Takeover Directive.

15.18 Market abuse regime

The Company's insiders as described in Section 5:60 of the FSA are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in shares of the Company or in securities of which the value is at least in part determined by the value of such shares. Insiders of the Company as described in Section 5:60 of the FSA include (i) members of the Management Board, (ii) members of the Supervisory Board and (iii) persons who have a managerial position within the Company and in that capacity are authorised to make decisions which have consequences for the future development and prospects of the Company and can have access to inside information on a regular basis.

In addition, persons designated by the Dutch Market Abuse Decree who are closely associated with the members of the Management Board, the Supervisory Board or any other insider referred to above, must notify the AFM of the existence of any transaction conducted for their own account relating to the shares of the Company or securities of which the value is at least in part determined by the value of such shares. The Dutch Market Abuse Decree designates the following categories of persons as being closely related for the purposes of the Dutch Market Abuse Decree: (i) the spouse or any partner considered by national law as equivalent to a spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date and (iv) any legal person, trust or partnership, among other things, managed or controlled by members of the Management Board, the Supervisory Board or any other insiders referred to above.

This notification must be made no later than the fifth business day following the transaction date. The notification pursuant to Section 5:60 of the FSA may be delayed until the moment that the value of the transactions performed for that person's own account, together with the transactions carried out of the persons associated with that person, reach or exceed the amount of €5,000 in the calendar year in question. Non-compliance with the reporting obligations under the FSA could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with the reporting obligations under the FSA may lead to civil sanctions.

16. TAXATION

16.1 Introduction

This section provides a general summary of certain Dutch and Belgian tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Ordinary Shares which could be of relevance to the Shareholders. This summary provides general information only and is restricted to the matters of Dutch and Belgian taxation stated in it. The information given below is neither intended as tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the Offer Shares.

A prospective purchaser of the Offer Shares should consult his own tax advisor regarding the Dutch and/or Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Ordinary Shares.

This summary is based on the tax legislation, published case law, and other regulations in force in The Netherlands and Belgium as at the date of this Prospectus, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

16.2 Taxation in The Netherlands

Dividend withholding tax

Dividends received in respect of the Ordinary Shares are generally subject to Dutch dividend withholding tax at a rate of 15%. Generally, BinckBank is responsible for the withholding of such dividend withholding tax at source; the dividend withholding tax is for the account of the Shareholder. The term 'dividends' includes, but is not limited to:

- distributions in cash or in kind, whatever they be named or in whatever form, *e.g.* deemed and constructive distributions;
- liquidation proceeds of the Ordinary Shares and, as a rule, the consideration for the repurchase of the Ordinary Shares by BinckBank, in excess of the average paid-in capital as recognised for Dutch dividend withholding tax purposes, unless such repurchase is (i) for temporary investment or (ii) exempt on the basis of the Dutch Dividend Withholding Tax Act of 1965;
- the par value in respect of the issue of bonus Ordinary Shares to a holder of the Ordinary Shares, or an increase in the par value of the Ordinary Shares to the extent that no contribution, recognised for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial redemption of the Ordinary Shares to the extent that this constitutes a repayment of contributed capital (as referred to in the Dutch Dividend Withholding Tax Act of 1965), and to the extent that BinckBank has net profits (within the meaning of that expression for Dutch dividend withholding tax purposes), unless the Shareholders have resolved in a General Meeting to make such repayment, and the par value of the Ordinary Shares concerned has been reduced by a corresponding amount by way of an amendment to the Articles of Association.

Notwithstanding the above, no withholding is required in the event of a repurchase of Ordinary Shares, if certain conditions are fulfilled.

If a Shareholder is subject to Dutch corporate income tax and is entitled to the participation exemption as set out in the Dutch Corporate Income Tax Act of 1969 in respect of the benefits derived from his Ordinary Shares, and such Ordinary Shares are attributable to an enterprise carried out in The Netherlands, such Shareholder will generally be entitled to an exemption from or a full refund of Dutch dividend withholding tax on dividends distributed by BinckBank, provided that he can be considered the beneficial owner of the dividends.

If a Shareholder:

- i) takes one of the forms listed in the Annex 2003 to the Parent-Subsidiary Directive (Directive 90/435/EEC) (the "**Parent-Subsidiary Directive**");
- ii) alone, or together with an affiliated entity as defined in the Dutch Corporate Income Tax Act of 1969, owns at least 5% of the issued and paid up capital of BinckBank or, in certain conditions 5% of the voting power in BinckBank;
- iii) is a resident of another Member State according to the tax laws of that Member State and, under the terms of a double taxation agreement concluded by that Member State with a third state, is not considered to be resident for tax purposes outside the European Union;
- iv) is subject, without the possibility of an option or of being exempt, to a tax listed in article 2 of the Parent-Subsidiary Directive; and
- v) can be considered the beneficial owner of the dividends,

such Shareholder will generally be eligible for an exemption from Dutch dividend withholding tax on dividends distributed by BinckBank. If a Shareholder does not meet the requirement under (ii) above, the Shareholder may nevertheless be entitled to the exemption described above, if such Shareholder meets all the other requirements and:

- i) has owned 5% or more of the total issued and paid up capital of BinckBank for an uninterrupted period of one year during which the participation exemption applied to these Ordinary Shares; and
- ii) the dividend is distributed by BinckBank within three years after the end of this period.

Generally, a Shareholder that is resident, or is deemed to be resident, in The Netherlands will be allowed a credit against Dutch personal income tax or Dutch corporate income tax for the tax withheld on dividends paid in respect of the Ordinary Shares. Subject to certain conditions, a legal entity resident in The Netherlands that is not subject to Dutch corporate income tax may request a refund of the tax withheld. In addition, subject to certain conditions, a legal entity resident in a Member State, that is not subject to a profit based tax in that Member State, and, should that entity be a resident in The Netherlands, not be subject to Dutch corporate income tax, may request a refund of the tax withheld.

If a Shareholder is resident in a country other than The Netherlands under the provisions of a treaty for the avoidance of double taxation between The Netherlands and such country, such Shareholder may, depending on the terms of such treaty, be entitled to an exemption from, reduction in or refund of, Dutch dividend withholding tax on dividends distributed by BinckBank.

Based on anti-abuse provisions regarding dividend-stripping transactions, a Shareholder who is resident, or is deemed to be resident, in The Netherlands will only be allowed a credit against Dutch personal income tax or Dutch corporate income tax for the tax withheld on dividends paid in respect of the Ordinary Shares if the Shareholder who is entitled to the dividends is the beneficial owner (within the meaning of the Dutch Dividend Withholding Tax Act of 1965) of the dividends. A legal entity resident in The Netherlands that is not subject to Dutch corporate income tax is only entitled to a refund of the dividend withholding tax withheld if that legal entity is the beneficial owner (within the meaning of the Dutch Dividend Withholding Tax Act of 1965) of the dividends.

Taxes on income and capital gains

If the Shareholder is an individual and:

- such Shareholder holds a (fictitious) substantial interest in BinckBank; or
- the Ordinary Shares and income received or capital gains derived there from relates to the past, present or future employment activities or deemed employment activities of such holder, *i.e.* the income or capital gains are enjoyed from an employment or otherwise as compensation,

the Dutch tax position of such Shareholder is not discussed in this Prospectus.

In addition, this section "– Taxes on income and capital gains" does not describe the possible Dutch tax considerations or consequences that may be relevant to a Shareholder:

- that is an entity that is not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as pension funds);
- that is an entity that is considered as an exempt investment institution (*vrijgestelde beleggingsinstelling*); or
- that is an investment institution (*fiscale beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act of 1969.

Generally speaking, an interest in the share capital of BinckBank should not be considered a substantial interest (*aanmerkelijk belang*) if the holder of such interest, and his spouse, registered partner, certain other relatives or certain persons sharing the holder's household, alone or together, does not or do not hold, either directly or indirectly, the ownership of, or certain rights over, Ordinary Shares or rights resembling Ordinary Shares representing 5% or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares of BinckBank.

Generally, a Shareholder has a amongst others a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Company if, without having an actual substantial interest in the Company:

- i) the Ordinary Shares have been obtained under inheritance law or matrimonial law, on a non recognition basis, while the disposing Shareholder had a substantial interest in the Company;
- ii) the Ordinary Shares have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the Shareholder prior to this transaction had a substantial interest in the Company that was party thereto; or
- iii) the Ordinary Shares held by the Shareholder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognised upon dequalification of these Ordinary Shares.

A Shareholder will also have a substantial interest if his partner or one of certain relatives of the Shareholder or of his partner has a (fictitious) substantial interest.

Residents of The Netherlands

Dutch corporate entities

Income derived or deemed to be derived from Ordinary Shares or a gain realised on the disposal or redemption of Ordinary Shares, by a Shareholder who is a resident of The Netherlands and who is subject to Dutch corporate income tax, is generally taxable in The Netherlands at statutory rates up to 25.5% (2007 rate). Dividends received or a gain realised on the disposal or redemption of Ordinary Shares by such Shareholder qualifying in respect of the Ordinary Shares for the participation exemption, as set out in the Dutch Corporate Income Tax Act of 1969, are exempt from Dutch corporate income tax.

Dutch individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Income derived from an Ordinary Share or a gain realised on the disposal or redemption of an Ordinary Share, by a Shareholder who is an individual and who is a resident or a deemed resident or who has opted to be treated as a resident of The Netherlands, may be subject to Dutch personal income tax at progressive personal income tax rates up to 52% (2007 rate) amongst others if:

- the individual carries on a business, or is deemed to carry on a business, for example pursuant to a co-entitlement to the net value of an enterprise (*medegerechtigde*), to the assets of which such Ordinary Share is attributable, or
- such income or gain is attributable to the individual's activities, other than business activities, for example, by the use of that individual's special knowledge or activities performed by that individual with respect to the Ordinary Share as a result of which such individual can make a return on the Ordinary Share that is in excess of the return on normal passive portfolio management (*belastbaar resultaat uit overige werkzaamheden*).

Dutch individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

If the conditions set out above do not apply to a resident individual, income received by such individual from an Ordinary Share as well as gains realised on the disposal or redemption of an Ordinary Share are in general not taxable as such. Instead, an income tax is annually imposed on a fictitious yield on such Ordinary Shares under the regime for savings and investments (*inkomen uit sparen en beleggen*). The annual taxable benefit that is taxed under this regime is set at a fixed amount (4%, 2007 rate) of the Shareholder's net worth including the Ordinary Shares (*i.e.* the average fair market value of the assets reduced by the average fair market value of the liabilities measured, in general, at the beginning and the end of every calendar year), after taking into consideration a certain threshold amount. The tax rate under the regime for savings and investments is a flat rate of 30% (2007 rate).

Non-residents of The Netherlands

A Shareholder, who is neither resident nor deemed to be resident in The Netherlands nor has opted to be treated as resident in The Netherlands who receives income from Ordinary Shares, or who realises a gain on the disposal or redemption of Ordinary Shares, will not be subject to Dutch taxation on income or capital gains, unless:

- such income or gain is attributable to an enterprise or deemed enterprise or part thereof that is carried on through a permanent establishment or a permanent representative in The Netherlands;
- the Shareholder is an individual, and such income or gain is attributable to his or her activities in The Netherlands (as described above under "– Residents of The Netherlands"), other than business or employment activities (*belastbaar resultaat uit overige werkzaamheden in Nederland*);
- the Shareholder is entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Ordinary Shares are attributable; or
- the Shareholder is a non-Dutch resident taxpayer for Dutch corporate income tax purposes that holds a (fictitious) substantial interest in BinckBank, and such substantial interest is not attributable to an enterprise.

Taxation of gifts and inheritance

Residents of The Netherlands

Generally, gift and inheritance tax will be due in The Netherlands in respect of the acquisition of an Ordinary Share by way of a gift by, or on the death of a Shareholder who is a resident or deemed to be a resident of The Netherlands for the purposes of Dutch gift and inheritance tax on the date of the gift or on the date of his death. An individual of Dutch nationality is deemed to be a resident of The Netherlands for the purposes of

Dutch gift and inheritance tax if he or she has been resident in The Netherlands at any time during the 10 years preceding the date of the gift or his or her death. An individual of any other nationality is deemed to be a resident of The Netherlands for the purposes of Dutch gift tax only if he has been resident in The Netherlands at any time during one year preceding the date of the gift. Furthermore, under circumstances, a Shareholder will be deemed to be a resident of The Netherlands for purposes of Dutch gift and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

Non-residents of The Netherlands

No Dutch gift or inheritance tax will be levied on the acquisition of an Ordinary Share by way of gift by, or on the death of, a Shareholder if that Shareholder is neither a resident nor deemed to be a resident of The Netherlands on the date of the gift or on the date of his death, unless:

- on the date of the gift or on the date of his death, an Ordinary Share is attributable to an enterprise or part thereof that is carried on through a permanent establishment or a permanent representative in The Netherlands;
- the Shareholder has died within 180 days of making the gift and on the date of his or her death is a resident or is deemed to be a resident of The Netherlands; or
- the Shareholder is entitled to an Ordinary Share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Ordinary Shares are attributable.

Value added tax

No value added tax will be due in The Netherlands in respect of payments made in consideration for the issue of an Ordinary Share, whether in respect of payments of interest and principal or in respect of the transfer of an Ordinary Share.

Other taxes

No registration tax, customs duty, stamp duty, real estate transfer tax or any other similar tax or duty will be due in The Netherlands in respect of or in connection with the mere issue, transfer, execution or delivery of Ordinary Shares or the performance of the obligations of BinckBank under the relevant documents.

Residency

A Shareholder will not become, and will not be deemed to be, resident in The Netherlands by reason only of holding such Ordinary Share or by reason only of the execution, performance and/or delivery of any relevant documents.

16.3 Taxation in Belgium

Dividend for Belgian residents

Withholding tax

As a general rule, if the dividends are paid through a paying agent in Belgium (financial institution or other intermediary established in Belgium), this intermediary will levy a withholding tax of 25% on the dividends.

Dividends subject to the dividend withholding tax include all benefits from the Ordinary Shares in whatever form as well as repayments of statutory capital, except repayments of paid-up capital carried out in accordance with the Belgian Companies Code (*Wetboek van Vennootschappen / Code des Sociétés*) to the extent that the capital qualifies as "fiscal" capital.

If the Company redeems its own Ordinary Shares, the redemption price (after deduction of the portion of paid-in fiscal capital represented by the redeemed Ordinary Shares) will in principle be treated as a dividend which in certain circumstances may be subject to a withholding tax of 10% if paid through a paying agent in Belgium. Subject to certain conditions, an exemption from this 10% withholding tax applies for acquisitions of own Ordinary Shares on a stock exchange.

In case of liquidation of the Company, any amounts distributed in excess of the paid-in fiscal capital will in principle be subject to a withholding tax of 10% if paid through a paying agent in Belgium.

If the dividend income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Individuals

For Belgian resident individuals who acquire and hold the Ordinary Shares as a private investment, payment of the Belgian withholding tax (at the rate of 25%) fully discharges individual income tax liability.

Belgian resident individuals who collect dividends directly abroad without the intervention of a Belgian financial intermediary are obliged to report the dividends in their personal income tax return.

Where the beneficiaries of the dividends declare them, dividends will normally be taxed at a separate income tax rate, equal to the dividend withholding tax rate or the applicable progressive individual income tax rate taking into account the taxpayer's other declared income, whichever is lower.

If the beneficiary reports the dividend, the amount of federal income tax payable is increased by the local surcharge. In addition, if the dividends are reported, the Belgian withholding tax retained at source may be offset and may be reimbursed under certain condition and to the extent that it exceeds the tax actually payable.

For Belgian resident individual investors who acquire the Ordinary Shares for professional purposes, the withholding tax does not fully discharge their income tax liability. Dividends received must be reported by the beneficiary and will be taxed at the progressive income tax rate. Belgian withholding tax retained at source may be offset against individual income tax and may be reimbursable under certain conditions and to the extent that it exceeds the actual tax payable.

Corporations

Dividends collected in Belgium through a financial intermediary by a Belgian resident corporate which is subject to Belgian corporate income tax are exempt from Belgian dividend withholding tax if the beneficiary completes the 'ad hoc' form for this purpose.

The dividends should be reported in the corporate income tax return of the Shareholder and will be subject to Belgian corporate income tax at the ordinary rate of 33.99%. In certain circumstances, lower rates can apply.

Belgian resident corporate taxpayers may deduct up to 95% of gross dividends received from their taxable profits, if, at the date the dividends are paid or attributed (*betaalbaargesteld of toegekend / mis en paiement ou attribués*), (i) they held at least 10 % of the capital of the Company or a shareholding's value of at least €1,200,000, (ii) with full legal ownership of the Ordinary Shares, (iii) the Ordinary Shares qualified as financial fixed assets under Belgian GAAP and (iv) they held or will hold the Ordinary Shares for an uninterrupted period of at least one year. The 95% dividend received deduction is however subject to the conditions of taxation of the income distributed, provided under Article 203 of the Belgian Income Tax Code (*Wetboek van de Inkomstenbelastingen 1992 / Code des Impôts sur les Revenus 1992*). The exemption depends on a factual determination made upon each distribution and thus may be subject to change.

Other taxable legal entities

A Belgian financial intermediary who intervenes in the payment of dividends is obliged to levy a Belgian dividend withholding tax of 25% of the dividends. For legal entities subject to the Belgian income tax on legal entities, the Belgian withholding tax constitutes the final tax on their dividend income.

If the dividends are received outside of Belgium, without the use of a Belgian financial intermediary, the Shareholder entity subject to the Belgian tax on legal persons will be liable for the payment of the Belgian dividend withholding tax, at a rate of 25%.

Capital gains and losses for Belgian residents

Individuals

Individual Belgian residents holding the Ordinary Shares as a private investment are not subject to Belgian capital gains tax on the disposal of the Ordinary Shares and losses are not deductible.

Individual Belgian residents may, however, be subject to a 33% tax if the capital gain is deemed to be realised outside the scope of the normal management of one's own private estate. This tax is subject to a local surcharge.

Losses on transactions outside the scope of the normal management are deductible from the income from similar transactions.

Individual Belgian residents who hold the Ordinary Shares for professional purposes are taxable at the ordinary progressive income tax rates for business income on any capital gains realised on the disposal of the Ordinary Shares, except for the Ordinary Shares held for more than five years, which are taxed at a separate rate of 16.5%. Reductions in value and losses on the Ordinary Shares realised by individual Belgian residents who hold the Ordinary Shares for professional purposes are deductible from business income.

Corporations

Capital gains realised by Belgian resident corporations on the disposal of the Ordinary Shares are exempted from Belgian corporate income tax, provided these Ordinary Shares qualify for the dividends-received deduction regime, taking into account that the minimum participation and the minimum holding period required for the dividends-received deduction does not have to be met for the capital gains exemption, nor the qualification as financial fixed assets.

Reductions in value and capital losses on the Ordinary Shares realised by Belgian resident corporations are in general not deductible.

Capital gains realised by Belgian resident corporations on the redemption of the Ordinary Shares or in the case of liquidation of the Company will be taxed as a dividend.

Other taxable legal entities

Belgian resident legal entities subject to the income tax on legal entities are not subject to Belgian capital gains taxation on the disposal of the Ordinary Shares. Capital gains realised by Belgian resident legal entities on the redemption of the Ordinary Shares or in the case of liquidation of the Company will be taxed as a dividend. Reductions in value and losses on the Ordinary Shares realised by such investors are not tax deductible.

Dividend for Belgian non-residents

Withholding Tax

As a general rule, but subject to the application of exemptions or reductions discussed below, a withholding tax of 25% is levied on dividends paid on or attributed to Ordinary Shares through the intervention of a financial intermediary in Belgium. If the dividend is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Dividends subject to the dividend withholding tax include all benefits from the Ordinary Shares in whatever form as well as repayments of statutory capital, except repayments of fiscal capital made in accordance with the Belgian Companies Code (*Wetboek van Vennootschappen / Code des Sociétés*).

If the Company redeems its own Ordinary Shares, the redemption price (after deduction of the portion of paid-in fiscal capital represented by the redeemed Ordinary Shares) will be treated as a dividend which in certain circumstances may be subject to a withholding tax of 10% if paid through a paying agent in Belgium. Subject to certain conditions, an exemption from this 10 % withholding tax applies for acquisitions of own Ordinary Shares on a stock exchange.

In case of liquidation of the Company, any amounts distributed in excess of the paid-in fiscal capital will in principle be subject to a withholding tax of 10% if paid through a paying agent in Belgium.

For non-resident individuals and corporations, the withholding tax will constitute a final tax in Belgium, unless the non-resident holds the Ordinary Shares in connection with a business conducted in Belgium through a fixed Belgian base or a Belgian permanent establishment.

If the Ordinary Shares were held by non-resident individuals or corporations in connection with a business in Belgium, the beneficiary must report any dividends received, which will be taxed at the non-resident progressive income tax rate or corporate income tax rate, as applicable. Withholding tax retained by a financial intermediary in Belgium may be offset against non-resident individual or corporate income tax and may be reimbursable under certain conditions and to the extent that it exceeds the actual tax payable

With regard to non-resident individual investors who acquire the Ordinary Shares for professional purposes or non-resident corporations, the tax credit is only available under certain conditions, notably if the taxpayer held legal title to the Ordinary Shares at the time the dividends are made available for payment or are attributed (*betaalbaargesteld of toegekend / mis en paiement ou attribués*).

Capital gains and losses for Belgian non-residents

Individuals

Capital gains realised on the Ordinary Shares by a non-resident individual that does not hold the Ordinary Shares in connection with a business conducted in Belgium through a fixed base or a Belgian permanent establishment, are in principle not subject to taxation in Belgium and losses are not deductible.

Capital gains will be taxed at the ordinary progressive income tax rates and losses will be deductible, if those gains or losses are realised on the Ordinary Shares by a non-resident individual that holds the Ordinary Shares in connection with a business conducted in Belgium through a fixed base or a Belgian permanent establishment. In such case, reductions in value and losses on the Ordinary Shares are deductible. Capital gains realised on the redemption of the Ordinary Shares or in the case of liquidation of the Company will be taxed as a dividend.

Corporations

Capital gains realised on the Ordinary Shares by a non-resident corporation that does not hold the Ordinary Shares in connection with a business conducted in Belgium through a fixed base or a Belgian permanent establishment, are not subject to Belgian corporate income tax and losses are not deductible.

Capital gains realised by a non-resident corporation that holds the Ordinary Shares in connection with a business conducted in Belgium through a Belgian permanent establishment are exempted from Belgian corporate income tax, provided these Ordinary Shares qualify for the dividends-received deduction regime, taking into account that the minimum participation and the minimum holding period required for the dividends-received deduction does not have to be met for the capital gains exemption, nor the qualification as financial fixed assets.

Reductions in value and capital losses on the Ordinary Shares realised by Belgian non-resident corporations are in general not deductible.

To the extent that capital gains realised by a non-resident corporation that does not hold the Ordinary Shares in connection with a business conducted in Belgium through a fixed base or a Belgian permanent establishment would otherwise be subject to Belgian capital gains taxation, such non-resident corporation may be entitled to a full exemption from such capital gains taxation under a tax treaty between Belgium and the country of residence of such Shareholder.

Capital gains realised by Belgian non-resident corporations on the redemption of the Ordinary Shares or in the case of liquidation of the Company will be taxed as a dividend.

The above description does not constitute a summary of the tax laws currently in force, which are liable to change and evolve over time. In each case, please consult your tax and financial advisor concerning your individual situation as well as further to any change in the tax laws.

17. THE OFFERING

17.1 Introduction

In the Rights Offering, BinckBank offers 46,256,105 Offer Shares with a nominal value of €0.10 each at the Issue Price of €8.32 per Ordinary Share, issued pursuant to Dutch law. Subject to applicable securities laws, existing Shareholders as at the Record Date are being granted Rights to subscribe for the Offer Shares, in amounts pro rata to their shareholdings. Following expiry of the Subscription Period, the Joint Global Coordinators, subject to the terms and conditions of the Underwriting Agreement, will offer the Rump Shares for sale by way of a private placement to institutional investors in The Netherlands or elsewhere at a price at least equal to the Issue Price and any expenses related to procuring such subscribers (including any value added tax). Any Offer Shares not subscribed for through the exercise of Rights in the Rights Offering or sold by the Joint Global Coordinators in the Rump Offering will be subscribed and paid for by the Joint Global Coordinators at the Issue Price, subject to the terms and conditions of the Underwriting Agreement. For information on applicable selling and transfer restrictions in respect of the Offer Shares and the Rights, see "Selling and Transfer Restrictions".

17.2 Timetable

The timetable below lists certain expected key dates for the Offering.

Record Date	Immediately following the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CET on 27 November 2007
Ex Rights trading in the Ordinary Shares commences on Euronext Amsterdam	28 November 2007
Subscription Period commences	28 November 2007
Trading in the Rights commences on Euronext Amsterdam	on or about 9:00 hours CET on 28 November 2007
Trading in the Rights ceases on Euronext Amsterdam	on or about 13:15 hours CET on 10 December 2007
End of Subscription Period	15:30 hours CET on 10 December 2007 ¹
Rump Offering expected to commence on and to end no later than	9:00 hours CET on 11 December 2007 17:30 hours CET on 11 December 2007
Allotment of Offer Shares	11 December 2007
Listing of, and start of trading in, the Offer Shares on Euronext Amsterdam commences on	14 December 2007
Payment for and delivery of the Offer Shares	14 December 2007

Figure 40 – Timetable

Notes

1. The last date and/or time before which notification of exercise instructions may be validly given by you, may be earlier than the date and/or time specified above as the end of the Subscription Period, depending on the financial intermediary through which your Rights are held.

BinckBank may adjust the dates, times and periods given in the timetable and throughout this Prospectus.

If BinckBank should decide to adjust dates, times or periods, it will notify Euronext and the AFM and inform you through publication of an advertisement in a Dutch national daily newspaper and in the Daily Official List. Any other material alterations will be published in a press release, in an advertisement in the Daily Official List and a Dutch national daily newspaper and in a supplement to this Prospectus.

17.3 Rights

Subject to applicable securities laws, the existing Shareholders as at the Record Date are being granted Rights to subscribe for Offer Shares at the Issue Price. Each Shareholder who holds Ordinary Shares immediately following the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CET on 27 November 2007, which is the Record Date, will be entitled to one Right for each Ordinary Share held. An Eligible Person will be entitled to subscribe for 3 Offer Shares for every 2 Rights held. Accordingly, Eligible Persons will be entitled to subscribe for 3 Offer Shares for every 2 Ordinary Shares held on the Record Date. Rights can only be exercised in multiples of 2. No fractional Ordinary Shares will be issued. If you hold Ordinary Shares on the Record Date, the financial intermediary through which you hold Ordinary Shares will customarily give you details of the aggregate number of Rights to which you will be entitled, subject to applicable securities laws. Your financial intermediary will supply you with this information in accordance with its usual customer relations procedures. You should contact your financial intermediary if you are a Shareholder entitled to receive Rights but have received no information with respect to the Rights Offering. The statutory pre-emptive rights of Shareholders have been excluded with respect to the Offering.

17.4 Record Date

The Record Date for determining the holders of the outstanding Ordinary Shares who will receive Rights (subject to applicable securities laws) is immediately following the close of trading on Euronext Amsterdam at 17:40 hours CET on 27 November 2007. Until the close of trading in the Ordinary Shares on Euronext Amsterdam on the Record Date, the Ordinary Shares will trade cum Rights. From 28 November 2007, the Ordinary Shares will trade ex Rights.

17.5 Trading in the Rights

Trading in the Rights on Euronext Amsterdam is expected to commence on or about 9:00 hours CET on 28 November 2007 and will cease on or about 13:15 hours CET on 10 December 2007. The Rights will be traded under the symbol "BBRI". The transfer of Rights will take place through the book-entry systems of Euroclear Nederland. Persons interested in trading or purchasing Rights should be aware that the exercise of Rights by holders who are located in countries other than The Netherlands is subject to restrictions as described under "Selling and Transfer Restrictions".

If you are a Shareholder and you wish to sell all or part of your Rights and you are holding your Ordinary Shares through a financial intermediary, you should instruct the financial intermediary through which you hold your Rights in accordance with the instructions received from it. If you are an Eligible Person you may also instruct your financial intermediary to purchase Rights on your behalf.

If you are interested in trading or purchasing Rights, you should be aware that you may be restricted from purchasing and/or exercising your Rights and acquiring Offer Shares if you are located in a jurisdiction other than The Netherlands and Belgium and therefore ineligible to participate in the Rights Offering. See "Selling and Transfer Restrictions".

Trading in the Rights will occur in the following securities codes: (i) security code – 85323, (ii) ISIN – NL0000853232 and (iii) common code – 033271557.

17.6 Subscription Period

Subject to the restrictions set out below, an Eligible Person can only validly exercise his Rights from 28 November 2007 up to 15:30 hours CET on 10 December 2007, which is the end of the Subscription Period. The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier, depending on the financial intermediary through which your Rights are held. If you have not validly exercised your Rights before the end of the Subscription Period, you will no longer be able to exercise your Rights. Once you have validly exercised your Rights, you cannot revoke or modify that exercise unless BinckBank amends a material term of the Offering or amends this Prospectus in any material respect. Even if the market price of the Ordinary Shares fluctuates below the Issue Price, if you have exercised your Rights, you will be obliged to pay the Issue Price for any Offer Shares subscribed for. BinckBank is not taking any action outside The Netherlands and Belgium to permit the exercise and transfer of Rights by the general public. BinckBank urges you to carefully study the restrictions described under "Selling and Transfer Restrictions". BinckBank reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws of any jurisdiction or if the Company believes that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

17.7 Subscription

If you are a Shareholder and you wish to exercise your Rights, you should instruct your financial intermediary in accordance with the instructions received from it. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons and for informing the Subscription Agent of your exercise instructions. All questions concerning the timelines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies you. BinckBank is not liable for any action or failure to act by a financial intermediary through which Shareholders hold their Ordinary Shares or by the Subscription Agent in connection with any subscriptions or purported subscriptions.

17.8 Unexercised Rights and the Rump Offering

Rights can no longer be exercised after 15:30 hours CET on 10 December 2007, which is the end of the Subscription Period. At that time, any unexercised Rights will continue to be reflected in your securities account solely for the purpose of the distribution of Unexercised Rights Payment, if any. After the Subscription Period has ended, the Joint Global Coordinators will, subject to the terms and conditions of the Underwriting Agreement, commence the Rump Offering, in which they will offer for sale by way of a private placement to institutional investors in The Netherlands or elsewhere the Rump Shares, being the remaining Offer Shares that were issuable upon the exercise of the Rights but that were not subscribed for during the Subscription Period. The Joint Global Coordinators have agreed to procure purchasers through a private placement of any Rump Shares at a price which is at least equal to the total of the Issue Price and any expenses related to procuring such purchasers (including any value added tax). The Rump Offering, if any, is expected to commence at 09:00 hours CET and to end no later than 17:30 hours CET on 11 December 2007. Any Offer Shares not subscribed for through the exercise of Rights in the Rights Offering or sold by the Joint Global Coordinators in the Rump Offering will be subscribed and paid for by the Joint Global Coordinators at the Issue Price, subject to the terms and conditions of the Underwriting Agreement.

17.9 Allotment

Allotment of Offer Shares issued pursuant to the Offering is expected to take place on 11 December 2007.

17.10 Unexercised Rights Payments

Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of any expenses related to procuring such subscribers (including any value added tax), exceed the aggregate Issue Price for such Rump Shares (such amount, the "**Excess Amount**"), each holder of a Right that was not exercised at the end of the Subscription Period will be entitled to receive, except as noted below, a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in each such holder's securities account (the "**Unexercised Rights Payment**"). If the Excess Amount divided by the total number of unexercised Rights is less than €0.01, no Unexercised Rights Payment will be made to the holders of any unexercised Rights and, instead, any Excess Amount will be retained by the Underwriters for their own benefit. The Company will not be entitled to receive any Excess Amount. The Unexercised Rights Payments, if any, will be distributed to the holders of unexercised Rights as soon as practicable following the closing of the Rump Offering and will be credited to those holders through the book-entry systems of Euroclear Nederland. Payments will be made in Euro only, without interest and following the withholding of any applicable taxes. If BinckBank has announced that an Excess Amount is available for distribution to holders of unexercised Rights and you have not received payment thereof within a reasonable time following the closing of the Rump Offering, you should contact the financial intermediary through which you hold unexercised Rights. BinckBank cannot guarantee that the Rump Offering will take place. Should the Rump Offering take place, BinckBank, the Subscription Agent, the Joint Global Coordinators or any other person procuring subscriptions for Rump Shares will not be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering.

A minimal part of the issued Ordinary Shares in the capital of the Company, not exceeding 1,502 shares, are classical bearer share certificates (*klassieke toonderstukken*). The holders of these classical bearer share certificates are unknown to the Company. The holder of such shares will be granted Rights as all existing Shareholders. However, because the holders of the classical bearer share certificates are unknown to the Company, a holder will need to notify the Company if he decides not to exercise or trade his Rights and for that reason will be entitled to an Unexercised Rights Payment. The classical bearer share certificates will be exchanged for bearer Ordinary Shares as soon as the holder of such classical bearer share certificate notifies the Company, or its financial intermediary, in order to exercise or trade his Rights or to receive his dividends and his Unexercised Rights Payment. As it is impossible to verify whether a holder of classical bearer share certificates was the holder of the classical bearer share certificates on the Record Date, any holder of classical bearer share certificates who notifies the Company will be entitled to the Unexercised Rights Payment until five years following completion of the Rump Offering, pursuant to Article 3:308 of the Dutch Civil Code. After expiration of the holder's claim, the Unexercised Rights Payments will accrue to the Company.

17.11 Agents

ING will act as Subscription Agent to accept subscriptions for Offer Shares through the exercise of Rights. Fortis will act as Listing Agent.

17.12 Payment, delivery, clearing and settlement

If you hold your Rights through a financial intermediary, you should pay the Issue Price for the Offer Shares that you subscribe for in accordance with the instructions you receive from your financial intermediary. The financial

intermediary will pay the Issue Price to the Subscription Agent, who will in turn pay it to BinckBank, after deduction of applicable fees and expenses. Payment for the Offer Shares to the Subscription Agent must be made no later than the Closing Date, which is expected to be 14 December 2007. Financial intermediaries may require payment to be provided to them prior to the Closing Date.

Payment for and delivery of the Offer Shares is expected to take place on 14 December 2007. Delivery of Offer Shares will take place through the book-entry systems of Euroclear Nederland. The address of Euroclear Nederland is Damrak 70, 1012 LM Amsterdam, The Netherlands.

Settlement on the Closing Date will occur in the existing securities codes for the Ordinary Shares (Security code: 33557, ISIN: NLO000335578, Common code: 027219721).

17.13 Ranking and dividends

The Offer Shares will, upon issue, rank equally in all respects with the then outstanding Ordinary Shares and will be eligible for any dividends which BinckBank may declare on the Ordinary Shares after the issue date. See "Dividends and Dividend Policy".

17.14 Listing and trading of the Offer Shares

Application will be made for the listing of the Offer Shares on Euronext Amsterdam. BinckBank expects that the Offer Shares will be listed, and that trading in the Offer Shares will commence, on Euronext Amsterdam at 09:00 hours CET on 14 December 2007, barring unforeseen circumstances. The outstanding Ordinary Shares are listed and will remain listed on Euronext Amsterdam under the symbol "BINCK".

All dealings in Rights prior to the closing of the Offering are at the sole risk of the parties concerned. Euronext does not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.

18. PLAN OF DISTRIBUTION

18.1 Underwriting arrangements

The Joint Global Coordinators, subject to the terms and conditions of the Underwriting Agreement, have agreed to procure subscribers for any Rump Shares through a private placement to institutional investors in The Netherlands or elsewhere at a price which is at least equal to the Issue Price and any expenses related to procuring such subscribers (including any value added tax). The Joint Global Coordinators, severally and not jointly, will subscribe and pay for any Rump Shares not sold in the Rump Offering and any Offer Shares for which no payment has been made by subscribers for the Offer Shares on the Closing Date at the Issue Price pro rata to the following underwriting commitments:

<i>Joint Global Coordinators</i>	<i>Offer Shares</i>
Fortis	50%
ING	50%
Total	100%

Figure 41 – Underwriting arrangements

If Fortis and ING default, the Underwriting Agreement will provide that in certain circumstances the Underwriting Agreement may be terminated.

In the Underwriting Agreement, the Company will give certain representations and warranties and undertakings to Fortis and ING. In addition, the Company will agree to indemnify Fortis and ING against certain liabilities in connection with the Offering. Each of the parties to the Underwriting Agreement will agree that it will not offer or sell any securities, or distribute any prospectus or offering document in connection therewith in violation of the provisions of the Underwriting Agreement.

18.2 Conditions to the Offering

The Underwriting Agreement will provide that, upon the occurrence of certain events, such as a material adverse change in the Company's financial condition or business affairs or in the financial markets, and under certain other conditions, the Underwriting Agreement will be terminated (provided that Fortis and ING have the right to waive the satisfaction of any such conditions or part thereof). In this event, the Offering will be withdrawn, all subscriptions for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation. All dealings in the Offer Shares issued prior to the Closing Date, prior to settlement and delivery are at the sole risk of the parties concerned.

18.3 Lock-up arrangements

The Company and the members of the Management Board have agreed with the Underwriters that, for a period of 180 days following the Closing Date, each such party will not, subject to certain exceptions, without the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, offer, sell, lend, deposit, mortgage, create liens over, charge, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant (whether by way of warrant, convertible or exchangeable security or otherwise) any option to subscribe for or purchase any security in the share capital of BinckBank, or otherwise transfer or dispose of any securities in BinckBank's share capital or enter into any swap or any other transaction, of whatever kind,

which directly or indirectly leads to a total or partial transfer to one or more third parties of any interest in BinckBank's share capital, legal or economic, or which in any way whatsoever fixes, limits or transfers any risk arising from the possibility of price movement, up or down, in respect of such an interest, whether any such swap or transaction described above is to be settled by delivery of shares or other securities, in cash or otherwise, or agree to do or announce any of the aforementioned things. Such restrictions, however, will not prohibit the Company from issuing Ordinary Shares to any of the members of the Management Board and/or its employees as part of their remuneration in accordance with the existing remuneration policy.

18.4 Potential conflicts of interest

Fortis and ING are regulated in The Netherlands by the DCB and the AFM, in relation to the Offering and the listing of the Offer Shares. The Corporate Finance & Capital Markets department of Fortis and the Corporate Finance department of ING are acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for giving advice in relation to, respectively, the Offering and the listing of the Offer Shares.

Fortis and ING (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with the Company or any parties related to the Company in respect of which the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with investors' and the Company's interests.

19. SELLING AND TRANSFER RESTRICTIONS

19.1 Notice to investors

The Offering of the Rights and the Offer Shares to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional advisers as to whether the investor requires any governmental or any other consent or needs to observe any other formalities to enable the investor to purchase the Rights and the Offer Shares.

Neither the Company nor the Joint Global Coordinators are taking any action to permit a public offering of the Rights and the Offer Shares in any jurisdiction outside The Netherlands and Belgium. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information purposes only and should not be copied or redistributed. If the investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Rights and the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Rights and the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other offering materials or advertisements the investor should not distribute or send the same, to any person, in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to subscribe for the Offer Shares or to trade in the Rights, must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Offer Shares or to trade in the Rights, should consult their professional adviser without delay.

As a condition to a purchase of any Rights in the market and the Offer Shares in the Offering, each purchaser will be deemed to have made, or in some cases, be required to make, certain representations and warranties, which will be relied upon by the Company, the Joint Global Coordinators and others. The Company and the Joint Global Coordinators reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer Shares that the Company or the Joint Global Coordinators believe may give rise to a breach or violation of any law, rule or regulation.

19.2 Representations and warranties by investors in the Offering

If you (i) take up, deliver or otherwise transfer the Rights, (ii) exercise the Rights to obtain the Offer Shares or (iii) trade or otherwise deal in the Rights granted or the Offer Shares offered in the Offering, you will be deemed to have made, and, in some cases, be required to make, the following representations and warranties to the Company, the Joint Global Coordinators, the Subscription Agent and any person acting on the Company's or their behalf, unless such requirement is waived by the Company:

- i) you are not located in an Ineligible Jurisdiction;
- ii) you are not an Ineligible Person;
- iii) you are not acting, and have not acted, for the account or benefit of an Ineligible Person;
- iv) you:
 - are located outside the United Kingdom; or
 - are a person to whom Offer Shares may be offered and sold, as set out in "– For Investors in the United Kingdom" below;
 - are located outside the United States and any person for whose account or benefit you are acting is located outside the United States and, upon acquiring Offer Shares in the Offering you and any such person will be located outside the United States;
 - will not offer, sell or otherwise transfer either a Right or an Offer Share to any person located in the United States;
 - may lawfully be offered, take up, subscribe for and receive Rights and Offer Shares in the jurisdiction in which you reside or are currently located; and
 - were an Ordinary Shareholder and held Ordinary Shares at 17:40 hours CET on the Record Date, or you are a holder of a classical bearer share certificate, or you legally acquired Rights.

The Company, the Joint Global Coordinators and any persons acting on behalf of the Company or the Joint Global Coordinators will rely upon your representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject you to liability.

If you are a person acting on behalf of an eligible holder of the Rights (including, without limitation, as a nominee, custodian or trustee), you will be required to provide the foregoing representations and warranties to the Company and the Subscription Agent with respect to the exercise of Rights on behalf of such eligible holder. If you do not or are unable to provide the foregoing representations and warranties, neither the Company nor the Subscription Agent will be bound to authorise the allocation of any of the Offer Shares being offered in the Rights Offering to you or the person on whose behalf you are acting.

If you (including, without limitation, your nominees and trustees) are outside The Netherlands or Belgium and wish to exercise or otherwise deal in your Rights or subscribe for the Offer Shares, you must satisfy yourself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this chapter are intended as a general guide only. If you are in any doubt as to whether you are eligible to exercise your Rights or subscribe for the Offer Shares, you should consult your professional advisors without delay.

The Rights will initially be credited to the financial intermediaries for the accounts of all Ordinary Shareholders that hold Ordinary Shares as of the Record Date in custody through such an intermediary. A financial intermediary may not exercise any Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and will be required in connection with any exercise of the Rights to certify to such effect.

Financial intermediaries are not permitted to send this Prospectus or any information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of the Offer Shares to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Rights and the Offer Shares will not be delivered to addresses inside any Ineligible Jurisdiction. The Company and the Subscription Agent reserve the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Rights and Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Company or the Company's agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Rights in the Rights Offering, which appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction or if the Company believes that the same may violate or be inconsistent with applicable legal or regulatory requirements, the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

Despite any other provision of this Prospectus, the Company and the Subscription Agent reserve the right to permit you to exercise your Rights if the Company and the Subscription Agent, in the Company's absolute discretion, are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, neither the Company nor the Subscription Agent accept any liability for any actions that you take or for any consequences that you may suffer by the Company accepting your exercise of Rights.

19.3 For investors in the European Economic Area

In relation to each Member state which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), an offer to the public of the Rights and the Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State other than the offers contemplated in the Prospectus in The Netherlands once the Prospectus has been approved by the AFM, the competent authority in The Netherlands, and published in accordance with the Prospectus Directive as implemented in The Netherlands, except that, with effect from and including the Relevant Implementation Date, a granting of any Rights or an offer of any Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43 million and (iii) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts;
- by the Joint Global Coordinators to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Rights and Offer Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression 'an offer to the public' in relation to any Rights and Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Rights to be granted and Offer Shares to be offered so as to enable an investor to decide to purchase any Rights and Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" includes any relevant implementing measure in each Relevant Member State.

19.4 For investors in Switzerland

The Offer Shares may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the current practice of the Swiss Federal Banking Commission, and neither this Prospectus nor any supplement thereto relating to the Offer Shares may be offered or distributed in connection with any such offering or distribution.

19.5 For investors in the United Kingdom

In addition to the restrictions identified above, any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA (as defined in "Definitions") in connection with the issue or sale of the Rights and the Offer Shares may only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply or if an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) applies.

19.6 For investors in the United States of America

The Rights and the Offer Shares have not been and will not be registered under the Securities Act and may not be offered, granted, issued, sold, taken up, delivered, renounced or transferred in or into the United States. In addition, until 40 days following the commencement of the Offering, an offer or sale of the Rights and the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Each investor in the Rights and the Offer Shares will be deemed to have represented and agreed as follows (terms used in this section that are defined in Regulation S are used herein as defined therein):

- the investor, and the person, if any, for whose account it is acquiring such Rights and Offer Shares (i) is outside the United States and (ii) is acquiring the Rights and Offer Shares in an offshore transaction meeting the requirements of Regulation S;
- the investor is aware that the Rights and the Offer Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S;
- the Rights and the Offer Shares may not be offered, sold, pledged or otherwise transferred except in accordance with Rule 903 or 904 of Regulation S or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States; and
- the investor acknowledges that the Company, the Joint Global Coordinators and others will rely upon the truth and accuracy of the foregoing representations and agreements. Any certificate representing the Offer Shares or any depositary receipts representing the right to receive deposited Offer Shares shall bear a legend setting forth the foregoing transfer restrictions.

19.7 For investors in Japan

The Rights and the Offer Shares have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended) and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (which term as used herein includes any corporation or other entity organised under the laws of Japan), or to others for offering or sale, directly or indirectly, in Japan or to, or for the account of, any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of the laws of Japan.

19.8 For investors in Canada

This communication does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for the Rights and the Offer Shares and is not for distribution into Canada. The Rights and Offer Shares have not been and will not be qualified by a prospectus for sale to the public under applicable Canadian securities laws and may not be, directly or indirectly offered or sold within Canada or to, or on behalf of, any national, resident or citizen, including any corporation or other entity, of Canada. Any failure to comply with these restrictions may constitute a violation of the Canadian securities laws.

20. SUPERVISION AND REGULATION

20.1 Introduction

This chapter provides a general overview of the regulatory framework applicable to BinckBank and its subsidiaries.

20.2 Regulatory framework in The Netherlands

The activities of BinckBank fall within the scope of the FSA. Other regulations relevant to the activities of BinckBank are, among other things:

- i) the Services Identification Act ("**SIA**") (*Wet identificatie bij dienstverlening*);
- ii) the Disclosure of Unusual Transactions (Financial Services) Act ("**DUTA**") (*Wet melding ongebruikelijke transacties*);
- iii) the Personal Data Protection Act ("**PDPA**") (*Wet bescherming persoonsgegevens*); and
- iv) the Financial Reporting Supervision Act ("**FRSA**") (*Wet toezicht financiële verslaggeving*).

20.2.1 FSA – general

On 1 January 2007, most Dutch financial supervision laws were replaced by a single act: the FSA. The FSA contains rules regarding, amongst others, banking activities, the provision of investment services, the provision of consumer credits and the activities of intermediaries with respect to insurance and credit products.

Within the FSA, a distinction is made between prudential supervision and conduct of business supervision. Prudential supervision is aimed at protecting the financial soundness of the supervised institutions. Examples of prudential rules are the rules regarding the liquidity and solvency of banks. The DCB is responsible for prudential supervision. The supervision of conduct of business is aimed at furthering the order and transparency of the market and proper relations between market players, with a view to protecting consumers. Examples of conduct of business rules are the rules relating to the provision of information to clients and the "know your customer" rules. The AFM is responsible for the supervision of conduct of business.

20.2.2 Supervision of banks under the FSA

Pursuant to the FSA, no company or person established in The Netherlands may receive repayable funds, outside a restricted circle, from parties other than professional market parties, and grant credits for its own account, without a licence from the DCB to act as a bank.

The licence requirements for obtaining a licence as a bank relate to, among other things, the following: (i) the number of persons determining the day-to-day policy, (ii) the trustworthiness and expertise of the persons determining the day-to-day policy and the trustworthiness of the persons supervising the persons determining the day-to-day policy, (iii) the board of supervisory directors, (iv) proper and sound administrative organisation and internal controls, (v) a transparent formal and actual control structure, (vi) a minimum of own funds and (vii) a declaration of no objection from the DCB for entities holding at least a 10% interest in the entity holding a licence.

BinckBank is the only entity within the group of BinckBank holding a banking licence.

The use of the word 'bank'

Pursuant to the FSA, it is prohibited, without holding a banking licence, to use the word 'bank' in one's name or in the pursuit of one's business. Subsidiaries of licensed banks are exempted from this prohibition, if the obligations of the subsidiary are guaranteed by the bank. Given the fact that BinckBank holds a banking licence, it is allowed to have the word 'bank' in its name.

Declaration of no objection

A declaration of no objection from the DCB must be obtained prior to the acquisition, holding or increase of any qualified holding in a licensed bank, such as BinckBank. A qualified holding is a direct or indirect interest of more than 10% in the issued share capital of such securities institution or the ability to exercise, directly or indirectly, more than 10% of the voting rights or a comparable degree of control.

In addition, without a prior declaration of no objection from the DCB, BinckBank is not permitted to (i) reduce its equity through repayment of capital or through pay-out of reserves, (ii) acquire or increase a qualified holding in a bank, an investment firm, a financial institution or an insurer if the balance sheet total of such entity is more than 1% of the consolidated balance sheet total of BinckBank, (iii) acquire or increase a qualified holding in another entity if the balance sheet total of such entity is more than 1% of the consolidated balance sheet total of BinckBank, (iv) acquire all or a major part of the assets and liabilities of an entity if the amount concerned with the transaction is more than 1% of the consolidated balance sheet total of BinckBank, (v) merge with another entity the balance sheet total of which is more than 1% of the consolidated balance sheet total of BinckBank, (vi) effectuate a financial or corporate restructuring, or (vii) admit a new general partner.

Ongoing obligations

Banks licensed by the DCB are subject to ongoing financial supervision by the DCB, including supervision relating to the bank's solvency, liquidity and administrative organisation, and to ongoing supervision by the AFM with respect to the applicable rules of conduct.

These obligations include, amongst others, the duty to file its annual financial statements with the DCB and the requirement to file periodic reports with respect to the financial position of the licence holder with the DCB. These also include obtaining consent of the DCB when changing the persons determining the day-to-day policy and those supervising the persons determining the day-to-day policy.

Emergency regulation

In addition to the supervisory powers summarised above, the FSA provides for an emergency regulation (noodregeling) which can be declared in respect of a bank in certain circumstances. The emergency regulation can be declared by a Dutch Court at the request of the DCB when a bank is in a position in which it requires special measures for the protection of the rights of its clients. As of the date of the declaration of the emergency regulation, only the court-appointed administrators have the authority to exercise the powers of the representatives of the bank concerned. In addition, special measures for the protection of the interests of the creditors of the bank can be taken.

International regulation (Basel II)

The FSA requires that the DCB applies the international capital adequacy guidelines based on the relationship between a bank's capital and its credit risk set out by Basel I (adopted on 15 July 1988 by the Basel Committee on Banking Supervision), further elaborated by Basel II: Convergence of Capital Measurement and Capital Standards: a Revised Framework (partially effective as of 1 January 2007, the remaining part becoming effective as of 1 January 2008). Within the European Union, the first stage of implementation of Basel II entailed the total re-casting of the Consolidated Banking Directive and the Directive on the Capital Adequacy of Investment Firms and Credit Institutions. Implementation in Dutch law has been and will be effected through amendments

to the FSA and through regulations issued under the FSA. The new rules and regulations have replaced the solvency and supervision directives that are part of the Credit System Supervision Manual of the DCB and the relevant sections of the Further Regulation on the Prudential Supervision of the Securities Trade.

The implementation of Basel II has resulted in many substantial changes to the current system of capital requirements. These changes include the introduction of the three-pillar approach: the existing system of minimum capital requirements is overhauled. Instead, new capital requirements are introduced, which are much more risk-sensitive and also recognise a much wider range of credit risk mitigation techniques. In addition, (i) banks and investment firms are required to set aside capital to cover operational risks (Pillar I), (ii) the new regime relies on internal assessments and external supervisory review of capital adequacy (Pillar II) and (iii) the new regime relies on the disclosure requirements that allows market participants to assess the risk management processes at individual banks and investment firms (Pillar III).

The part of Basel II that will become effective as of January 2008 concerns the most advanced approaches to risk management. The phased implementation of Basel II allows banks and supervisors to benefit from an additional year of impact analysis or parallel capital calculations under the existing new rules.

20.2.3 Supervision of providers of consumer credit

Pursuant to the FSA, it is prohibited to offer credit to consumers in The Netherlands without a licence from the AFM. Banks that are licensed in The Netherlands are exempted from this prohibition. A consumer is a private individual not acting in the course of a business or profession.

The licence requirements for obtaining a licence as a credit provider relate to, amongst others, the following: (i) the expertise of the persons determining its day-to-day policy, employees with client contact and other persons with client contact, (ii) the trustworthiness of executive directors and persons with client contact, (iii) proper and sound business operations and (iv) participation in a credit registration system.

These requirements are further elaborated upon in the Decree on the Supervision of the Rules of Conduct for Financial Institutions FSA (the "**Rules of Conduct Decree**") (*Besluit gedragstoezicht financiële ondernemingen Wft*).

Given the fact that BinckBank holds a banking license, it is exempt from the requirement to hold a licence to provide credit. BinckBank's subsidiaries do not hold a licence to provide credit.

Ongoing requirements for credit providers

The FSA prescribes numerous ongoing duties of care with which credit providers, including those who are exempted from the licence requirement because they hold a banking license, must comply with, including the following: (i) the requirement to publish a credit prospectus, (ii) the requirement to provide for a proper complaints procedure, (iii) the requirement to participate in a credit registration system, (iv) advertisement rules, (v) the requirement to annually verify that its intermediaries are registered with the AFM, (vi) the rules relating to client profiles (when advising clients), (vii) the obligation to assess the prospective borrower's financial situation and (viii) the provision of information on the maximum amount of interest. These requirements are further elaborated upon in the Rules of Conduct Decree.

The Rules of Conduct Decree lays down several rules regarding the content and presentation of the information of the credit prospectus, including rules regarding the calculation and explanation of the credit fee.

Pursuant to the FSA, service providers offering credit are required to investigate a client's financial position and assess the client's borrowing capacity prior to entering into a credit agreement in order to avoid the excessive credit exposure of such client.

Credit collateralised by securities

The requirements for credit providers to provide a credit prospectus and to gather information on a client prior to entering into a credit agreement does not apply when the credit qualifies as 'securities credit'. In order to qualify as securities credit, (i) the credit must be collateralised by securities, which secure the repayment of the credit, (ii) the credit must be offered to a consumer that holds the collateralised securities at the time the credit agreement is entered into, (iii) during the term of the credit agreement concerned, the credit amount or the credit limit may not exceed a certain level depending on the type of securities concerned and (iv) the collateralised securities concerned must be admitted to listing on a regulated market. All of the credit provided by BinckBank qualifies as securities credit.

20.2.4 Supervision of credit providers and their intermediaries under the FSA

The FSA contains provisions regarding the relationship between credit providers and their intermediaries. This includes, amongst others, rules regarding commissions. For instance, an intermediary in consumer credit may not negotiate, accept or charge any remuneration or compensation in relation to the credit from any party other than the credit provider.

In addition, pursuant to the FSA a credit intermediary is required to make the credit provider's credit prospectus available to prospective borrowers, unless the intermediary and the provider agree that the latter will undertake this task.

20.2.5 Investment services

Pursuant to the FSA it is prohibited to provide investment services in The Netherlands without a licence from the AFM.

The licence requirements for obtaining a licence as an investment firm relate to, amongst others, the following: (i) the number of persons determining the day-to-day policy, (ii) the trustworthiness and expertise of the persons determining the day-to-day policy and the trustworthiness of the persons supervising the persons determining the day-to-day policy, (iii) the board of supervisory directors, (iv) proper and sound administrative organisation and internal controls, (v) a transparent formal and actual control structure, (vi) a minimum of own funds and (vii) a declaration of no objection from the DCB for entities holding at least a 10% interest in the entity holding a licence.

Ongoing obligations

Investment firms licensed by the AFM are subject to ongoing financial supervision by the DCB, including supervision relating to the firm's solvency and, liquidity position. In addition, investment firms licensed by the AFM are subject to ongoing supervision by the AFM with respect to the applicable rules of conduct.

These obligations include amongst others the requirement to prepare a client profile, the best execution requirement, requirements relating to conflicts of interests and requirements relating to the custody of financial instruments.

20.2.6 MiFID

The MiFID has replaced the old Investment Services Directive. The MiFID, which has to be implemented in national laws before 1 November 2007, introduces significant changes to the regulation of investment firms and financial markets. In September 2006, the European Commission published an implementing directive and an implementing regulation, which add technical detail to the framework provided by MiFID. MiFID contains rules with respect to the manner in which investment firms must be organised and managed, the conduct of business by investment firms, regulated markets and multilateral trading facilities, trade transparency and cross-border business, branches and passporting. The national rules and regulations implementing MiFID are effective as of 1 November 2007.

Noteworthy features introduced by the MiFID include: (i) the introduction of commodity derivatives as a financial instrument, (ii) the expansion of investment services to include investment advice – as a result, firms whose sole business is to provide investment advice will need to obtain a licence as an investment firm, (iii) the abolition of the concentration rule, which means that the Member States of the European Union can no longer require investment firms to route orders only to stock exchanges, (iv) the introduction of new rules relating to cross-border business – only the home state's rules will apply to the provision of services by an investment firm in another Member State, unless the business is conducted through a branch of the firm within the host state's territory; in the latter event the host state's rules will apply, (v) the introduction of a new and very detailed system of client classification incorporating, among other things, the possibility to opt-up or opt-down, (vi) the requirement to compile a client profile will no longer apply to execution-only transactions with respect to certain non-complex products if the service is provided at the client's initiative, (vii) the introduction of rules regarding pre-trade transparency and (viii) the requirement to establish and implement a best-execution policy.

In 2007 BinckBank has taken necessary policy precautions with regard to the implementation of MiFID regulations. As such, BinckBank is MiFID compliant as per 1 November 2007. This has been realised by implementing (i) the 'know-your-customer' principles, (ii) a 'best-execution' policy, (iii) a 'conflict of interest' policy, (iii) client classification procedures and (iv) an 'order assignment' policy. In addition BinckBank has taken preparations enabling BinckBank to offer various trading alternatives to its clients in the event these will become available.

20.2.7 Services Identification Act and Disclosure of Unusual Transactions (Financial Services) Act

The SIA seeks to implement the European Council's Anti Money Laundering Directive 91/308/EC. Pursuant to the SIA, an institution within the meaning of this act is required to ascertain the identity of its clients (and, where appropriate, its representative) before rendering certain services in or from The Netherlands. These services include, amongst others the offering of access to accounts in which money may be held and the holding in custody of securities. The SIA provides detailed descriptions of the manner in which clients must be identified by institutions.

Like the SIA, the DUTA seeks to implement the European Council's Anti Money Laundering Directive 91/308/EC. Pursuant to the DUTA, each person who provides financial services on a professional or commercial basis is obliged to report any unusual transaction with a client, whether already executed or only envisaged. Reports are made to the Office for the Disclosure of Unusual Transactions, a local reporting body. Whether and to what extent a transaction must be considered unusual within the meaning of the DUTA must be assessed with the aid of a list of indicators which has been compiled by both the Minister of Finance and the Minister of Justice.

In 2005 a further European Union Anti Money Laundering Directive has been promulgated. The Dutch legislative proposal implementing this Directive seeks to merge the SIA and the DUTA into a single act, with the aim of enhancing compliance and supervision.

20.2.8 Personal Data Protection Act

The processing of personal data in The Netherlands is governed by the PDPA. Personal data are data relating to an identified or identifiable person. Any data that can be traced to individual persons are considered personal data. The processing of such data includes the collection, storage, use, destruction and transfer.

The aim of the PDPA is to ensure that personal data are processed with due care and in a way transparent way for those to whom the data relate. To this end, the PDPA lays down certain rules, *e.g.*, a legitimate ground to process the data (which are listed in the PDPA) is required. Processing activities need to be notified to the Data Protection Board, the supervisory authority, unless they are exempted from notification. Individuals need to be informed of the identity of the company which processes their data and the purposes of such processing. Other legislation and regulations also contain data protection rules, such as the Telecommunications Act (*Telecommunicatiewet*) which contains rules on direct marketing by e-mail, fax, sms and mms.

20.2.9 Financial Reporting Supervision Act

On 31 December 2006, the FRSA entered into force. The FRSA replaced the statutory provisions governing legal proceedings on annual accounts and financial reports and introduced a new chapter in Book 2 of the Dutch Civil Code. The FRSA applies in relation to financial years starting on 1 January 2006 and later. Pursuant to the FRSA, the AFM will supervise the application of financial reporting standards by companies whose corporate seat is in The Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange.

Under the FRSA, the AFM has an independent right to:

- i) request an explanation from listed companies to whom the FRSA applies regarding their application of the financial reporting standards if, based on publicly known facts or circumstances, it has reasons to doubt whether their financial reporting meets the applicable standards; and
- ii) recommend to such companies the publication of further explanations.

If a listed company to whom the FRSA applies does not comply with such a request or recommendation, the AFM may request the Enterprise Chamber of the Amsterdam Court of Appeal to order the company:

- i) to draw up its financial reports in accordance with the Enterprise Chamber's instructions; and
- ii) to provide an explanation of the way it has applied the accounting standards.

The FRSA also introduced a public register to be maintained by the AFM containing the financial reports of, and other relevant information about, listed companies to whom the FRSA applies.

20.3 Regulatory framework in Belgium

20.3.1 Legal and regulatory provisions with regard to the branch of BinckBank registered in Belgium

BinckBank has a branch registered in Belgium ("**BinckBank België Branch**") in accordance with Article 65 of the Act of 22 March 1993 on the legal status and supervision of credit institutions (Belgian Official Gazette, 19 April 1993) (the "**Act of 22 March 1993**").

As a credit institution governed by the laws of The Netherlands, BinckBank is authorised to carry on any banking activities as listed in its licence and in Article 3 section 2 of the Act of 22 March 1993 in Belgium by the establishment of a branch. However, BinckBank België Branch is subject to a number of Belgian rules and regulations. The most important set of rules applicable to branches of foreign EU credit institutions are the legal and regulatory provisions of an economic and financial nature that relate directly to the activities of credit institutions and that are applicable to BinckBank België Branch, either because they were enacted in implementation of regulations or directives of the European Community, or because they are, according to the CBFA, inspired by the general good (*algemeen belang / intérêt général*) within the meaning of Article 70 of the Act of 22 March 1993. A list of such rules can be consulted on the website of the CBFA (www.cbfa.be, under credit institutions).

20.3.2 Legal and regulatory provisions with regard to Binck België

Pursuant to the information contained in the list available on the website of the CBFA in accordance with Article 53 of the Act of 6 April 1995 on the legal status and supervision of investment firms (Belgian Official Gazette, 3 June 1995) (the "**Act of 6 April 1995**"), Binck België is registered as a stockbroking firm (*beursvennootschap / société de bourse*) in Belgium.

Binck België is licensed to perform the following investment services in Belgium:

- i) the performance of the following services that are provided to a third party:
 - a. reception and transmission, on behalf of investors, of orders in relation to one or more financial instruments;
 - b. execution of such orders other than for own account;
 - c. bringing two or more investors into contact in order to make it possible for those investors to effect a transaction in relation to a financial instrument;
- ii) trading any financial instrument for own account;
- iii) managing portfolios of investments in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more financial instruments; and
- iv) underwriting in respect of issues of any financial instrument and/or the placing of such issues.

As of 1 November 2007 (date at which MiFID enters into force), the licensed investments services and activities should be read as follows:

- i) reception and transmission of orders in relation to one or more financial instruments;
- ii) execution of orders on behalf of clients;
- iii) dealing on own account;
- iv) portfolio management;
- v) investments advice;
- vi) underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;
- vii) placing of financial instruments without a firm commitment basis; and
- viii) operation of Multilateral Trading Facilities.

As an investment firm Binck België is subject to a stringent set of rules, regulations and circulars. The company is supervised by the CBFA. The aforementioned Act of 6 April 1995 was changed profoundly by the MiFID. All investment firms are obliged to change their procedures, contracts and other documents before 1 November 2007, after which the MiFID will enter into force. The CBFA requested the submission of a detailed plan for the adaptation to the MiFID before 1 September 2007. Binck België complied with its obligations and all its procedures, contracts and documents will be adapted to MiFID before 1 November 2007.

21. GENERAL INFORMATION

21.1 Corporate resolutions

The Offering was authorised by resolutions of the Management Board, the Supervisory Board and the Priority Shareholder. The General Meeting granted authority to the Priority Shareholder to grant the Rights, to issue the Offer Shares, to limit or exclude the statutory pre-emptive rights of Shareholders and to determine the Issue Price at the General Meeting held on 19 November 2007.

21.2 No material adverse change

On the date of this Prospectus, there has been no significant change in the Company's or any of the Company's subsidiaries' financial or trading position, and no material adverse change in the Company's or any of the Company's subsidiaries' financial position or prospects since 30 September 2007.

21.3 Current trading

The Company's or any of the Company's subsidiaries' results for the nine months ended on 30 September 2007 were in line with the Company's expectations. On the date of this Prospectus, there has been no significant change in the Company's or any of the Company's subsidiaries' financial or trading position since the end of the last financial period for which interim financial information was published.

21.4 Availability of documents

Copies (in print), in Dutch or in English (where applicable), of the consolidated audited annual financial statements of the Company for the nine month period ended 30 September 2007, the financial years ended 31 December 2006, 2005 and 2004 and the Articles of Association are available free of charge at the Company's head office at Vijzelstraat 20, 1017 HK Amsterdam, The Netherlands, during normal business hours and in electronic form from the Company's website www.binck.com.

Copies (in print) of this Prospectus and any supplement to the Prospectus (if any) may be obtained at no cost from the date of this Prospectus at the Company's head office, Vijzelstraat 20, 1017 HK Amsterdam, The Netherlands, tel: + 31 (0) 20 522 0351, e-mail: prospectus@binck.nl, as well as from Fortis, Rokin 55, 1012 KK Amsterdam, The Netherlands, tel: + 31 (0) 20 527 2467, e-mail: prospectus@nl.fortis.com and ING, Van Heenvlietlaan 220, 1083 CN Amsterdam, The Netherlands, fax: + 31 20 797 9607, e-mail: iss.pas@mail.ing.nl. Alternatively, this Prospectus can also be found electronically through the website of Euronext at www.euronext.com (Dutch residents only).

21.5 Independent auditors

The auditors of BinckBank are Ernst & Young (registered accountants), who have audited BinckBank's accounts, without qualification, in accordance with Dutch law for each of the three financial years ended 31 December 2006, 2005 and 2004. The auditors of BinckBank have no interest in BinckBank.

The reports of the auditors of BinckBank are incorporated in this Prospectus in the form and context in which they are included, with the consent of the auditors who have authorised the contents of that part of the Prospectus. The address of Ernst & Young is Drentestraat 20, 1083 HK Amsterdam, The Netherlands. The auditors of Ernst & Young are members of the Royal Dutch Institute for Registered Accountants (*Koninklijk Nederlands Instituut van Register Accountants*).

Ernst & Young has given, and has not withdrawn, its consent to the inclusion or incorporation by reference of its reports in this Prospectus in the form and context in which they are included.

22. DEFINITIONS

Acquisition	The acquisition by BinckBank of Alex from Rabobank
Act of 22 March 1993	The Belgian act of 22 March 1993 on the legal status and supervision of credit institutions (Belgian Official Gazette, 19 April 1993)
Act of 6 April 1995	The Belgian act of 6 April 1995 on the legal status and supervision of investment firms (Belgian Official Gazette, 3 June 1995)
Adjusted EPS	Adjusted earnings per share as described under "BinckBank following the Acquisition – Financial impact of the Acquisition"
AFM	The Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
Alex	The unincorporated business that currently forms part of Rabobank which provides online trading capabilities in securities, options and other financial instruments, as well as certain other banking, advisory and asset management services under the trade name Alex Beleggersbank
AOT	AOT N.V.
Articles of Association	The articles of association of the Company
Assets under Administration	Funds entrusted and assets in custody
Audit Committee	The audit committee composed by members of the Supervisory Board of the Company
BinckBank	BinckBank N.V. with or without its subsidiaries, depending on the context
BinckBank België Branch	The registered branch office of the Company in Belgium
Binck België	Binck België N.V.
Binck Securities	Binck Securities B.V.
BIS Ratio	The Bank of International Settlements ratio; the ratio based on total actual own funds compared to the total extended risk-weighted assets
BPO	Business Process Outsourcing
CBA	Collective Bargaining Agreement
CBFA	The Belgian Banking, Finance and Insurance Commission, the supervisory authority of Belgium

CET	Central European Time
Closing Date	The day of payment for and delivery of the Offer Shares, which is expected to be 14 December 2007
Combination	The combination of BinckBank and Alex following the Acquisition
Commercial goodwill	The amount recognised as goodwill by determining the difference between the consideration for the Acquisition and the identifiable assets, liabilities or contingent liabilities results of Alex
Controlling Entity	If a person or company or group company holds a total of at least 95% of a company's issued share capital by nominal value for its own account
Company	BinckBank N.V. with or without its subsidiaries, depending on the context
Code	The Dutch corporate governance code
Daily Official List	The Daily Official List (<i>Officiële Prijscourant</i>) of Euronext
DCB	The Dutch Central Bank (De Nederlandsche Bank N.V.)
DUTA	The Dutch Disclosure of Unusual Transactions (Financial Services) Act (<i>Wet melding ongebruikelijke transacties</i>)
Dutch GAAP	Generally Accepted Accounting Principles in The Netherlands
EEA	European Economic Area
Eligible Person	Any person who is not an Ineligible Person
EPS	Earnings per share
Ernst & Young	Ernst & Young Accountants
Euroclear	Euroclear Bank S.A./N.V., as operator of the Euroclear System
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch depository and settlement institute, a subsidiary of Euroclear
Euronext	Euronext N.V.
Euronext Amsterdam	Euronext Amsterdam by NYSE Euronext of Euronext
Excess Amount	The aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of selling expenses (including any value added tax) exceed the aggregate Issue Price for such Rump Shares

Fiscal goodwill	The goodwill acquired for Dutch corporate income tax purposes
Florint	Florint B.V.
Fortis	Fortis Bank (Nederland) N.V.
Free Shares	Ordinary Shares for nil consideration that may be awarded to the members of the Management Board as part of their variable remuneration if long-term targets are achieved
FRSA	The Dutch Financial Reporting Supervision Act (<i>Wet toezicht financiële verslaggeving</i>)
FSA	The Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>)
FSMA	Financial Services and Markets Act 2000
FTEs	Full-time employees
GDP	Gross Domestic Product
General Meeting	The general meeting of Shareholders
HIT	Hills Independent Traders Ltd.
IAD	The internal audit department of the Company
IFRS	International Financial Reporting Standards
IFRS Amortisation	The amortisation of the identified intangible assets over an average period of approximately 5 to 10 years, included as a non-cash item in the Company's profit and loss statement
ING	ING Bank N.V.
Ineligible Jurisdiction	Any jurisdiction outside The Netherlands and Belgium wherein the Offer Shares may not be offered pursuant to the selling and transfer restrictions as described under "Selling and Transfer Restrictions"
Ineligible Person	Any Shareholder or other person residing in an Ineligible Jurisdiction or person with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering
Issue Price	€8.32 per Offer Share
IT	Information technology
Joint Global Coordinators	Fortis and ING

Kantorenfonds	Kantorenfonds Beheer B.V.
Listing Agent	Fortis
Management Board	The management board of BinckBank
Management Board Regulation	The internal regulation of the Management Board
Member State	A member state of the EEA
MiFID	European Markets in Financial Instruments Directive, Directive 2004/39/EC of the European Parliament and the Council of the European Union
NCA	The Netherlands Competition Authority (<i>Nederlandse Mededingingsautoriteit</i>)
NSC	Nouveau Système de Cotation, the trading market in cash instruments of Euronext
Offer Shares	46,256,105 new Ordinary Shares offered at the Issue Price
Offering	The Rights Offering and the Rump Offering
Optional Shares	Ordinary Shares the members of the Management Board may opt to receive as part as their cash bonus, corresponding with at least 25% and at most 50% of their total cash bonus
Ordinary Shares	The ordinary shares in the capital of BinckBank with a nominal value of €0.10 each
OTC	Over-the-counter
Parent-Subsidiary Directive	Directive 90/435/EEC of the European Council of the European Union
PDPA	The Dutch Personal Data Protection Act (<i>Wet bescherming persoonsgegevens</i>)
PPA	Purchase price allocation
Priority Shareholder	Stichting Prioriteit Binck, holder of all issued Priority Shares
Priority Shares	The priority shares in the capital of BinckBank with a nominal value of €0.01 each
Professional Services	Business unit of BinckBank providing services to professional investment clients
Prospectus	This prospectus dated 26 november 2007

Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union
Rabobank	Coöperatieve Raiffeisen-Boerenleenbank B.A.
Record Date	17:40 hours CET on 27 November 2007
Regulation S	Regulation S under the Securities Act
Relevant Implementation Date	Date on which the Prospectus Directive was implemented in the Relevant Member State
Relevant Member State	Each member state of the EEA which has implemented the Prospectus Directive
Retail	Business unit of BinckBank providing services to retail investors
Rights	The transferable subscription rights granted to the existing Shareholders under the Rights Offering, which entitle Eligible Persons to subscribe for 3 Offer Shares for every 2 Rights held
Rights Offering	The granting of Rights to existing Shareholders, the exercise of which entitles Eligible Persons to subscribe for the Offer Shares at the Issue Price
Risk Committee	The risk committee of the Company
Risk Management Department	The risk management department of the Company
Rules of Conduct Decree	Rules of Conduct for Financial Institutions FSA (<i>Besluit gedragstoezicht financiële ondernemingen Wft</i>)
Rump Offering	A private placement with institutional investors in The Netherlands or elsewhere of the Rump Shares
Rump Shares	The Offer Shares that were issuable upon the exercise of Rights, but have not been subscribed for before the end of the Subscription Period
SASI	Swiss American Securities Institute Inc.
Securities Act	The United States Securities Act of 1933, as amended
Shareholder	The holder of Ordinary Shares in the capital of BinckBank
SIA	The Services Identification Act (<i>Wet identificatie bij dienstverlening</i>)
Subscription Agent	ING

Subscription Period	The period from 28 November 2007 until 15:30 hours CET on 10 December 2007 when eligible holders of Rights may subscribe for Offer Shares
Supervisory Board	The supervisory board of BinckBank
Supervisory Board Regulation	The internal regulation of the Supervisory Board
Syntel	Syntel Beheer B.V.
Takeover Directive	Directive 2004/25/EC of the European Parliament and of the Council of the European Union
THO	THO B.V. <i>in foundation</i>
Underwriting Agreement	The underwriting agreement between BinckBank and the Joint Global Coordinators dated 26 November 2007
Unexercised Rights Payment	The right of each holder of a Right that was not exercised at the end of the Subscription Period to receive a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in such holder's securities account as long as that amount exceeds €0.01 per unexercised Right
VEB	Dutch Investors' Association (<i>Vereniging van Effectenbezitters</i>)
VEB Agreement	The agreement between Rabobank and VEB in respect of VEB-Bottom Line

23. INDEX TO FINANCIAL INFORMATION

1. Audited financial statements of BinckBank for the year ended 31 December 2006 under IFRS;
2. Auditors' report for the financial statements of BinckBank for the year ended 31 December 2006;
3. Reviewed interim consolidated financial statements of BinckBank for the half year ended 30 June 2007 under IFRS;
4. Review report for the interim consolidated financial statements of BinckBank for the half year ended 30 June 2007;
5. Condensed unaudited interim consolidated financial information of BinckBank for the nine months ended 30 september 2007 as included in the press release dated 24 October 2007;
6. Audited financial information of Alex for the year ended 31 December 2006;
7. Auditor's report to the financial information of Alex for the year ended 31 December 2006.
8. Reviewed interim financial information of Alex for the six month period ended 30 June 2007; and
9. Review report to the interim financial information of Alex for the six month period ended 30 June 2007.

F-1. AUDITED FINANCIAL STATEMENTS OF BINCKBANK FOR THE YEAR ENDED 31 DECEMBER 2006 UNDER IFRS

Consolidated balance sheet

(x €1,000)

	Note	31 December 2006	31 December 2005
Assets			
Cash	8	5,672	7,685
Banks	9	164,617	171,113
Loans and receivables	10	216,332	124,764
Interest-bearing securities	11	67,828	42,427
Shares and other variable income securities	12	100,613	120,656
Other investments	13	29	88
Intangible assets	14	11,511	1,051
Property, plant and equipment	15	2,613	1,829
Tax	16	5,443	4,870
Deferred tax assets	16	2,963	-
Other assets	17	38,020	21,010
Prepayments and accrued income	18	4,969	3,184
Total assets		620,610	498,677
Equity and liabilities			
Funds entrusted	19	383,543	235,836
Liabilities in respect of securities	20	60,494	111,353
Deferred tax liabilities	16	109	-
Other liabilities	21	96,737	84,031
Accruals and deferred income	22	7,993	11,699
Provisions	23	445	512
		549,321	443,431
Shareholders' equity	25	71,289	55,246
Total equity and liabilities		620,610	498,677

Consolidated income statement
(x €1,000)

	<i>Note</i>	2006	2005
Revenue			
Interest income	26	15,837	8,269
Interest expense	26	(5,052)	(2,244)
		<hr/>	<hr/>
Interest	26	10,785	6,025
Income from other investments	27	33	7
Commission income	28	54,492	34,090
Commission expense	28	(18,691)	(11,521)
		<hr/>	<hr/>
Commission	28	35,801	22,569
Results on financial transactions	29	8,208	15,512
Other income	30	855	-
		<hr/>	<hr/>
Total revenue		55,682	44,113
Expenses			
Staff costs	31	(15,192)	(16,612)
Other operating expenses	32	(9,589)	(8,127)
Depreciation and amortisation	33	(1,902)	(1,575)
Impairment of other investments	13	(69)	(8)
		<hr/>	<hr/>
Total expenses		(26,752)	(26,322)
		<hr/>	<hr/>
Operating profit before tax		28,930	17,791
Tax	16	(5,120)	(4,879)
		<hr/>	<hr/>
Profit on continued activities		23,810	12,912
Profit on discontinued activities	7	199	616
		<hr/>	<hr/>
Profit for the year		24,009	13,528
		<hr/>	<hr/>
Attributable to:			
BinckBank N.V. shareholders		24,009	13,609
Minority interests		-	(81)
		<hr/>	<hr/>
		24,009	13,528
		<hr/>	<hr/>
Earnings per share (in €)			
EPS on continuing operations	34	0.78	0.43
EPS on discontinued operations		0.01	0.02
		<hr/>	<hr/>
Earnings per share		0.79	0.45
Diluted EPS on continuing operations	35	0.78	0.43
Diluted EPS on discontinued operations		0.01	0.02
		<hr/>	<hr/>
Diluted earnings per share		0.79	0.45

Consolidated cash flow statement
(x €1,000)

	<i>Note</i>	2006	2005
Cash flow from operating activities			
Profit for the year attributable to BinckBank N.V. shareholders		24,009	13,609
Adjustments:			
Amortisation of intangible assets	14	732	414
Depreciation of property, plant and equipment	15	1,170	1,223
Provisions		(313)	(588)
Non-cash items included in profit		935	263
Movements in:			
Banks (balances not available on demand)		18,722	(14,221)
Loans and receivables		(62,689)	(41,173)
Interest-bearing securities		(25,556)	(1,502)
Shares and variable-income securities		40,727	2,558
Other assets, prepayments and accrued income		(21,426)	(7,951)
Funds entrusted		147,707	108,301
Liabilities in respect of securities		(62,238)	10,946
Other liabilities, accruals and deferred income		(16,241)	5,168
		<hr/>	<hr/>
Net cash flow from operating activities		45,539	77,047
Cash flow from investing activities			
Investments in subsidiaries adjusted for acquired cash	6	(6,707)	(1,446)
Investments in other investments	13	(14)	-
Disposals of other investments	13	4	14
Investments in intangible assets	14	(956)	(822)
Investments in property, plant and equipment	15	(1,668)	(756)
		<hr/>	<hr/>
Net cash flow from investing activities		(9,341)	(3,010)
Cash flow from financing activities			
Profit-sharing bond loan	21	(235)	1,555
Dividends paid-Final dividend for preceding year	36	(4,889)	(1,527)
-Interim dividend for the year	36	(3,361)	(1,832)
		<hr/>	<hr/>
Net cash flow from financing activities		(8,485)	(1,804)
		<hr/>	<hr/>
Net cash flow		27,713	72,233
		<hr/>	<hr/>
Opening balance of cash and cash equivalents		146,705	74,472
Closing balance of cash and cash equivalents		174,418	146,705
		<hr/>	<hr/>
Movement		27,713	72,233
		<hr/>	<hr/>

Consolidated cash flow statement
(x €1,000)

	<i>Note</i>	2006	2005
<p>The cash and cash equivalents presented in the consolidated cash flow statement are included in the consolidated balance sheet under the following headings at the amounts stated below:</p>			
Cash	8	5,672	7,685
Banks (excluding balances not available on demand)	9	126,746	114,520
Loans and receivables (call money)	10	42,000	24,500
Total		174,418	146,705

Cash flow from operating activities includes the following items:

Tax paid		5,693	8,021
Interest received		14,895	7,523
Interest paid		3,946	2,048
Dividend received		33	7
Commission received		54,154	33,911
Commission paid		18,695	11,302

Consolidated statement of changes in equity

(x €1,000)	Note	Issued share capital	Share premium	Treasury shares	Unappro- priated profit	Other reserves and retained earnings	Subtotal interests	Minority equity	Total
1 January 2005		3,084	20,855	(1,121)	2,808	20,086	45,712	942	46,654
Impairment of available- for-sale financial assets	11	-	-	-	-	(475)	(475)	-	(475)
Gains and losses on exchange	25	-	-	-	-	196	196	-	196
<hr/>									
<i>Results recognised directly in equity</i>		-	-	-	-	(279)	(279)	-	(279)
Profit for the year		-	-	-	13,609	-	13,609	(81)	13,528
<hr/>									
<i>Total income and expense</i>		-	-	-	13,609	(279)	13,330	(81)	13,249
Payment of final dividend	36	-	-	-	-	(1,527)	(1,527)	-	(1,527)
Payment of interim dividend	36	-	-	-	-	(1,832)	(1,832)	-	(1,832)
Rights to shares granted	25	-	-	-	-	263	263	-	263
Acquisition of minority interest	25	-	-	-	-	(700)	(700)	(861)	(1,561)
Retained earnings transferred to other reserves		-	-	-	(2,808)	2,808	-	-	-
31 December 2005		3,084	20,855	(1,121)	13,609	18,819	55,246	-	55,246
Impairment of available- for-sale financial assets	11	-	-	-	-	(155)	(155)	-	(155)
Gains and losses on exchange	25	-	-	-	-	97	97	-	97
<hr/>									
<i>Results recognised directly in equity</i>		-	-	-	-	(58)	(58)	-	(58)
Profit for the year		-	-	-	24,009	-	24,009	-	24,009
<hr/>									
<i>Total income and expense</i>		-	-	-	24,009	(58)	23,951	-	23,951
Payment of final dividend	36	-	-	-	-	(4,889)	(4,889)	-	(4,889)
Payment of interim dividend	36	-	-	-	-	(3,361)	(3,361)	-	(3,361)
Rights to shares granted	25	-	-	-	-	342	342	-	342
Payment of stock option shares	25	-	-	49	-	(49)	-	-	-
Payment of bonus shares	25	-	-	116	-	(116)	-	-	-
Retained earnings transferred to other reserves		-	-	-	(13,609)	13,609	-	-	-
31 December 2006		3,084	20,855	(956)	24,009	24,297	71,289	-	71,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

Company information

The General Meeting of Shareholders passed a resolution on 12 October 2006 approving a merger of Binck N.V. and BinckBank N.V., with BinckBank N.V. being absorbed into Binck N.V. On the same date, the shareholders passed a resolution changing the name of Binck N.V. to BinckBank N.V. The merger does not affect the consolidated figures in any way. BinckBank N.V. is a company established in the Netherlands with its domicile in Amsterdam, whose shares are publicly traded. BinckBank N.V. provides conventional and internet broking services in securities and derivative transactions for private and professional investors. Through its subsidiary Binck Securities B.V., the company also trades in shares and bonds on a proprietary basis. The subsidiary Syntel Beheer B.V. specialises in developing software for financial institutions for processing and keeping account of securities transactions. In the following pages, the name 'BinckBank' will be used to refer to BinckBank N.V. and its various subsidiaries.

BinckBank's consolidated financial statements for the year ended 31 December 2006 have been prepared by the company's Management Board and approved for publication pursuant to a formal decision taken by the Management Board and the Supervisory Board on 1 March 2007. The financial statements for 2006 will be adopted at the General Meeting of Shareholders to be held on 19 April 2007.

Management Board:

T.C.V. Schaap

K.J. Bagijn

P. Aartsen

Supervisory Board:

C.J.M. Scholtes

J.K. Brouwer

A.M. van Westerloo

Presentation of the financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board and endorsed by the European Commission.

The financial statements have been compiled applying the historical cost convention, with the exception of financial assets and liabilities held for trading purposes and available-for-sale financial assets, which are recognised at fair value.

Unless otherwise stated, the financial statements are in euros, with all amounts rounded to the nearest thousand.

Significant accounting judgements and estimates

The preparation of the financial statements involves making assumptions and estimates on the recognition and valuation of assets and liabilities, contingent rights and liabilities and income and expense items. The most significant assumptions for the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are the estimates made in respect of impairment losses on loans and receivables, other investments and other assets and the measurement of the fair value of certain assets and liabilities and the provisions.

Impairment of goodwill

At least once a year BinckBank performs an impairment test on the carrying amount of goodwill. This involves estimating the value in use of the cash-generating units to which the goodwill is attributed. In order to estimate the value in use, BinckBank makes an estimate of the expected future cash flows from the cash-generating unit and also determines a suitable discount rate for calculating the present value of those cash flows.

2. Basis of consolidation

The consolidated financial statements include the assets and liabilities and the income and expense items of the company and its subsidiaries. Subsidiaries are entities over which BinckBank has control. Control is deemed to exist if BinckBank is able, either directly or indirectly, to govern the financial and operating policies of the company so as to obtain benefits from its activities.

Subsidiaries are consolidated as soon as BinckBank obtains control. If BinckBank ceases at any point to control a subsidiary, the subsidiary will be immediately deconsolidated.

The accounting policies of the subsidiaries and their reporting periods are the same as those of BinckBank.

3. Related party disclosures

In addition to subsidiaries and associates, BinckBank N.V. considers the members of the Management Board and the Supervisory Board to be related parties. During the year there were no transactions between BinckBank and these related parties other than those arising out of their contracts of employment.

4. Recognition and measurement of assets, equity and liabilities

Foreign currency translation

The consolidated financial statements are in euros, this also being the presentation currency. Items recognised in the financial statements of each entity are measured on the basis of the relevant entity's functional currency. Transactions in foreign currencies are converted on initial recognition at the functional currency's exchange rate on the transaction date. Assets and liabilities denominated in foreign currencies are converted at the exchange rates prevailing on the balance sheet date. Differences relating to movements in exchange rates are recognised in the income statement.

At the reporting date, the assets and liabilities of entities outside the eurozone are translated into BinckBank's presentation currency (the euro) at the exchange rate prevailing on the balance sheet date while the income statement is translated at the weighted average exchange rate for the year. Translation differences are recognised directly in a separate component of equity. If a non-eurozone entity is sold, the deferred cumulative amount included in equity for the relevant company is recognised in the income statement. In the income statement, the results on financial transactions and costs are converted into euros at the exchange rate prevailing on the transaction date.

Financial instruments

In accordance with IAS 39, financial instruments are designated as financial assets or financial liabilities at fair value through profit or loss, as held-to-maturity investments, as loans and receivables or as available-for-sale financial assets or other liabilities. BinckBank determines the designation of its financial assets on initial recognition.

Financial assets or financial liabilities at fair value through profit or loss

Financial assets and financial liabilities are regarded as being held for trading purposes if they are acquired with the aim of being sold or repurchased in the short term. On initial recognition a financial asset or a financial liability is recognised at fair value with subsequent fair value gains and losses recognised in the income statement. Derivatives not held on behalf of clients are designated as held for trading purposes. Derivatives are financial instruments requiring only a limited net initial investment or none at all, with future settlement dependent on the underlying notional amount of the contract and movements in certain rates or prices (e.g. an interest rate or the price of a financial instrument). Gains and losses on investments held for trading purposes are recognised in the income statement.

The derivatives not held on behalf of clients and financial assets at fair value through profit or loss are also covered by the term trading portfolio.

Held-to-maturity investments

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

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised at amortised cost, using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired.

Available-for-sale financial assets

Available-for-sale financial assets are those financial assets that are designated as being available for sale or are not included in one of the above categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gain or loss is shown as a separate component of equity until the investment is derecognised or determined to be impaired. At such time, the cumulative gain or loss previously shown in equity is recognised in the income statement.

Recognition of financial assets in the balance sheet

Financial assets bought and sold in accordance with standard market conventions are recognised at the transaction date of the relevant purchase or sale. Held-to-maturity assets and loans and receivables are recognised in the balance sheet upon acquisition. On initial recognition, financial instruments are assigned to a specific category and this determines the way in which they are recognised in the financial statements at the time. Initial recognition of all other financial assets and liabilities is at cost, including directly attributable transaction costs.

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

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

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

Determination of fair value

The fair value of a financial instrument is based on the market price if there is an active market for that instrument. Financial assets are carried at the bid price, financial liabilities are carried at the offer price and 'risk off-setting' positions are carried at the mid-price, excluding transaction costs. If no market price is available, the fair value of the financial instrument is estimated on the basis of the most recent commercial transactions in the market or the current market value of another, essentially similar, instrument or by using pricing models or by determining the present value of the cash flows.

Offsetting of financial instruments

Financial assets and liabilities are set off against each other and the net amount is presented in the balance sheet when there is a legally enforceable right to set off the amounts and an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Impairment of financial assets

At each balance sheet date, BinckBank assesses whether there is objective evidence of impairment of financial assets individually or groups of financial assets collectively. If impairment is indicated, the amount of any impairment loss is determined as follows for held-to-maturity investments, loans and receivables and available-for-sale assets.

Held-to-maturity investments / loans and receivables

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the income statement. If the amount of an impairment loss subsequently decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, providing the carrying amount of the asset does not exceed the amortised cost at the reversal date.

Available-for-sale financial assets

If an available-for-sale financial asset is impaired, an amount equal to the difference between its acquisition cost (net of any repayments of principal and any amortisation) and current fair value less any impairment losses previously recognised in profit or loss is transferred from equity to the income statement. Reversals of impairment losses relating to equity instruments classified as available for sale are not recognised through profit or loss. Reversals of impairment losses relating to debt instruments are reversed through the income statement if the increase in the fair value of the instrument can be objectively related to an event occurring after the previous impairment loss was recognised in the income statement.

Clients' derivatives

BinckBank executes derivatives transactions on behalf of its clients and holds the resultant positions for the client's account and at the client's risk. Financial settlement with the clients concerned in respect of such transactions and positions is effected immediately. The clients have lodged adequate collateral with BinckBank to cover the positions held.

Other investments

Other investments are carried at fair value. If the fair value cannot be measured reliably, the assets are carried at the lower of cost and market value. If reliable fair value measurement cannot be achieved, the reason is disclosed, where possible along with the bandwidth within which estimates of the fair value probably lie.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less cumulative amortisation and any cumulative impairment losses. Intangible assets are determined as having either a definite or an indefinite useful life. Intangible assets with a definite useful life are amortised over the useful life and tested for impairment if there are indications that an asset may be impaired. Amortisation of intangible assets with a definite useful life is presented in the income statement in the cost category appropriate to the function of the asset concerned. Intangible assets with an indefinite useful life are subjected to an annual impairment test, either individually or at the level of the cash-generating unit. These intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reassessed annually.

Costs of research and development

Research costs are recognised as incurred. An intangible asset which results from development costs incurred on an individual project is only recognised if BinckBank can show that completion of this intangible asset is technically feasible, that it will bring future economic benefits and that it is possible to measure the costs incurred during development reliably.

After initial recognition of the development costs, the asset is carried at cost less any cumulative amortisation and cumulative impairment losses. Any such capitalised costs are amortised over the period in which the expected future sales from the project concerned are to be realised. The carrying amount of the development costs is tested for impairment annually if the asset is not yet in use or more frequently if there are indications of impairment during the year.

Goodwill

Goodwill acquired in a business combination is carried at cost on initial recognition, measured as the excess of the cost of the business combination over BinckBank's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Subsequently, goodwill is carried at cost less any cumulative impairment losses.

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

An impairment loss is measured by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised.

Property, plant and equipment

This item comprises assets intended to be used in the performance of BinckBank's activities in the long term. It includes fixtures, fittings and equipment in the company's premises and computer hardware. These assets are carried at cost less cumulative depreciation and any cumulative impairment losses. Depreciation is based on cost and calculated on a straight-line basis over the useful life of the asset. Both the useful life and the residual

value of assets are reviewed annually. The annual depreciation percentages are 14.3% (fixtures and fittings), 20% (equipment) and 33.3% (computer hardware).

Tax

Tax assets and liabilities

Tax assets and liabilities for current and prior years are carried at the amount expected to be claimed from or paid to the tax authorities. The tax amount is computed on the basis of enacted tax rates and applicable tax law.

Deferred tax

A provision is recognised for deferred tax liabilities, based on the temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount in these financial statements. Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises on the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and does not affect the operating profit before tax or the taxable profit;
- in the case of taxable temporary differences connected with investments in subsidiaries and associates, where BinckBank is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of the deferred tax assets is assessed at the balance sheet date and reduced if it is not probable that sufficient taxable profits will be available against which some or all of the deferred tax asset can be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and recognised to the extent that it is probable that taxable profits will be available in the future against which the deferred tax asset can be utilised. Deferred tax assets and liabilities are carried at the tax rates expected to be applicable to the period in which the asset is realised or the liability is settled, based on enacted tax rates and applicable tax law. The tax on items recognised directly in equity is accounted for directly in equity instead of in the income statement. Deferred tax assets and liabilities are presented as a net amount if there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and the deferred tax is related to the same taxable entity and the same tax authority.

Other assets

The receivables included in this item are carried at face value less any impairment losses.

Cash and cash equivalents

The item under the heading of cash in the balance sheet comprise cash at banks and in hand and short-term deposits (call money) with original maturities of three months or less.

Impairment of assets

The carrying amount of BinckBank's assets is tested at each balance sheet date in order to determine whether there are indications of impairment. If so, the recoverable amount of the asset is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds the recoverable amount.

Repurchase of own shares

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

Other liabilities

All loans are carried on initial recognition at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently carried at amortised cost calculated using the effective interest method.

Provisions

A provision is recognised if (i) BinckBank has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation. If BinckBank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted at a rate, before tax, that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Pensions

BinckBank has pension arrangements for members of its Management Board and staff based on a defined contribution plan and a defined benefit plan. Under the defined contribution plan, a percentage of employees' fixed salary is paid to a pension insurer. The percentage payable is age-related. The pension contributions are recognised in the year to which they relate.

Through its subsidiary Syntel Beheer B.V., BinckBank has a defined benefit pension plan which is also insured with a pension provider. The costs of the defined benefit plan are individually determined on an actuarial basis using the projected unit credit method. Actuarial gains and losses are recognised as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the preceding year for each plan separately amount to more than 10% of the greater of the defined benefit obligation and the fair value of the plan assets at that date. These gains or losses are divided over the expected average remaining working lives the employees participating in the separate plans. If the benefits under a pension plan are amended, that portion of the cost of the amended benefit obligation which relates to past service is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested, the past service cost is expensed immediately.

The net obligation under the defined benefit plan is the total of the present value of the defined benefit obligation and the unrecognised actuarial gains and losses less the as yet unrecognised amended benefits and the fair value of the plan assets out of which the obligations have to be directly settled.

Share-based payments

Members of BinckBank's Management Board and a group of BinckBank staff receive remuneration in the form of share-based payments. These payments are settled either by issuing equity instruments of the company or by cash payment.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on

the date on which the relevant employees become fully entitled to the award (i.e. the date on which these rights become unconditional). The cumulative expense recognised for equity-settled transactions at each reporting date reflects the extent to which the vesting period has expired and BinckBank's best estimate of the number of equity instruments that will ultimately be vested. The expense charged to the income statement for a period reflects the movement in cumulative expense recognised at the beginning and end of that period.

Leasing

In the case of operating leases where BinckBank is lessee, the lease payments are charged to the income statement on a straight-line basis over the lease period.

5. Recognition and measurement of income and expenses

General

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

Interest income and expense

Interest income and expense are recognised in the year to which they relate. Interest income is measured using the effective interest method.

Income from other investments

Income from other investments is attributed to the year to which it relates. Dividends received from other investments are recognised upon entitlement to receive the dividend. Any realised fair value gains and losses on the other investments are accounted for under the heading of impairment of other investments.

Commission income and expense

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

Results on financial transactions

Financial instruments held for trading purposes are carried at fair value. Any fair value gains and losses are recognised in the result on financial transactions in the income statement. The item includes gains and losses resulting from price movements, exchange rate movements and interest rate movements, together with transaction costs and stock exchange and clearing costs directly attributable to trading activities.

Other income

Other income comprises amounts charged to third parties during the year in respect of goods and services supplied relating to hardware and software.

6. Business combination

Acquisition of Syntel Beheer B.V.

On 18 October 2006, BinckBank acquired 100% of the voting stock of Syntel Beheer B.V. (Syntel). This company (which is not a listed company) is based in the Netherlands and specialises in developing software for financial institutions for processing and keeping account of securities transactions. The fair value of the identifiable assets and liabilities of Syntel as at the takeover date was as follows:

	<i>Recognised on acquisition</i>	<i>Syntel carrying amount</i>
Cash and cash equivalents	1,595	1,595
Intangible assets	1,355	425
Property, plant and equipment	286	286
Deferred tax assets	63	-
Trade receivables	1,269	1,269
	<hr/> 4,568 <hr/>	<hr/> 3,575 <hr/>
Trade payables	(1,637)	(1,637)
Pension provision	(246)	-
Tax and social security contributions	(235)	(235)
	<hr/> (2,118) <hr/>	<hr/> (1,872) <hr/>
Total net assets	2,450	1,703
Goodwill on acquisition	8,881	
	<hr/>	
Purchase price	11,331	
	<hr/>	

The purchase price is made up of an initial sum and an additional amount depending on Syntel's gross margin for the years 2007 and 2008.

	Cost:
Purchase price	11,181
Transaction costs	150
	<hr/>
Total	11,331
Cash outflow on acquisition:	
Net cash and cash equivalents acquired with the subsidiary	1,595
Cash paid	(8,302)
	<hr/>
Net cash outflow	(6,707)

From the acquisition date onwards, Syntel contributed €95,000 to BinckBank's net profits, with total revenue over the same period amounting to €855,000. If the business combination had taken place at the beginning of the year, BinckBank's profit after tax would have amounted to €24.2 million and the profit after tax on the continued activities would have been €24.0 million. BinckBank's total revenue from continued activities would have been €60.8 million.

The acquisition of Syntel has been accounted for using the purchase method described in IFRS 3. The amount recognised as intangible assets resulting from the acquisition of Syntel represents the company's existing revenue-generating contracts. The fair value of these contracts had been taken as the net present value of the reliable estimates of the revenues concerned. This amount will be amortised via the income statement over a

period of not more than five years. The goodwill has been measured on the basis of the difference between the cost of the acquisition and the fair value of the identifiable assets and liabilities of Syntel as at the acquisition date. The recognised goodwill reflects the expected synergies of the acquisition as regards income and expenses and the value of Syntel's software and staff for which there is no recognition outside of goodwill.

7. Discontinued operations

On 25 July 2006, BinckBank announced the previously taken decision of the Management Board to dispose of the activities of Hills Independent Traders Ltd (HIT). HIT engaged in proprietary trading in equity derivatives and underlying securities, chiefly on the London Stock Exchange. HIT's activities were included in the trading business segment. The business was sold at book value. The disposal of HIT was prompted by the increased focus on BinckBank's core activities, viz. online retail brokerage and professional services. There were no synergistic gains to be had for BinckBank from the way in which HIT operated either. The disposal of the HIT activities was completed on 13 October 2006.

HIT's results, which have been presented as result from discontinued operations, were as follows:

	2006	2005
Revenue	7,591	6,086
Expenses	(7,306)	(5,206)
	<hr/>	<hr/>
Profit before tax on discontinued operations	285	880
Tax	(86)	(264)
	<hr/>	<hr/>
Profit on discontinued operations	199	616

Included in the total expenses is an impairment loss of approximately €1.8 million, which was approximately €1.3 million after tax.

HIT's net cash flows were as follows:

Cash flow from operating activities	(27,712)	29,056
Total net cash (outflow)/inflow	(27,712)	29,056
Earnings per share:		
Ordinary earnings per share on discontinued operations	0.01	0.02
Diluted earnings per share on discontinued operations	0.01	0.02

Notes to the consolidated balance sheet (x €1,000)	31 December 2006	31 December 2005
Assets		
8. Cash	5,672	7,685
This item includes all cash in legal tender, including bank notes and coins in foreign currency, and any credit balances available on demand from the central banks in countries where BinckBank has offices.		
9. Banks	164,617	171,113
This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by the bank regulators.		
The item comprises:		
Credit balances available on demand	13,575	4,036
Call money	113,171	110,484
Credit balances not available on demand	37,871	56,593
	164,617	171,113
The call money receivables have original maturities of less than three months. Credit balances not available on demand serve partly as collateral for the delivery risk on securities. Interest is received on these balances at a variable rate based on Euribor.		
10. Loans and receivables	216,332	124,764
This item comprises receivables from private sector clients, including overnight loans and overdrafts that are collateralised by securities and bank guarantees.		
The analysis is as follows:		
<i>Cash equivalents:</i>		
Private sector call money	42,000	24,500
<i>Other loans and receivables:</i>		
Public sector loan	5,000	-
Receivables collateralised by securities	132,641	78,132
Receivables collateralised by bank guarantees	3,952	772
Receivables from clients in respect of short option positions	32,739	21,360
	174,332	100,264
	216,332	124,764

Notes to the consolidated balance sheet
(x €1,000)

31 December 2006

31 December 2005

The receivables relating to cash equivalents have original maturities of less than 3 months. The public sector loan concerns a loan to a Dutch municipal authority maturing in 2008. The other receivables have unspecified maturities. The interest rate applying to receivables under loans and receivables is based on Euribor.

Movements during the year were as follows:

Position as at 1 January	124,764	62,386
Movement in call money	17,500	12,250
Movement in public sector loan	5,000	-
Movement in receivables collateralised by securities	54,509	41,409
Movement in receivables collateralised by bank guarantees	3,180	(236)
Movement in short option positions held by clients	11,379	8,955
	<hr/>	<hr/>
Balance as at 31 December	216,332	124,764

As at 31 December 2006, bad debt provisions of €16,000 (2005: €17,500) were charged against this item. Actual bad debts written off in 2006, as in 2005, amounted to less than one thousand euros.

11. Interest-bearing securities

67,828

42,427

This item comprises:

Held to maturity:

Government bonds	48,445	21,333
Available for sale:		
Other bonds with indefinite maturity	7,710	8,141
Other bonds with definite maturity	1,337	-
Trading portfolio	10,336	12,953
	<hr/>	<hr/>
	67,828	42,427

All the above securities are listed and used in part to cover margin requirements. The held-to-maturity portfolio is carried at amortised cost measured using the effective interest method. In the available-for-sale portfolio, the interest rate on the bonds with indefinite maturity is revised every three months on the basis of the prevailing 10-year interest rate on government bonds. The

Notes to the consolidated balance sheet

(x €1,000)

31 December 2006

31 December 2005

bonds with definite maturity in this portfolio are due for redemption in 2012. In 2006, fair value losses on the available-for-sale assets amounting to €155,000 were recognised directly in equity (2005: €475,000). The calculation of the amount charged to equity takes account of the tax effect of this impairment. As in 2005, none of the assets was sold in 2006.

12. Shares and other variable-income securities

100,613

120,656

This item comprises:

Securities trading portfolio	24,833	59,583
Derivatives trading portfolio	104	6,081
Long option positions held for clients	75,676	54,992
	<hr/>	<hr/>
	100,613	120,656

The positions held in the trading portfolio are in listed securities and are used in part to cover margin requirements and securities lending. Long option positions held for clients are held in BinckBank's name for the account and risk of the relevant clients.

13. Other investments

29

88

Other investments as at 1 January	88	102
Impairment	(69)	-
Sale	(4)	(14)
Purchase	14	-
	<hr/>	<hr/>
Other investments as at 31 December	29	88

The other investments concern investments in the share capital of Inmaxxa B.V. (formerly Triple Assets B.V.) and LPE Capital (acquired in 2006) representing interests of less than 5%. These investments are carried at the lower of cost and market value since no reliable measure of fair value is available. The advent of new shareholders has resulted in dilution of the interests of the existing shareholders of Inmaxxa B.V., leading to the recognition of an impairment loss of €69,000 in respect of Inmaxxa B.V.

Notes to the consolidated balance sheet
(x €1,000)

31 December 2006

31 December 2005

In 2005, the 6.25% interest in Trader Team Ltd was sold. The remaining 15% interest in D&O Vermogensbeheer B.V. was sold in 2006.

14. Intangible assets

11,511

1,051

BinckBank's intangible assets comprise software, development costs, goodwill and other intangible assets. The annual rate of amortisation for software bought externally is 33.3%, for software developed in-house 25% and for other intangible assets 20%. An impairment test is performed on goodwill annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

The movements in intangible assets in 2006 were as follows:

	Software	Develop- ment costs	Other intangible assets	Goodwill	Total
Carrying amount as at 1 January	1,051	-	-	-	1,051
Investments	927	29	-	-	956
Acquisition of Syntel	-	425	930	8,881	10,236
Disposals	-	-	-	-	-
Amortisation	(705)	(27)	-	-	(732)
Carrying amount as at 31 December	1,273	427	930	8,881	11,511
Cost	3,927	454	930	8,881	14,192
Cumulative amortisation and impairment	(2,654)	(27)	-	-	(2,681)
Carrying amount as at 31 December	1,273	427	930	8,881	11,511

The movements in intangible assets in 2005 were as follows:

	Software	Develop- ment costs	Other intangible assets	Goodwill	Total
Carrying amount as at 1 January	643	-	-	-	643
Investments	822	-	-	-	822
Amortisation	(414)	-	-	-	(414)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	1,051	-	-	-	1,051
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cost	3,000	-	-	-	3,000
Cumulative amortisation and impairment	(1,949)	-	-	-	(1,949)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	1,051	-	-	-	1,051
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

On 18 October 2006, the entire share capital of the software house Syntel was acquired. This organisation develops proprietary software for sale to customers. The costs of developing the software that is available for sale are capitalised and amortised over four years. There were no other research and development expenses besides the amortisation of the capitalised software development costs.

Goodwill relates to the excess of the fair value of Syntel's identifiable net assets over the acquisition cost of Syntel.

Goodwill impairment test

The goodwill has been allocated to the following individual cash-generating units:

- Syntel and
- BinckBank N.V. with respect to Business Process Outsourcing (BPO) activities.

The cash-generating unit Syntel

The recoverable amount of Syntel has been measured on the basis of a value in use calculated on the basis of cash flow projections based on the budgets approved by senior management for a period of five years. The discount rate applied to the cash flow projections was 9.68% and the cash flows beyond the five-year horizon have been extrapolated at a growth rate of 2%.

The cash-generating unit BPO

The recoverable amount of the BPO activities has been measured on the basis of a value in use calculated on the basis of cash flow projections based on the budgets approved by senior management for a period of five years. The discount rate applied to the cash flow projections was 10.64% and the cash flows beyond the five-year horizon have been extrapolated at a growth rate of 0%.

Carrying amount of goodwill allocated to each cash-generating unit:

	Syntel	BPO	Total
Carrying amount of goodwill	6,848	2,033	8,881

Principal assumptions used in calculating the value in use of Syntel/BPO activities as at 31 December 2006

The principal assumptions used by management in arriving at the cash flow projections for the purposes of the goodwill impairment test were:

- Estimated sales based on sales for the year immediately preceding the budget year, applying an annual growth rate of 2%.
- Management has estimated the sales for the BPO activities
- Costs based on standardised costs for the year immediately preceding the budget year, applying an annual rate of increase of 3%.

(x €1,000) 31 December 2006 31 December 2005

15. Property, plant and equipment 2,613 1,829

The movements in 2006 were as follows:

	Fixtures and equipment	Computer hardware	Other	Total
Carrying amount as at 1 January	896	933	-	1,829
Additions	263	1,441	18	1,722
Disposals	(2,101)	-	-	(2,101)
Acquisition of Syntel	190	96	-	286
Depreciation	(510)	(659)	(1)	(1,170)
Cumulative depreciation and disposals	2,047	-	-	2,047
Currency adjustments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	785	1,811	17	2,613
Cost	5,086	4,537	18	9,641
Cumulative depreciation and impairment	(4,301)	(2,726)	(1)	(7,028)
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	785	1,811	17	2,613

The movements in 2005 were as follows:

	Fixtures and equipment	Computer hardware	Other	Total
Carrying amount as at 1 January	1,357	939	-	2,296
Additions	219	534	-	753
Depreciation	(621)	(540)	-	(1,161)
Cumulative depreciation and disposals	(62)	-	-	(62)
Currency adjustments	3	-	-	3
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	896	933	-	1,829
Cost	6,734	3,000	-	9,734
Cumulative depreciation and impairment	(5,838)	(2,067)	-	(7,905)
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	896	933	-	1,829

(x €1,000)	31 December 2006	31 December 2005
16. Tax	5,443	4,870

The reconciliation of the effective tax rate with the tax rate applicable to the consolidated financial statements is as follows:

	2006 Amount	2006 Percentage	2005 Amount	2005 Percentage
Standard tax rate	8,564	29.6%	5,604	31.5%
Effect of different tax rates (in other countries)	53	0.2%	(13)	(0.1%)
Prior year tax adjustments	(220)	(0.8%)	(723)	(4.1%)
Non-deductible losses	-	-	196	1.1%
Deferred tax liabilities	109	0.4%	-	-
Effect of tax loss carryforwards not previously recognised	(2,900)	(10.0%)	-	-
Tax-exempt profit components	(43)	(0.2%)	(185)	(1.0%)
Effect of tax loss carryforwards utilised	(443)	(1.5%)	-	-
Total tax burden	5,120	17.7%	4,879	27.4%

For the tax expense on the activities not being continued on a permanent basis, see note 7.

The total amount of tax recognised directly in equity was €286,000 (2005: nil).

The deferred tax assets and liabilities recognised in the consolidated balance sheet and in the consolidated income statement can be analysed as follows:

	Balance sheet		Income statement	
	2006	2005	2006	2005
<i>Deferred tax liabilities:</i>				
Temporary difference relating to bonus shares for Syntel staff	(109)	-	-	-
Taxable temporary differences	(109)	-	-	-
<i>Deferred tax assets:</i>				
Pension liabilities	63	-	-	-
Available tax loss carryforwards	2,900	-	2,900	-
Total deferred tax assets	2,963	-	2,900	-

The movements in the deferred tax assets and liabilities were as follows:

	Deferred tax liabilities	Deferred tax assets
Carrying amount as at 1 January 2006	-	-
Added	-	2,900
Acquisition of Syntel	109	63
	<hr/>	<hr/>
Carrying amount as at 31 December 2006	109	2,963
<i>Of which:</i>		
Due in < 1 year	27	531
Due in 1–5 years	82	2,369
Due after	-	63

The return to profitability of the associate Binck België N.V. in 2006 meant that it was possible to recognise tax loss carryforwards amounting to €2.9 million in the deferred tax assets (2005: nil), corresponding to an amount of tax losses of €8.5 million. The total tax losses as at year-end 2006 amounted to €21.1 million (2005: €22.4 million).

(x €1,000)	31 December 2006	31 December 2005
17. Other assets	38,020	21,010
Other assets have maturities of less than one year and comprise:		
<i>Loans and receivables:</i>		
Licences and permits	-	146
Receivables relating to securities sold, but not yet delivered	36,805	20,313
Trade receivables	1,051	100
Other receivables	164	451
	<hr/>	<hr/>
	38,020	21,010

The licences and permits relate to the F-permits received as a result of the stock exchange merger in 1997. These permits provide a ten-year exemption from registration charges or reimbursement of transaction charges up to a certain amount for each permit. The final reimbursement was made in respect of 2006.

(x €1,000)	31 December 2006	31 December 2005
18. Prepayments and accrued income	4,969	3,184
This item comprises:		
Interest receivable	2,872	1,541
Commission receivable	698	360
Prepaid expenses	1,399	1,283
	<hr/>	<hr/>
	4,969	3,184
Equity and liabilities		
19. Funds entrusted	383,543	235,836
This item comprises clients' credit balances on cash or margin accounts.		
20. Liabilities in respect of securities	60,494	111,353
This item comprises the short positions in securities. All the securities are listed. The item can be analysed as follows:		
<i>Trading portfolio:</i>		
– Fixed-income securities	4,084	3,842
– Shares and variable-income securities	23,671	86,151
Movement in short derivative positions held by clients	32,739	21,360
	<hr/>	<hr/>
	60,494	111,353
21. Other liabilities	96,737	84,031
<i>Liabilities relating to financial instruments:</i>		
Liabilities in respect of securities bought but not yet delivered	12,737	21,493
Liabilities to clients for long derivative positions held	75,676	54,992
Profit-sharing bond	1,320	1,555
Loan notes	-	1,194
	<hr/>	<hr/>
	89,733	79,234
<i>Other liabilities:</i>		
Tax and social security contributions	1,261	182
Part of the purchase price for Syntel still payable	3,029	-
Other	2,714	4,615
	<hr/>	<hr/>
	7,004	4,797
	<hr/>	<hr/>
	96,737	84,031

(x €1,000)

31 December 2006

31 December 2005

The profit-sharing bond is a loan provided by a group of employees. It has a maturity of three years and three months from 1 October 2005 to 31 December 2008. Repayment of the loan may be made and demanded without notice and without penalty. If repayment of the loan is demanded during the calendar year, the lenders are not entitled to receive interest in respect of that year. Interest is paid only in respect of the amount lent and at BinckBank's disposal for the full calendar year. A schedule for interest payments has been agreed, with the interest rate payable being dependent on BinckBank's net profit and varying between 0% and 15%. The interest payable is calculated at the end of each year and recognised in the result for that year. The interest for 2006 amounts to 15%, and will be payable after adoption of the financial statements by the General Meeting of Shareholders.

The amount presented in 2005 under loan notes refers to BinckBank's share in loan notes issued by third parties. These notes, on which the interest payable is at Libor, are in principle repayable on demand.

Part of the purchase price relating to the acquisition of the share capital of Syntel depends on Syntel's gross margin over the years 2007 and 2008. For further details, see note 6 Business combination.

22. Accruals and deferred income

7,993

11,699

This item comprises:

Staff costs	3,783	8,252
Accrued stock exchange and transaction costs	447	640
Accrued interest	1,896	401
Other	1,867	2,406
Total	7,993	11,699

Staff costs under this heading largely comprise staff bonuses payable.

(x €1,000)	31 December 2006	31 December 2005
23. Provisions	445	512
Onerous contracts	199	512
Pensions	246	-
	<u>445</u>	<u>512</u>

The movements in the provision for onerous contracts during the year were as follows:

Balance as at 1 January	512	614
Released to income	(210)	-
Utilised	(103)	(102)
	<u>199</u>	<u>512</u>
Balance as at 31 December	199	512

The provision for onerous contracts has been formed in respect of rented office space, where the costs of the lease are higher than the economic benefits expected to be generated by the contract. The period for which the provision has been formed is equal to the duration of the lease, which expires on 1 October 2010, but will be reduced as and when the economic benefits are deemed likely to exceed the costs. An amount was accordingly released to income in 2006. The discount rate applied to this provision is equal to the expected future rate of increase in the rent.

The movements in the pension provision were as follows:

Balance as at 1 January	-
Acquisition of Syntel	246
	<u>246</u>
Balance as at 31 December	246

24. Pension liabilities

The following provision has been recognised in the consolidated balance sheet in respect of the defined benefit plan.

Present value of defined benefit obligation	1,822	-
Fair value of plan assets	(1,576)	-
Unrecognised actuarial gains and losses	-	-
Unattributed past service cost	-	-
	<u>246</u>	<u>-</u>
Total pension liabilities	246	-

(x €1,000)	31 December 2006	31 December 2005
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The movements in the pension liabilities were as follows:

Benefit obligation:

Position as at 1 January	-	-
Acquisition of Syntel	1,822	-
	<hr/>	<hr/>
Position as at 31 December	1,822	-

Plan assets:

Position as at 1 January	-	-
Acquisition of Syntel	1,576	-
	<hr/>	<hr/>
Position as at 31 December	1,576	-

None of the plan assets are held or used by BinckBank.

The actuarial assumptions used in measuring the above items were as follows:

Life expectancy	GBM/V mortality table 1995–2000 with age reduction of 2 years for men and 1 year for women, before and after retirement age
Incapacity risk	GMD table 1994 multiplied by 30%
Discount rate	4.5%
Expected return on plan assets	3.85%
Expected pay rises	1.5%
Retirement age	65

There are no other material actuarial assumptions. Indexation of the benefits is not discretionary.

25. Equity	71,289	55,246
<i>Issued share capital</i>	3,084	3,084

A total of 30,837,403 ordinary shares were in issue, each with a nominal value of €0.10. The share capital is fully paid up. There were no movements in share capital during the year.

Stichting Prioriteit AOT owns 50 priority shares, each with a nominal value of €0.10.

Share premium	20,855	20,855
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The share premium is exempt from tax and in principle freely distributable.

Treasury shares	(956)	(1,121)
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	2006 Number	2006 Amount	2005 Number	2005 Amount
Opening balance	296,855	(1,121)	296,855	(1,121)
Issued to management	12,890	49	-	-
Issued to Syntel staff	30,820	116	-	-
Closing balance	253,145	(956)	296,855	(1,121)

As at 1 January 2006, the number of treasury shares held was 296,855, acquired at an average purchase price of €3.78. In 2006, 43,710 treasury shares were issued. The issued shares were charged to other reserves at the average purchase price. The carrying amount of the 253,145 treasury shares (as at year-end 2006) was measured at the average purchase price of approximately €3.78. The movement in equity in respect of treasury shares reflects the amounts bought and sold. The quoted share price as at year-end 2006 was €14.66 (2005: €9.15).

On 3 March 2006, a total of 12,890 shares was granted to members of the Management Board as a variable remuneration element in respect of performance in 2005. The expense was recognised in 2005.

A bonus in the form of BinckBank shares was conditionally awarded to a group of staff of the subsidiary Syntel acquired in 2006. The period in which the conditions attached to this award are to be fulfilled runs from 2007 to 2010. The cost of the arrangement will be charged to income over this period. In total, 30,820 shares were issued on 29 December 2006.

(x €1,000)	31 December 2006	31 December 2005
<i>Retained earnings reserve</i>	24,009	13,609
Opening balance	13,609	2,808
Added to other reserves	(13,609)	(2,808)
Profit for the year	24,009	13,609
Closing balance	24,009	13,609
The retained earnings reserve comprises the unappropriated profit in 2006		
Other reserves	24,297	18,819
These comprise:		
(i) Foreign currency translation reserve	334	237
(ii) Reserve for unrealised results	(649)	(494)
(iii) Other reserves	24,612	19,076
	24,297	18,819
(i) Foreign currency translation reserve		
Opening balance	237	41
Movement	97	196
Closing balance	334	237

(x €1,000) 31 December 2006 31 December 2005

The foreign currency translation reserve comprises exchange differences arising on translation of the financial statements of foreign subsidiaries.

(ii) Reserve for unrealised results

Opening balance	(494)	(19)
Result on available-for-sale financial assets	(441)	(475)
Tax on result on available-for-sale financial assets	286	-
	<hr/>	<hr/>
Closing balance	(649)	(494)

The reserve comprises the fair value gains and losses, after tax, on available-for-sale financial assets. There were no sales in 2005 or 2006.

(iii) Other reserves

Opening balance	19,076	20,064
Acquisition of minority interest	-	(700)
Rights to shares	342	263
Issue of shares to management	(49)	-
Issue of shares to Syntel staff	(116)	-
Payment of final dividend	(4,889)	(1,527)
Payment of interim dividend	(3,361)	(1,832)
Appropriation of profit for previous year	13,609	2,808
	<hr/>	<hr/>
Closing balance	24,612	19,076

The other reserves are in principle freely distributable.

The acquisition of a minority interest refers to the acquisition in 2005 of the remaining shares of Binck België N.V. and is recognised in other reserves because of being a transaction between shareholders within a group.

Share options

As at 31 December 2006, the following options to acquire shares of the company granted to members of the Management Board and/or employees were outstanding:

- 100,000 shares at €2.24, expiry date 10 October 2007;
- 25,000 shares at €3.15, expiry date 21 December 2009.

These options were granted in 2004, when they had a total value of €98,000. This valuation is based on the Black & Scholes formula for valuing options, which uses the share prices on the previous 150 trading days to calculate volatility, and an interest rate of 3%. The related expense is included in staff costs. No options were exercised in 2005 or 2006. No options were granted or expired in 2006.

Rights to shares

As part of the variable element of remuneration, stock option shares amounting to €285,000 (2005: €131,625) have been granted to the members of the management committee. The price at which the shares concerned

are issued is determined with reference to the closing price on the day on which BinckBank's annual results are published. In the case of the 2006 results, that date was 26 January 2007, when the closing price of BinckBank shares was €14.62. On that basis, 19,508 shares were issued to the management committee on 29 January 2007. The shares issued to the management committee have been deducted from the treasury shares reserve. In addition to the above amount in respect of stock option shares, an amount of €57,000 (2005: €132,000) was added to other reserves in respect of the rights to 'free shares' that have been granted. The related expense is included in staff costs. The total reserves in respect of these free shares now amount to €188,000, making the total amount for rights to shares €342,000 in 2006 (2005: €263,000).

Bonus scheme for Syntel staff

On acquisition of Syntel, a bonus scheme was agreed with a group of 28 Syntel employees. At the time of acceptance of this bonus arrangement, each employee opted to be paid either in BinckBank shares (equity settlement) or in cash at an amount based on the BinckBank share price (cash settlement). This bonus will be recognised as an expense provided the recipient remains an employee of Syntel for a period of four years, with 25% of the amount made available to each employee being released for each year in continued service. A total of 30,820 shares was issued to Syntel staff under the equity-settled programme on 29 December 2006.

Notes to the consolidated income statement

(x €1,000)	2006	2005
26. Interest	10,785	6,025

This includes all income and expense items relating to the lending and borrowing of money, providing they are of a similar nature to interest, as well as interest income on credit balances or interest expense on overdrafts unless such borrowing is used to fund the trading portfolio.

This item comprises the following:

Interest income

Interest on clients' overdrafts	7,885	3,919
Interest on call money	5,679	2,158
Interest on held-to-maturity financial assets	1,472	661
Interest on available-for-sale financial assets	358	311
Interest on trading portfolio bonds	339	644
Other interest income	493	576
	16,226	8,269

Other interest income relates to credit balances on accounts with credit institutions.

(x €1,000)	2006	2005
<i>Interest expense</i>		
Interest on funds entrusted	4,347	1,163
Interest on call money	524	112
Interest on profit-sharing bond loan	198	57
Other interest expense	372	912
	5,441	2,244
Other interest expense relates to debit balances on accounts with credit institutions.		
27. Income from other investments	33	7
Included in this item are the dividends received from the other investments.		
28. Commission	35,801	22,569
Commission comprises fees for services performed for and by third parties in respect of securities transactions and related services. The item can be analysed as follows:		
<i>Commission income:</i>		
Retail	41,757	25,395
Professional services	12,735	8,695
	54,492	34,090
<i>Commission expense</i>		
Professional services	5,818	3,692
Stock exchange and clearing costs – retail	11,543	6,598
Stock exchange and clearing costs – professional	1,330	1,231
	18,691	11,521
29. Results on financial transactions	8,208	15,512
This item comprises the following:		
Trading portfolio transaction results	8,208	14,931
Distribution from Amsterdam Stock Exchange Association	-	581
	8,208	15,512

(x €1,000)	2006	2005
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Included under this heading is the overall result achieved on financial assets and financial liabilities carried at fair value including recognition of fair value gains and losses in the income statement. The result on trading portfolio transactions comprises results achieved on transactions in securities, derivatives and foreign currencies as well as funding costs, dividends and stock exchange and clearing costs. The distribution from the Amsterdam Stock Exchange Association is the liquidation payment received from the Association in 2005.

30. Other income	855	-
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Other income comprises amounts charged to third parties during the year in respect of goods and services supplied relating to hardware and software. This income was generated by the subsidiary Syntel acquired in 2006 and therefore relates to the period 18 October 2006 to 31 December 2006

31. Staff costs	15,192	16,612
Wages and salaries	8,865	7,881
Profit sharing and bonuses	3,170	6,451
Pension contributions	555	436
Social security charges	1,036	639
Rights to shares	343	263
Other staff costs	1,223	942
	15,192	16,612

Average number of employees

The average number of employees in 2006, including members of the Management Board, was 195 (2005: 167). The number at year-end 2006 was 223 (year end 2005: 170).

Remuneration of Management Board and Supervisory Board Directors

Details of the remuneration paid to Management Board and Supervisory Board Directors in 2006 and their ownership of shares in the company as at 31 December 2006 are as follows:

	Fixed element	Variable element	Pension contribution	Social Security	BinckBank shares
T.C.V. Schaap	211	232	22	6	659,696
K.J. Bagijn	211	232	22	6	659,696
P. Aartsen	193	203	39	6	-
A.E. Teeuw (former Management Board member)	180	75	-	6	-
	<u>795</u>	<u>742</u>	<u>83</u>	<u>24</u>	<u>1,319,392</u>
C.J.M. Scholtes	32	-	-	-	-
J.K. Brouwer	27	-	-	-	-
Ch. J. Langereis (former Supervisory Board member)	24	-	-	-	393,392
A.M. van Westerloo	20	-	-	-	-
	<u>103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,392</u>

Details of the remuneration paid to Management Board and Supervisory Board Directors in 2005 and their ownership of shares in the company as at 31 December 2005 are as follows:

	Fixed element	Variable element	Pension contribution	Social Security	BinckBank shares
A.E. Teeuw	300	337	-	4	-
T.C.V. Schaap	211	269	22	4	978,251
K.J. Bagijn	211	269	22	4	978,251
	<u>722</u>	<u>787</u>	<u>44</u>	<u>12</u>	<u>1,956,502</u>
C.J.M. Scholtes	31	-	-	-	-
J.K. Brouwer	27	-	-	-	-
Ch. J. Langereis	24	-	-	-	651,013
A.M. van Westerloo	20	-	-	-	-
	<u>102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,013</u>

In addition to the above, Mr Teeuw has been granted options on 100,000 BinckBank shares at an exercise price of €2.24 expiring on 10 October 2007.

Mr Teeuw retired from the company's Management Board at the end of 2005. Mr Teeuw has, however, agreed to place his experience and knowledge at the company's disposal, continuing in the capacity of adviser to the Management Board and the Supervisory Board until the end of April 2007. The contracts with Messrs. Schaap and Bagijn expire in May 2008. Mr Aartsen was appointed member of the BinckBank Management Board in the General Meeting of Shareholders held on 27 March 2006 for a period of four years. Mr Langereis retired from the BinckBank Supervisory Board on 25 January 2007.

2006 remuneration policy

Under the 2006 remuneration policy, the remuneration received by the members of BinckBank's Management Board consists of a fixed element and a variable element, the latter being a reward for their short-term and medium/long-term performance and consisting of a bonus and a number of BinckBank shares. The remuneration is the same for all members of the Management Board.

Other periodically paid benefits, such as medical expenses insurance, do not form a fundamental part of the remuneration package according to the 2006 remuneration policy. The same applies to secondary conditions of employment. In principle, Management Board members are covered by the same defined benefit pension scheme as applies to the majority of the other employees.

The principle in respect of the variable element of the remuneration is that, if the members of the Management Board meet the annual budgets approved by the Supervisory Board, they qualify for a bonus equivalent to approximately one year's fixed salary spread over two years.

Under the 2006 remuneration policy, the Supervisory Board may, at its discretion, apply a maximum uplift of 25% to the bonus if justified by the results. If the target is not fully achieved, due for example to external circumstances beyond the Management Board's control, the Supervisory Board may, at its discretion, award the Management Board members a cash bonus amounting to a maximum of 25% of basic salary.

Members of the Management Board who are expected to stay with the company for an extended period may opt to receive part of their cash bonus in BinckBank shares (stock option shares). These shares must be held for at least three years. Additional shares free of financial consideration (free shares) may be awarded if longer-term targets are achieved.

According to the remuneration policy, for the period 2005–2007 and each three-year period thereafter, one free share will be awarded for every two BinckBank stock option shares duly held if earnings per share rise by more than 50% and one free share will be awarded for each BinckBank stock option share duly held if earnings per stock option share rise by more than 100%.

Under the 2006 remuneration policy, the members of the Management Board can have a minimum of 25% and a maximum of 100% of their cash bonus paid in the form of stock option shares. The number of shares awarded on this basis will be determined by the closing price on the date of publication of the results for the year. The income tax due on the part of the bonus paid in BinckBank shares will be paid by the company. If some or all of these shares are sold within three years, the company will require the Management Board member concerned to refund the income tax paid. The free shares must be held for five years or until termination of service if this occurs within five years.

Implementation of 2006 remuneration policy

The remuneration of the Management Board for 2006 has been finalised in accordance with the remuneration policy, except that, given the nature of their duties, Messrs Bagijn and Aartsen have the use of a company car under arrangements similar to those applying to the company's commercial staff. This means that part of their remuneration is paid in the form of a car allowance.

Each member of the Management Board received a gross annual salary of €211,000. The variable remuneration was €132,000. In consultation with the Supervisory Board, each of the Management Board members opted to take 50% of their variable remuneration award in the form of shares (€66,000). The income tax due on this remuneration, amounting to €71,000, will be paid by the company. This variable remuneration has been based on the achievement of the previously adopted annual budget, on the basis of which the Supervisory Board

decided to award the maximum uplift of 25% in recognition of the good results. For Messrs Schaap and Bagijn, an amount of €29,000 per person was charged to the income statement in 2006 (2005: €66,000) in respect of reserves recognised for free shares payable in the future for the achievement of long-term objectives. The Management Board members are covered by the same defined benefit pension scheme as applies to the majority of the other employees. In the case of Mr Aartsen, however, it has been decided to make a payment of 20% of his annual basic salary as pension contribution to a defined contribution scheme, that being more normal practice. Mr Aartsen also received variable remuneration as if he had been in service with effect from 1 January 2006.

(x €1,000)	2006	2005
32. Other operating expenses	9,589	8,127
This item comprises the following:		
Marketing	3,953	2,392
Premises	1,136	1,338
Provision of information	1,342	1,371
ICT	458	462
Membership fees	315	381
Services contracted out to third parties	1,301	1,192
Miscellaneous overheads	1,084	991
Total	9,589	8,127

Apart from the costs of advertising involving radio and TV commercials, the marketing expenses also include other costs directly associated with the promotion of BinckBank products.

33. Depreciation and amortisation	1,902	1,575
This item comprises amortisation and depreciation on:		
– intangible assets (14)	732	414
– property, plant and equipment (15)	1,170	1,161
Total	1,902	1,575

34. Earnings per share	0.79	0.45
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The basic earnings per share are calculated by dividing the result attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

(x €1,000)	2006	2005
<p>The diluted earnings per share are calculated by dividing the result attributable to ordinary shareholders of the parent company by the sum of the weighted average number of ordinary shares in issue during the year and the weighted average number of ordinary shares that would have been in issue if all the ordinary share options that could dilute earnings had been converted into ordinary shares.</p> <p>The calculation of the earnings per share is based on the following:</p>		
Profit on continuing operations	23,810	12,912
Profit on discontinued operations	199	616
Average number of shares in issue (number)	30,837,403	30,837,403
Less: repurchased shares (number)	296,855	296,855
	30,540,548	30,540,548
Weighted average number of shares relating to: (*)		
Stock option shares issued to management (number)	10,730	-
	30,551,278	30,540,548
<p><i>(*) for full details, see note 25. The above numbers are based on the total numbers disclosed in note 25, taking account of the date of distribution.</i></p>		
Earnings per share on continuing operations (euros)	0.78	0.43
Earnings per share on discontinued operations (euros)	0.01	0.02
	0.79	0.45
35. Diluted earnings per share (euros)	0.79	0.44
Average number of ordinary shares in issue	30,551,278	30,540,548
Number of options granted, but not yet exercised	125,000	125,000
Average exercise price (euros)	2.42	2.42
Average fair value (euros)	12.75	5.89
Number of shares potentially issued at fair value	(23,745)	(51,358)
Number of shares used for calculation of diluted earnings per share	30,652,533	30,614,190
Diluted earnings per share on continuing operations (euros)	0.78	0.42
Diluted earnings per share on discontinued operations (euros)	0.01	0.02
(x €1,000)	2006	2005

No other transactions in ordinary shares or potential ordinary shares were conducted between the reporting date and the date of completion of these financial statements.

As a reward for the results achieved in 2006, 19,508 stock option shares were issued on 29 January 2007 at a price of €14.62 per share. The stock option shares were issued at fair value and so do not dilute the earnings per share.

36. Paid and proposed dividend

Declared and paid during the year

Dividend on ordinary shares:

Final dividend for 2005: €0.16 (2004: €0.05)	4,889	1,527
Interim dividend for 2006: €0.11 (2005: €0.06)	3,361	1,832
	8,250	3,359

Proposed for approval by the General Meeting of Shareholders (not recognised as a liability as at 31 December)

Dividend on ordinary shares:

Final dividend for 2006: €0.29 (2005: €0.16)	8,875	4,889
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37. Related party disclosures

The consolidated financial statements include the following BinckBank subsidiaries:

Name	Country	Interest 2006	Interest 2005
Binck Securities B.V.	Netherlands	100%	100%
Syntel Beheer B.V.	Netherlands	100%	-
AOT Facilities B.V.	Netherlands	-	100%
Bewaarbedrijf BinckBank B.V.	Netherlands	100%	100%
Stichting Effectengiro Binck	Netherlands	100%	100%
Hounds Island Long Term Leasing CV	Netherlands	-	100%
Binck België N.V.	Belgium	100%	100%
Hills Independent Traders Ltd.	United Kingdom	100%	100%

The subsidiaries AOT Facilities B.V. and Hounds Island Long Term Leasing CV were wound up in the course of 2006. The activities of Hills Independent Traders Ltd. were sold off in 2006. The company is expected to be wound up in 2007. Syntel was purchased on 18 October 2006. The consolidated financial statements include the entire results for the period from the date of acquisition onwards.

The group of related parties includes associates where the BinckBank Management Board and Supervisory Board have significant influence.

Terms and conditions of transactions with related parties

Transactions with related parties are conducted on commercial terms and conditions and at market prices. As at year-end 2006, BinckBank did not recognise any bad debt provisions for receivables from associated parties (2005: nil). The judgement concerning the need for such provisions is made each year on the basis of an assessment of the financial position of the individual related parties and the markets in which they operate.

38. Contingent liabilities

The company has leases on office premises in the Netherlands, Belgium and France. It has also entered into operating lease contracts for the vehicle fleet for periods of less than five years. The combined expense relating to office rents and operating lease payments for the vehicles in 2006 was approximately €1.3 million.

The aged analysis of the outstanding liabilities is as follows:

	x €1,000
Less than one year	2,299
One to five years	5,998
Longer than five years	594

39. Other information

Disclosure pursuant to Appendix X of the Listing and Issuing Rules

In the opinion of both BinckBank N.V. and the Board members of Stichting Prioriteit AOT, the company complies with the requirements of Article 10 in Appendix X of the Listing and Issuing Rules of Euronext N.V., Amsterdam.

Capital adequacy

The Dutch Central Bank (DNB) lays down minimum capital standards. BinckBank's capital is compared with assets on the face of the balance sheet and off-balance-sheet items. The assets are weighted according to risk. The ratio based on total actual own funds (BIS Ratio) for the banking industry generally is 8%. Partly owing to the effect of the merger within the group of Binck N.V. and BinckBank N.V., BinckBank's qualifying actual own funds for 2006 have increased significantly compared with 2005.

BinckBank capital adequacy information:

(x €1,000)	2006	2005
Actual own funds	62,841	20,933
Tier 1 capital	62,841	20,933
BIS Ratio	24.6%	15.5%

40. Segment information

A segment is a part of BinckBank that either supplies specific products or services (i.e. a business segment) or supplies products or services in a specific economic area (i.e. a geographical segment) and is exposed to different risks and generates different revenues from other segments. The primary system of segmentation applied is based on activity and the following business segments are identified: Retail, Professional Services and Trading. With effect from 1 January 2006, the former business segment of Wholesale and the services to professional clients formerly grouped under Retail have been merged into a new business segment known as Professional Services. The comparative figures in the segment information analyses have restated accordingly.

The Retail business unit is a broker for private clients (mainly online brokerage). The Professional Services business unit provides professional services in securities and derivatives transactions for professional investors in and outside the Netherlands, including much of the administrative effort. The activities of the newly acquired subsidiary Syntel are also reported as part of its business unit. The Trading business unit engages in proprietary trading in equities and bonds. The balance sheet items are only disclosed separately for Trading. Segmentation of balance sheet items between Retail and Professional Services is not performed because BinckBank does not use this information directly in the management of its activities.

The secondary system of segmentation is geographical, with a distinction being made between activities in the Netherlands and those in other countries. No transactions take place between the separate segments.

The segmentation is shown in the following tables.

Business segmentation

	Note	Continued Activities								Discontinued Activities		Total	
		Retail		Professional Services		Trading		Total		2006	2005	2006	2005
		2006	2005	2006	2005	2006	2005	2006	2005				
Interest	26	9,074	4,927	1,318	995	393	103	10,785	6,025	-	-	10,785	6,025
Income from other investments	27	-	-	33	7	-	-	33	7	-	-	33	7
Commission	28	30,213	18,284	5,588	4,285	-	-	35,801	22,569	-	-	35,801	22,569
Results on financial transactions	29	-	190	-	134	8,208	15,188	8,208	15,512	7,591	6,086	15,799	21,598
Other income	30	-	-	855	-	-	-	855	-	-	-	855	-
Total revenue		39,287	23,401	7,794	5,421	8,601	15,291	55,682	44,113	7,591	6,086	63,273	50,199
Staff costs	31	(5,794)	(3,949)	(3,263)	(3,131)	(6,135)	(9,532)	(15,192)	(16,612)	(6,202)	(4,062)	(21,394)	(20,674)
Other operating expenses	32	(7,057)	(4,698)	(1,153)	(1,267)	(1,379)	(2,162)	(9,589)	(8,127)	(1,044)	(1,083)	(10,633)	(9,210)
Depreciation and amortisation	33	(1,086)	(846)	(489)	(483)	(327)	(246)	(1,902)	(1,575)	(60)	(61)	(1,962)	(1,636)
Impairment of other investments	13	-	-	(69)	-	-	(8)	(69)	(8)	-	-	(69)	(8)
Total expenses		(13,937)	(9,493)	(4,974)	(4,881)	(7,841)	(11,948)	(26,752)	(26,322)	(7,306)	(5,206)	(34,058)	(31,528)
Operating profit before tax	16	25,350	13,908	2,820	540	760	3,343	28,930	17,791	285	880	29,215	18,671
								(5,120)	(4,879)	(86)	(264)	(5,206)	(5,143)
Results on continuing operations								23,810	12,912	199	616	24,009	13,528
Carrying amount of assets		555,617	346,605			63,184	91,771	618,801	438,376	1,809	60,301	620,610	498,677
Liabilities		498,558	325,672			50,441	62,202	548,999	387,874	322	55,557	549,321	443,431
Investment assets		2,678	1,318			-	257	2,678	1,575	-	-	2,678	1,575

Geographical segmentation

	Netherlands		Other countries		Total	
	2006	2005	2006	2005	2006	2005
Total revenue	53,072	44,042	2,610	71	55,682	44,113
Carrying amount of assets	578,111	436,659	40,690	1,717	618,801	438,376
Investment assets	2,618	1,447	60	128	2,678	1,575
Depreciation and amortisation	1,866	1,571	36	4	1,902	1,575

41. Financial risk management

Credit risk

Credit risk is the risk that a party trading a financial instrument and/or the issuer of the instrument will fail to discharge an obligation relating to the instrument and consequently cause BinckBank to incur a financial loss. This credit risk is relevant to the items in the balance sheet included under the headings of banks, loans and receivables and other assets.

Maximum credit risk

(x €1,000)	2006	2005
Banks	164,617	171,113
Loans and receivables	216,332	124,764
Other assets	38,020	21,010
	<hr/>	<hr/>
	418,969	316,887

BinckBank's retail activities involve it in providing loans and receivables. These credits are provided only if secured by readily marketable collateral such as securities and bank guarantees. Given the nature of the loans and the collateral provided, the credit risk is limited. Most of these loans are provided to natural and legal persons in the Netherlands. In the case of loans collateralised by securities, the amounts lent depend on the liquidity and market price of the relevant securities. BinckBank's Risk Management department is responsible for monitoring lending. This department performs automated monitoring of loans on the basis of real-time prices. The risks in this form of lending are the risk of a change in the market price of the securities provided as collateral, the risk of computer malfunctioning (operating risk) and the risk of credit monitoring procedures functioning incorrectly (operating risk).

In addition, BinckBank uses deposits and balances on customer accounts to fund loans to banks and clients in industry, subject to internal limits that have been set for both the level and duration of such lending to approved counterparties. The credit risk resulting from such lending is monitored in the form of periodic credit reviews.

In the case of its trading activities, BinckBank is exposed to a credit risk if counterparties fail to discharge their obligations in over-the-counter transactions. Limits have been set for counterparties. Most of these transactions are in shares and bonds. The risk in this respect is managed by monitoring settlements (i.e. by reconciling positions and transactions).

Market risk

Market risk comprises three sorts of risk:

- Currency risk
- Interest rate risk
- Price risk

Currency risk

Currency risk is the risk that the value of an item denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The following items in the balance sheet are exposed to currency risks: banks, interest-bearing securities, shares and other variable-income securities, other liabilities and funds entrusted.

Currency risks relating to the company's trading and broking activities are hedged as soon as possible in accordance with internal guidelines, unless a currency position is taken as part of a trading strategy that has been approved by the Risk Committee. The currency position is monitored daily in order to ensure that it remains within the set limits. As at year-end 2006, positions were hedged internally in such a way that the company was not exposed to any significant currency risk.

Interest rate risk

Interest rate risk is the risk that future profitability will be affected by fluctuations in interest rates. This risk applies to items in the balance sheet included under the headings of banks, loans and receivables, interest-bearing securities, shares and other variable-income securities, other liabilities and funds entrusted.

BinckBank manages this risk to the extent that it affects its banking activities by ensuring that interest periods on amounts placed with and by the company are aligned and maintained within certain set limits. The portfolio also contains a balanced spread of differing maturities and includes bonds on which the interest coupons are adjusted periodically.

Summary of interest and repayment maturities

The carrying amount as at 31 December 2006 of BinckBank's financial instruments exposed to an interest rate risk upon maturity are shown in the following table.

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
<i>Assets</i>							
<i>Fixed interest</i>							
Bonds held to maturity	31,306	4,258	4,122	4,433	4,326	-	48,445
<i>Effective interest rate</i>	3.13%	2.85%	3.35%	3.26%	3.72%	-	3.17%
Bonds available for sale	-	-	-	-	-	1,337	1,337
<i>Effective interest rate</i>	-	-	-	-	-	4.09%	4.09%
Bonds in trading portfolio	1,356	713	962	1,126	804	5,375	10,336
<i>Variable interest</i>							
Bonds available for sale	-	-	-	-	-	7,710	7,710
Interest-bearing securities	32,662	4,971	5,084	5,559	5,130	14,422	67,828
<i>Liabilities</i>							
Profit-sharing bonds	-	(1,320)	-	-	-	-	(1,320)
Bonds in trading portfolio	-	(96)	(693)	(1,202)	-	(2,093)	(4,084)

The interest on financial instruments classified as having fixed interest is fixed until the instrument matures. The carrying amount at the maturity date of the fixed-interest bonds held to maturity includes the share premium still to be amortised as at 31 December 2006. The bonds in the portfolio available for sale classified as having variable interest have indefinite maturities, with the interest coupon being reset every three months on the basis of the prevailing 10-year interest rates on government bonds. The bonds in the trading portfolio are listed, fixed-interest bonds that are normally held for periods of less than one month in BinckBank's trading portfolio. Since these bonds are not held as investments, no calculation of the effective interest rate is given. The profit-sharing bonds pay variable interest of 0–15%, as detailed in note 21. Other interest-bearing financial instruments all have maturities shorter than three months.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates and the market prices of securities and derivatives. This risk relates to items in the balance sheet included under the headings of interest-bearing securities, shares and other variable-income securities and other liabilities.

BinckBank's trading activities mean it has a trading portfolio of shares, bonds and derivatives. Fluctuations in interest rates and prices of securities and derivatives have a direct effect on the value of the trading portfolio and, therefore, on the equity and results of BinckBank. In order to manage the price risks in its trading portfolio, BinckBank has set up an internal system of limits, which are monitored by the Risk Management department. The Risk Committee meets periodically to discuss and approve the system of limits, the risks in existing positions and limits and proposals for new trading strategies. Risk Management takes action immediately if any limits are exceeded. This also includes compulsory reporting on all occasions to the responsible member of the Management Board. BinckBank's trading activities sometimes also require it, as a market maker, to purchase or sell securities.

BinckBank has a portfolio of fixed-interest securities (some of which are held as investments to maturity, while others are investments available for sale). The holdings in this portfolio are determined by the Management Board. The value of the portfolio can fluctuate as a result of changes in interest rates and the creditworthiness of the issuers of bonds. BinckBank invests only in fixed-interest securities satisfying internally set limits. The forecast possible fluctuation in the value of the portfolio as at year-end 2006 was a negative amount of approximately €550,000 for each absolute increase by one percentage point in the relevant interest rate.

Delta position of the derivatives portfolio (part of the trading portfolio) in thousands of euros:

Gross position	1,191
Net position	(385)

The gross position indicates the extent of the portfolio's sensitivity to a percentage increase in the underlying instrument, without taking any account of mutual correlation between funds and long and short positions. Positions that are risk-neutral are not included in the gross position. The net position indicates the extent of the portfolio's sensitivity to a percentage change in the underlying instrument, while taking full account of correlation between funds and long and short positions. The effect on BinckBank's results is then one per cent of the presented delta position.

Liquidity risk

Liquidity risk is the risk of a current and future threat to BinckBank's equity and results if the company were unable at any time to meet its short-term payment commitments without incurring disproportionate costs and/or losses. This risk applies in principle to all assets and liabilities in the balance sheet.

BinckBank's liquidity position as at year-end 2006 was ample. It also has a credit facility available at banks outside the group. Its activities mean there is a risk of a liquidity deficit in the event, for example, of maximum trading positions, incorrect settlement of securities transactions for institutional clients, high amounts of lending to retail clients and a reduction in deposits and credit balances on retail clients' accounts.

The periods for which deposits and credit balances placed with BinckBank are lent out to other parties are limited and are mainly intraday or overnight. This enables the company to absorb fluctuations in the levels of funds placed with it.

The company determines its liquidity position daily, with all activities being taken into account, so as to ensure that its liquidity risk is monitored and managed.

Financial instruments

Fair value

The carrying amount and fair value of all financial instruments recognised in BinckBank's financial statements, including assets and liabilities classified as available for sale, are compared in the following table:

	Carrying amount		Fair value	
	2006	2005	2006	2005
<i>Financial assets</i>				
Cash	5,672	7,685	5,672	7,685
Banks	164,617	171,113	164,617	171,113
Loans and receivables	216,332	124,764	216,332	124,764
Interest-bearing securities	67,828	42,427	67,692	42,438
Shares and other variable-income securities	100,613	120,656	100,613	120,656
Other investments	29	88	29	88
Other assets	38,020	21,010	38,020	21,010
	<hr/>	<hr/>	<hr/>	<hr/>
Total	593,111	487,743	592,975	487,754
<i>Financial liabilities</i>				
Funds entrusted	383,543	235,836	383,543	235,836
Liabilities in respect of securities	60,494	111,353	60,494	111,353
Other liabilities	89,733	79,234	89,973	79,555
	<hr/>	<hr/>	<hr/>	<hr/>
Total	533,770	426,423	534,010	426,744

In accordance with IAS 39, financial instruments are designated as financial assets or financial liabilities at fair value through profit or loss, as held-to-maturity investments, as loans and receivables or as available-for-sale financial assets. This classification gives the following analysis of financial assets:

	Carrying amount		Fair value	
	2006	2005	2006	2005
Financial assets at fair value through profit or loss	35,273	78,617	35,273	78,617
Held-to-maturity investments	48,445	21,133	48,309	21,144
Loans and receivables	9,047	8,141	9,047	8,141
Available-for-sale financial assets	500,346	379,852	500,346	379,852
	<hr/>	<hr/>	<hr/>	<hr/>
Total	593,111	487,743	592,975	487,754

The fair value of listed available-for-sale financial assets is based on market prices. The fair value of loans is determined by calculating the present value of the expected future cash flows at the prevailing interest rates. The fair value of loans to other parties and other financial assets is calculated on the basis of market interest rates.

Company balance sheet

(before appropriation of profit)

(x €1,000)	<i>Note</i>	31 December 2006	31 December 2005
Assets			
Cash	<i>c</i>	5,672	7,685
Banks	<i>d</i>	154,652	129,265
Loans and receivables	<i>e</i>	216,332	124,764
Interest-bearing securities	<i>f</i>	57,492	29,274
Shares and other variable-income securities	<i>g</i>	75,676	54,992
Other investments	<i>h</i>	29	88
Investments in subsidiaries	<i>i</i>	22,639	19,460
Intangible assets	<i>j</i>	10,141	1,048
Property, plant and equipment	<i>k</i>	2,228	1,664
Tax	<i>l</i>	4,786	4,870
Other assets	<i>m</i>	20,415	5,350
Prepayments and accrued income	<i>n</i>	4,143	3,011
		<hr/>	<hr/>
Total assets		574,205	381,471
		<hr/>	<hr/>
Equity and liabilities			
Funds entrusted	<i>o</i>	383,543	235,837
Liabilities in respect of securities	<i>p</i>	32,739	21,360
Other liabilities	<i>q</i>	81,732	64,915
Accruals and deferred income	<i>r</i>	4,703	3,601
Provisions	<i>s</i>	199	512
		<hr/>	<hr/>
		502,916	326,225
Equity:	<i>t</i>		
Share capital		3,084	3,084
Share premium		20,855	20,855
Treasury shares		(956)	(1,121)
Unappropriated profit		24,009	13,609
		<hr/>	<hr/>
Other reserves		24,297	18,819
		<hr/>	<hr/>
		71,289	55,246
		<hr/>	<hr/>
Total equity and liabilities		574,205	381,471
		<hr/>	<hr/>

Company statement of changes in equity

(x €1,000)	Note	Issued share capital	Share premium	Treasury shares	Unappro- priated profit	Other reserves and retained earnings	Total equity
1 January 2005		3,084	20,855	(1,121)	2,808	20,086	45,712
Impairment of available-for-sale financial assets	11	-	-	-	-	(475)	(475)
Gains and losses on exchange	25	-	-	-	-	196	196
<hr/>							
<i>Results recognised directly in equity</i>		-	-	-	-	(279)	(279)
Profit for the year		-	-	-	13,609	-	13,609
<i>Recognised income and expense</i>		-	-	-	13,609	(279)	13,330
<hr/>							
Payment of final dividend	36	-	-	-	-	(1,527)	(1,527)
Payment of interim dividend	36	-	-	-	-	(1,832)	(1,832)
Rights to shares granted	25	-	-	-	-	263	263
Acquisition of minority interest	25	-	-	-	-	(700)	(700)
Retained earnings transferred to other reserves		-	-	-	(2,808)	2,808	-
31 December 2005		3,084	20,855	(1,121)	13,609	18,819	55,246
Impairment of available-for-sale financial assets	11	-	-	-	-	(155)	(155)
Gains and losses on exchange	25	-	-	-	-	97	97
<hr/>							
<i>Results recognised directly in equity</i>		-	-	-	-	(58)	(58)
Profit for the year		-	-	-	24,009	-	24,009
<i>Recognised income and expense</i>		-	-	-	24,009	(58)	23,951
<hr/>							
Payment of final dividend	36	-	-	-	-	(4,889)	(4,889)
Payment of interim dividend	36	-	-	-	-	(3,361)	(3,361)
Rights to shares granted	25	-	-	-	-	342	342
Payment of stock option shares	25	-	-	49	-	(49)	-
Payment of bonus shares	25	-	-	116	-	(116)	-
Retained earnings transferred to other reserves		-	-	-	(13,609)	13,609	-
31 December 2006		3,084	20,855	(956)	24,009	24,297	71,289

Company income statement

(x €1,000)	Note	31 December 2006	31 December 2005
Results of subsidiaries (after tax)		5,202	3,203
Other results (after tax)		18,807	10,406
Profit for the year		24,009	13,609

Notes to the company financial statements

A. General

Company information

The General Meeting of Shareholders passed a resolution on 12 October 2006 approving a merger of Binck N.V. and BinckBank N.V., with BinckBank N.V. being absorbed into Binck N.V. On the same date, the shareholders passed a resolution changing the name of Binck N.V. to BinckBank N.V. The financial information of the amalgamated company has been included in the financial statements of BinckBank N.V. with effect from 1 January 2006.

As a consequence of the merger, the comparative figures for 2005 have been restated. The 2005 company figures for the former company Binck N.V. (present name BinckBank N.V.) and the amalgamated company BinckBank N.V. have been combined into a new set of company figures for BinckBank N.V. The merger does not affect the assets, equity and liabilities and results in the figures for 2005.

BinckBank N.V. is a company established in the Netherlands with its domicile in Amsterdam, whose shares are publicly traded. BinckBank N.V. provides conventional and internet broking services in securities and derivative transactions for private and professional investors. Through its subsidiary Binck Securities B.V., the company also trades in shares and bonds on a proprietary basis. The subsidiary Syntel Beheer B.V. specialises in developing software for financial institutions for processing and keeping account of securities transactions. In the following pages, the name 'BinckBank' will be used to refer to BinckBank N.V. and its various subsidiaries. BinckBank's company financial statements for the year ended 31 December 2006 have been prepared by the company's Management Board and approved for publication pursuant to a formal decision taken by the Management Board and the Supervisory Board on 1 March 2007. The financial statements for 2006 will be adopted at the General Meeting of Shareholders to be held on 19 April 2007.

Amsterdam,

Management Board:

T.C.V. Schaap

K.J. Bagijn

P. Aartsen

Supervisory Board:

C.J.M. Scholtes

J.K. Brouwer

A.M. van Westerloo

Presentation of the financial statements

The company financial statements have been prepared on the basis of the requirements included in Part 9 of Book 2 of the Netherlands Civil Code and application of the accounting policies (IFRS) applied in the consolidated financial statements. The balance sheet is presented in accordance with Format K for financial institutions. In accordance with the provisions of Article 2:402 of the Netherlands Civil Code, the company income statement shows only the share in results of associates after tax and other profit after tax.

b. Accounting policies

General

Details of the accounting policies can be found in the notes to the consolidated financial statements and, unless otherwise stated, apply equally to the company financial statements.

Investments in associates

The investments in group companies are recognised at net asset value. The reporting dates of these companies are the same and the accounting policies applied to their financial reporting are in accordance with those applied by BinckBank for similar transactions and events in similar circumstances.

Notes to the company balance sheet

(x €1,000)	31 December 2006	31 December 2005
Assets		
C. Cash	5,672	7,685
This item includes all cash in legal tender, including bank notes and coins in foreign currency, and any credit balances available on demand from the central banks in countries where BinckBank has offices.		
D. Banks	154,652	129,265
This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by the bank regulators.		
The item comprises:		
Credit balances available on demand	45,652	9,465
Call money	109,000	119,800
	<hr/>	<hr/>
	154,652	129,265
The call money receivables have original maturities of less than three months. Interest is received on these balances at a variable rate based on Euribor.		
E. Loans and receivables	216,332	124,764
This item comprises receivables from private sector clients, including overnight loans and overdrafts that are collateralised by securities and bank guarantees.		
The analysis is as follows:		
<i>Cash equivalents:</i>		
Private sector call money	42,000	24,500

(x €1,000)	31 December 2006	31 December 2005
<i>Other loans and receivables:</i>		
Public sector loan	5,000	-
Receivables collateralised by securities	132,641	78,132
Receivables collateralised by bank guarantees	3,952	772
Receivables from clients in respect of short option positions	32,739	21,360
	<u>174,332</u>	<u>100,264</u>
	216,332	124,764

The receivables relating to cash equivalents have original maturities of less than 3 months. The public sector loan concerns a loan to a Dutch municipal authority maturing in 2008. The other receivables have unspecified maturities. The interest rate applying to receivables under loans and receivables is based on Euribor.

Movements during the year were as follows:

Position as at 1 January	124,764	62,386
Movement in call money	17,500	12,250
Movement in public sector loan	5,000	-
Movement in receivables collateralised by securities	54,509	41,409
Movement in receivables collateralised by bank guarantees	3,180	(236)
Movement in short option positions held by clients	11,379	8,955
	<u>216,332</u>	<u>124,764</u>
Balance as at 31 December	216,332	124,764

As at 31 December 2006, bad debt provisions of €16,000 (2005: €17,500) were charged against this item. Actual bad debts written off in 2006, as in 2005, amounted to less than one thousand euros.

F. Interest-bearing securities	57,492	29,274
---------------------------------------	--------	--------

This item comprises:

Held to maturity:

Government bonds	48,445	21,133
Available for sale:		
Other bonds with unspecified maturity	7,710	8,141
Other bonds with specified maturity	1,337	-
	<u>57,492</u>	<u>29,274</u>

(x €1,000)

31 December 2006

31 December 2005

All the above securities are listed and used in part to cover margin requirements. The held-to-maturity portfolio is carried at amortised cost measured using the effective interest method.

In the available-for-sale portfolio, the interest rate on the bonds with unspecified maturity is revised every three months on the basis of the prevailing 10-year interest rate on government bonds. The bonds with specified maturity in this portfolio are due for redemption in 2012. In 2006, fair value losses on the available-for-sale assets amounting to €155,000 were recognised directly in equity (2005: €475,000). The calculation of the amount charged to equity takes account of the tax effect of this impairment. As in 2005, none of the assets was sold in 2006.

G. Shares and other variable-income securities

75,676

54,992

This item concerns long option positions held for clients, which are held in BinckBank's name for the account and risk of the relevant clients.

H. Other investments

29

88

Other investments as at 1 January

88

102

Impairment

(69)

-

Sale

(4)

(14)

Purchase

14

-

Other investments as at 31 December

29

88

The other investments concern investments in the share capital of Inmaxxa B.V. (formerly Triple Assets B.V.) and LPE Capital (acquired in 2006) representing interests of less than 5%. These investments are carried at the lower of cost and market value since no reliable measure of fair value is available. The advent of new shareholders has resulted in dilution of the interests of the existing shareholders of Inmaxxa B.V., leading to the recognition of an impairment loss of €69,000 in respect of Inmaxxa B.V.

(x €1,000) 31 December 2006 31 December 2005

In 2005, the 6.25% interest in Trader Team Ltd was sold. The remaining 15% interest in D&O Vermogensbeheer B.V. was sold in 2006.

I. Investments in subsidiaries 22,639 19,460

Movements during the year were as follows:

Position as at 1 January	19,460	19,220
Capital increases and acquisitions	2,450	1,643
Disposals and dissolutions	(1,029)	(1,569)
Dividends and capital refunds	(3,541)	(2,740)
Distribution to minority shareholders	-	(700)
Results for the year	5,202	3,203
Exchange differences and other movements	97	403
	22,639	19,460

The majority interest in Binck België N.V. was increased in 2005 to an interest of 100%. In 2006, a 100% interest was acquired in Syntel and the activities of the subsidiary Hills Independent Traders Ltd. were discontinued. The subsidiaries AOT Facilities B.V. and Hounds Island Long Term Leasing CV were wound up in the course of 2006.

J. Intangible assets 10,141 1,048

The movements in 2006 were as follows:

	Software	Goodwill	Total
Carrying amount as at 1 January	1,048	-	1,048
Investments	915	8,881	9,796
Amortisation	(703)	-	(703)
	1,260	8,881	10,141
Cost	3,904	8,881	12,785
Cumulative amortisation	(2,644)	-	(2,644)
	1,260	8,881	10,141

The movements in 2005 were as follows:

	Software	Assets from acquisition	Software
Carrying amount as at 1 January	642	-	642
Investments	819	-	819
Amortisation	(413)	-	(413)
Carrying amount as at 31 December	1,048	-	1,048
Cost	2,967	-	2,967
Cumulative amortisation	(1,1919)	-	(1,1919)
Carrying amount as at 31 December	1,048	-	1,048

Goodwill relates to the excess of the fair value of Syntel's identifiable net assets over the acquisition cost of Syntel.

(x €1,000)	31 December 2006	31 December 2005
K. Property, plant and equipment	2,228	1,664

The movements in 2006 were as follows:

	Fixtures and equipment	Computer hardware	Other	Total
Carrying amount as at 1 January	742	922	-	1,664
Additions	232	1,429	18	1,679
Depreciation	(472)	(642)	(1)	(1,115)
Carrying amount as at 31 December	502	1,709	17	2,228
Cost	4,720	4,300	18	9,038
Cumulative depreciation and impairment	(4,218)	(2,591)	(1)	(6,810)
Carrying amount as at 31 December	502	1,709	17	2,228

The movements in 2005 were as follows:

	Fixtures and equipment	Computer hardware	Other	Total
Carrying amount as at 1 January	1,200	925	-	2,125
Additions	214	522	-	736
Depreciation	(672)	(525)	-	(1,197)
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	742	922	-	1,664
Cost	4,512	2,871	-	7,383
Cumulative depreciation and impairment	(3,770)	(1,949)	-	(5,719)
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31 December	742	922	-	1,664

(x €1,000)

31 December 2006

31 December 2005

L. Tax

4,786

4,870

The tax asset relates to the carryback of the tax loss for 2004. Provisional corporation tax assessments have been received for 2005 and 2006 and the assessed amounts have been paid although they are expected to be higher than the amount of tax actually due.

M. Other assets

20,415

5,350

Other assets have maturities of less than one year and comprise:

Loans and receivables:

1,136

1,490

Licences and permits

-

146

Receivables relating to securities sold, but not yet delivered

Trade receivables

19,094

3,506

Other receivables

185

208

20,415

5,350

N. Prepayments and accrued income

4,143

3,011

This item comprises:

Interest receivable

2,872

1,741

Commission receivable

699

360

Prepaid expenses

572

910

4,143

3,011

(x €1,000)	31 December 2006	31 December 2005
Equity and liabilities		
O. Funds entrusted	383,543	235,837
This item comprises clients' credit balances on cash or margin accounts.		
P. Liabilities in respect of securities	32,739	21,360
This item comprises the short derivative positions held by clients.		
Q. Other liabilities	81,732	64,915
<i>Liabilities relating to financial instruments:</i>		
Liabilities in respect of securities bought but not yet delivered	-	5,337
Liabilities to clients for long derivative positions held	75,676	54,992
	75,676	60,329
<i>Other liabilities (due in < 1 year):</i>		
Tax and social security contributions	431	180
Part of the purchase price for Syntel still payable	3,029	-
Other	1,276	1,657
	4,736	1,837
<i>Due after > 1 year:</i>		
Profit-sharing bond	1,320	1,555
Loan notes	-	1,194
	1,320	2,749
	81,732	64,915

The profit-sharing bond is a loan provided by a group of employees. It has a maturity of three years and three months from 1 October 2005 to 31 December 2008. Repayment of the loan may be made and demanded without notice and without penalty. If repayment of the loan is demanded during the calendar year, the lenders are not entitled to receive interest in respect of that year. Interest is paid only in respect of the amount lent and at BinckBank's disposal for the full calendar year. A schedule for interest payments has been agreed, with the interest rate payable being

(x €1,000)

31 December 2006

31 December 2005

dependent on BinckBank's net profit and varying between 0% and 15%. The interest payable is calculated at the end of each year and recognised in the result for that year. The interest for 2006 amounts to 15%, (Q4 '05: 3,75%), and will be payable after adoption of the financial statements by the General Meeting of Shareholders.

The amount presented in 2005 under loan notes refers to BinckBank's share in loan notes issued by third parties. These notes, on which the interest payable is at Libor, are in principle repayable on demand.

Part of the purchase price relating to the acquisition of the share capital of Syntel depends on Syntel's gross margin over the years 2007 and 2008.

R. Accruals and deferred income

4,703

3,601

This item comprises:

Staff costs

1,440

1,378

Accrued stock exchange and transaction costs

310

184

Accrued interest

1,896

428

Commission

460

864

Other

597

747

Total

4,703

3,601

S. Provisions

199

512

The movements in the provision for onerous contracts during the year were as follows:

Balance as at 1 January

512

614

Released to income

(210)

-

Utilised

(103)

(102)

Balance as at 31 December

199

512

The provision for onerous contracts has been formed in respect of rented office space, where the costs of the lease are higher than the economic benefits expected to be generated by the contract. The period for which the provision has been formed is equal to the duration of the

(x €1,000) 31 December 2006 31 December 2005

lease, which expires on 1 October 2010, but will be reduced as and when the economic benefits are deemed likely to exceed the costs. The discount rate applied to this provision is equal to the expected future rate of increase in the rent.

T. Equity 71,289 55,246

Issued share capital 3,084 3,084

A total of 30,837,403 ordinary shares were in issue, each with a nominal value of €0.10. The ordinary share capital is fully paid up. There were no movements in share capital during the year.

Stichting Prioriteit AOT owns 50 priority shares, each with a nominal value of €0.10.

Share premium 20,855 20,855

The share premium is exempt from tax and in principle freely distributable.

Treasury shares (956) (1,121)

	2006 Number	2006 Amount	2005 Number	2005 Amount
Opening balance	296,855	(1,121)	296,855	(1,121)
Issued to management	12,890	49	-	-
Issued to Syntel staff	30,820	116	-	-
Closing balance	253,145	(956)	296,855	(1,121)

As at 1 January 2006, the number of treasury shares held was 296,855, acquired at an average purchase price of €3.78. In 2006, 43,710 treasury shares were issued. The issued shares were charged to other reserves at the average purchase price. The carrying amount of the 253,145 treasury shares (as at year-end 2006) was measured at the average purchase price of approximately €3.78. The movement in equity in respect of treasury shares reflects the amounts bought and sold. The quoted share price as at year-end 2006 was €14.66 (2005: €9.15).

On 3 March 2006, a total of 12,890 shares was granted to members of the Management Board as a variable remuneration element in respect of performance in 2005. The expense was recognised in 2005. A bonus in the form of BinckBank shares was conditionally awarded to a group of staff of the subsidiary Syntel acquired in 2006. The period in which the conditions attached to this award are to be fulfilled runs from 2007 to 2010. The cost of the arrangement will be charged to income over this period. In total, 30,820 shares were issued on 29 December 2006.

(x €1,000)	31 December 2006	31 December 2005
Retained earnings reserve	24,009	13,609
Opening balance	13,609	2,808
Added to other reserves	(13,609)	(2,808)
Profit for the year	24,009	13,609
Closing balance	24,009	13,609
The retained earnings reserve comprises the unappropriated profit in 2006		
Other reserves	24,297	18,819
These comprise:		
(i) Foreign currency translation reserve	334	237
(ii) Reserve for unrealised results	(649)	(494)
(iii) Other reserves	24,612	19,076
	24,297	18,819
 (i) Foreign currency translation reserve		
Opening balance	237	41
Movement	97	196
Closing balance	334	237
The foreign currency translation reserve comprises exchange differences arising on translation of the financial statements of foreign subsidiaries.		
 (ii) Reserve for unrealised results		
Opening balance	(494)	(19)
Result on available-for-sale financial assets	(441)	(475)
Tax on result on available-for-sale financial assets	286	-
Closing balance	(649)	(494)

The reserve comprises the fair value gains and losses, after tax, on available-for-sale financial assets. The net loss is tax-deductible. There were no sales in 2005 or 2006.

(x €1,000)	31 December 2006	31 December 2005
<hr/>		
(iii) Other reserves		
Opening balance	19,076	20,064
Acquisition of minority interest	-	(700)
Rights to shares	342	263
Issue of shares to management	(49)	-
Issue of shares to Syntel staff	(116)	-
Payment of final dividend	(4,889)	(1,527)
Payment of interim dividend	(3,361)	(1,832)
Appropriation of profit for previous year	13,609	2,808
	<hr/>	<hr/>
Closing balance	24,612	19,076

The other reserves are in principle freely distributable.

The acquisition of a minority interest refers to the acquisition in 2005 of the remaining shares of Binck België N.V. and is recognised in other reserves because of being a transaction between shareholders within a group.

For details of the option rights, rights to shares and the bonus scheme for Syntel staff, see note 25 to the consolidated financial statements.

F-2. AUDITORS' REPORT FOR THE FINANCIAL STATEMENTS OF BINCKBANK FOR THE YEAR ENDED 31 DECEMBER 2006

To the General Meeting of Shareholders of BinckBank N.V.

Report on the financial statements

We have audited the financial statements of BinckBank N.V., Amsterdam, for the year 2006 (as set out on pages 54 to 115*). The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006, income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2006, the company income statement for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of BinckBank N.V. as at 31 December 2006, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

* Reference is made to page -1- to -57- of the financial pages of this prospectus

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of BinckBank N.V. as at 31 December 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 1 March 2007

for Ernst & Young Accountants

signed by N.G.D. Warmer

F-3. REVIEWED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF BINCKBANK FOR THE HALF YEAR ENDED 30 JUNE 2007 UNDER IFRS

Consolidated balance sheet (x €1,000)	Note	30 June 2007	31 December 2006
Assets			
Cash		11,104	5,672
Banks		277,600	159,546
Loans and receivables		332,175	216,332
Interest-bearing securities		37,698	57,492
Shares and other variable income securities		106,648	75,676
Other investments		29	29
Intangible assets		12,397	11,511
Property, Plant & equipment		3,436	2,613
Tax		5,931	5,116
Deferred tax assets		2,960	2,963
Other assets		19,173	20,076
Prepayments en accrued income		7,796	4,931
Assets from discontinued activities	3	121,291	58,653
Total assets		938,238	620,610
Liabilities			
Funds entrusted		562,610	383,543
Liabilities in respect of securities		71,490	32,739
Deferred tax liabilities		92	109
Other liabilities		114,318	82,848
Accruals and deferred income		6,408	5,213
Provisions		419	445
Liabilities from discontinued activities	3	106,282	44,424
		<hr/>	<hr/>
		861,619	549,321
Shareholders' equity		76,619	71,289
Total equity and liabilities		938,238	620,610

Consolidated income statement

x €1,000	Note	six month period ended	
		30 June 2007	30 June 2006
Revenues			
Interest income		12,266	6,466
Interest expense		(4,633)	(1,687)
Interest		7,633	4,779
Commission income		33,714	28,413
Commission expense		(11,321)	(9,521)
Commission		22,393	18,892
Other income		2,430	-
Total revenues		32,456	23,671
Expenses			
Staff costs		7,835	4,143
Other operating expenses		6,495	4,145
Depreciation and amortisation		837	754
Total expenses		15,167	9,042
Operating profit before tax		17,289	14,629
Tax		(4,172)	(3,983)
Profit on continuing operations		13,117	10,646
Profit on discontinued operations	3	658	585
Profit		13,775	11,231
Earnings per share from continuing operations (in €)		0.43	0.35
Earnings per share from discontinued operations (in €)		0.02	0.02
Earnings per share		0.45	0.37
Diluted earnings per share from continuing operations (in €)		0.43	0.35
Diluted earnings per share from discontinued operations (in €)		0.02	0.02
Diluted earnings per share		0.45	0.37

Consolidated cash flow statement

(x €1,000)	Note	six month period ended	
		30 June 2007	30 June 2006
<i>Cash flow from operating activities</i>			
Profit attributable to BinckBank N.V. shareholders		13,775	11,231
Adjustments:			
Amortisation of intangible assets		531	277
Depreciation of property, plant and equipment		306	635
Provisions		(26)	(51)
Non-cash items included in profit		436	142
Movements in:			
Banks (balances not available on demand)		(36,573)	-
Loans and receivables		(51,092)	(20,059)
Interest-bearing securities		19,794	(36,095)
Other assets, prepayments and accrued income		(2,774)	(1,052)
Funds entrusted		179,067	98,149
Other liabilities, accruals and deferred income		1,901	(5,913)
Change in assets and liabilities held for sale		(780)	(48)
Net cash flow from operational activities		124,565	47,216
<i>Cash flow from investing activities</i>			
Investments in subsidiaries adjusted for acquired cash		(316)	(39)
Investments in intangible assets		(1,107)	(395)
Investments in property, plant and equipment		(1,129)	(889)
Net cash flow from investing activities		(2,552)	(1,323)
<i>Cash flow from financing activities</i>			
Profit-sharing bond loan		(225)	(235)
Dividends paid			
- Final dividend for preceding year		(8,875)	(4,889)
Net cash flow from financing activities		(9,100)	(5,124)
<i>Net cash flow</i>		112,913	40,769
Opening balance of cash and cash equivalents		207,218	163,779
Closing balance of cash and cash equivalents		320,131	204,547
Movement		112,913	40,768

Consolidated statement of changes in equity

(amounts in x €1,000)	Issued share	Share premium	Treasury shares	Unappro- priated result	Other reserves and retained earnings	Total equity
1 January 2006	3,084	20,855	(1,121)	13,609	18,819	55,246
Impairment of available for sale financial assets	-	-	-	-	(247)	(247)
Gains and losses on exchange	-	-	-	-	(39)	(39)
<i>Results recognised directly in equity</i>	-	-	-	-	(286)	(286)
Profit	-	-	-	11,231	-	11,231
<i>Total income and expense</i>	-	-	-	11,231	(286)	10,945
Payment of final dividend	-	-	-	-	(4,889)	(4,889)
Rights to shares granted	-	-	-	-	142	142
Dividend paid in shares	-	-	49	-	(49)	-
Retained profit transferred to other reserves	-	-	-	(13,609)	13,609	-
30 June 2006	3,084	20,855	(1,072)	11,231	27,346	61,444
1 January 2007	3,084	20,855	(956)	24,009	24,297	71,289
Impairment of available for sale financial assets	-	-	-	-	(13)	(13)
Gains and losses on exchange	-	-	-	-	(6)	(6)
<i>Results recognised directly in equity</i>	-	-	-	-	(19)	(19)
Profit	-	-	-	13,775	-	13,775
<i>Total income and expense</i>	-	-	-	13,775	(19)	13,756
Payment of final dividend	-	-	-	-	(8,875)	(8,875)
Rights to shares granted	-	-	-	-	225	225
Dividend paid in shares	-	-	74	-	(74)	-
Exercise of stock options	-	-	378	-	(154)	224
Retained earnings transferred to other reserves	-	-	-	(24,009)	24,009	-
30 June 2007	3,084	20,855	(504)	13,775	39,409	76,619

Notes to the consolidated balance sheet and income statement

1. General

Company information

BinckBank N.V. is a company established in the Netherlands with its domicile in Amsterdam, whose shares are publicly traded. BinckBank N.V. provides conventional and internet broking services in securities and derivative transactions for private and professional investors. Through its subsidiary Binck Securities B.V., the company also trades in shares and bonds on a proprietary basis. The subsidiary Syntel Beheer B.V. specialises in developing software for financial institutions for processing and keeping account of securities transactions. In the following pages, the name 'BinckBank' will be used to refer to BinckBank N.V. and its various subsidiaries.

BinckBank's condensed consolidated financial information for the period ended 30 June 2007 has been prepared by the company's Management Board and approved for publication pursuant to a formal decision taken by the Management Board and the Supervisory Board on 19 October 2007.

Management Board:

T.C.V. Schaap
K.J. Bagijn
P. Aartsen

Supervisory Board:

C.J.M. Scholtes
J.K. Brouwer
A.M. van Westerloo

Presentation of the interim results

The condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board and endorsed by the European Commission and have been presented in accordance with IAS 34 Interim Financial Reporting. Unless otherwise stated, the financial statements are in euros, with all amounts rounded to the nearest thousand.

The accounting policies adopted are the same as those used for the preparation of the Group's annual financial statements for the year ended 31 December 2006 except for the changes stated below.

Changes in accounting estimates

As from 1 January 2007 the estimated useful life of computers and software was revised from 3 years to 5 years. As a result of this change the depreciation charge has decreased by €330,000 based on the actual economic life during recent years.

Significant accounting judgements and estimates

The preparation of the financial statements involves making assumptions and estimates on the recognition and valuation of assets and liabilities, contingent rights and liabilities and income and expense items. The most significant assumptions for the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are the estimates made in respect of impairment losses on loans and receivables, other investments and other assets and the measurement of the fair value of certain assets and liabilities and the provisions.

Impairment of goodwill

At least once a year BinckBank performs an impairment test on the carrying amount of goodwill. This involves estimating the value in use of the cash-generating units to which the goodwill is attributed. In order to estimate the value in use, BinckBank makes an estimate of the expected future cash flows from the cash-generating unit and also determines a suitable discount rate for calculating the present value of those cash flows. At interim

reporting dates BinckBank will review for indications of significant impairment since the end of the most recent financial year to determine whether a detailed calculation is needed.

2. Segment information

A segment is a part of BinckBank that either supplies specific products or services (i.e. a business segment) or supplies products or services in a specific economic area (i.e. a geographical segment) and is exposed to different risks and generates different revenues from other segments. The primary system of segmentation applied is based on activity and the following business segments are identified: Retail, Professional Services. Concerning its Trading activities BinckBank has announced to be looking for a possible divestment, these activities are shown as discontinued operations as from mid 2007 in accordance with IFRS 5. The comparative figures in the segment information analyses have been restated accordingly.

The Retail business unit is a broker for private clients (mainly online brokerage). The Professional Services business unit provides professional services in securities and derivatives transactions for professional investors in and outside The Netherlands, including much of the administrative effort. The activities of the subsidiary Syntel are also reported as part of the professional services business unit.

No transactions take place between the separate segments.

The segmentation is shown in the following table:

Business segmentation (x €1,000)	Continued activities						Discontinued Activities		Total	
	Retail		Professional Services		Total		2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006				
Interest income	9,464	5,137	2,802	1,329	12,266	6,466	319	375	12,585	6,841
Interest expense	(2,846)	(1,003)	(1,787)	(684)	(4,633)	(1,687)	(317)	(238)	(4,950)	(1,925)
Commission income	25,770	22,046	7,944	6,367	33,714	28,413	-	-	33,714	28,413
Commission expense	(7,429)	(5,886)	(3,892)	(3,635)	(11,321)	(9,521)			(11,321)	(9,521)
Results on financial transactions	-	-	-	-	0	0	5,132	12,208	5,132	12,208
Other income	-	-	2,430	-	2,430	-	-	-	2,430	-
Total income	24,959	20,294	7,497	3,377	32,456	23,671	5,134	12,345	37,590	36,016
Staff costs	(4,068)	(2,781)	(3,766)	(1,362)	(7,834)	(4,143)	(3,326)	(9,482)	(11,160)	(13,625)
Other operating expenses	(5,601)	(3,593)	(895)	(552)	(6,496)	(4,145)	(854)	(1,847)	(7,350)	(5,992)
Depreciation and Amortisation	(474)	(539)	(363)	(215)	(837)	(754)	(77)	(184)	(914)	(938)
Total expenses	(10,143)	(6,913)	(5,024)	(2,129)	(15,167)	(9,042)	(4,257)	(11,513)	(19,424)	(20,555)
Operating profit before tax	14,816	13,381	2,473	1,248	17,289	14,629	877	832	18,166	15,461
Tax					(4,172)	(3,983)	(219)	(247)	(4,391)	(4,230)
Net profit					13,117	10,646	658	585	13,775	11,231
Carrying amount of assets	595,311	361,312	245,753	200,645	841,064	561,957	121,291	58,653	962,355	620,610
Liabilities	551,703	324,625	227,751	180,272	779,454	504,897	106,282	44,424	885,736	549,321
Investments in (in)tangible assets	1,266	918	970	366	2,236	1,284	-	-	2,236	1,284

(a) **3. Discontinued activities**

On 16 April 2007, the Company agreed to divest the bond trading activities of Binck Securities by means of a management buy out to a company in formation which was later incorporated as Florint B.V. This divestment was completed on 1 October 2007. As part of the consideration, BinckBank received 35.0% of the share capital in Florint B.V. on 27 July 2007. The results of this part of the discontinued operations will be accounted for using the equity method as from 1 October 2007.

Negotiations are currently also being conducted with the management concerning a buyout of the share trading activities. In compliance with IFRS reporting requirements, the results of the Trading business unit have therefore been presented as profit on discontinued operations.

The Trading results (2006 including HIT) which have been presented as results from discontinued operations are as follows:

(x €1,000)	<i>Six month period ended</i> <i>30 June 2007</i>	<i>Six month period ended</i> <i>20 June 2006</i>
Revenue	5,134	12,345
Expenses	(4,256)	(11,513)
	<hr/>	<hr/>
Profit before tax on discontinued operations	878	832
Tax	(220)	(247)
	<hr/>	<hr/>
Net profit on discontinued operations	658	585

Included in the total expenses is an impairment loss of approximately €1.8 million, which was approximately €1.3 million after tax.

The net cash flow is as follows:

Cash flow from operating activities	(4,388)	2,089
Total net cash (outflow)/inflow	(4,388)	2,089

Earnings per share:

Ordinary earnings per share on discontinued operations	0.02	0.02
Diluted earnings per share on discontinued operations	0.02	0.02

(b) **4. Events after balance sheet date**

On 31 October 2007 BinckBank N.V. announced its intention for the acquisition of the unincorporated business that currently forms part of Coöperatieve Raiffeisen-Boerenleenbank B.A. which provides online trading capabilities in securities, options and other financial instruments, as well as certain other banking, advisory and asset management services under the trade name Alex. BinckBank will fund the acquisition partly with the net proceeds of a share issue. The acquisition is made for a cash consideration of €390 million and is expected to close as at 31 December 2007.

Note

2. Based on the expected net asset value of Alex on the closing date of the Acquisition of €3.0 million. In case the net asset value of Alex on the closing date of the Acquisition differs from €3.0 million, the exact consideration for the Acquisition will be adjusted accordingly. However, from the business sale agreement it follows that any upward adjustment will not exceed €1.0 and any downward adjustment will not exceed €3.0 million.

Review REPORT for the interim consolidated financial statements of BinckBank for the half year ended 30 June 2007

To: The Managing Board of BinckBank N.V.

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six month period ended 30 June 2007, of BinckBank N.V., Amsterdam, which comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the six month period then ended. No review procedures have been performed on the interim financial information for the six-month period ended 30 June 2006. The amounts included for comparative purposes in the income statement have therefore not been reviewed. 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 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 at 30 June 2007 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 7 November 2007

for Ernst & Young Accountants

signed by N.G.D. Warmer

F-4. CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION OF BINCKBANK FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007 AS INCLUDED IN THE PRESS RELEASE DATED 24 OCTOBER 2007

Result by business unit

(x €1,000)

	Year to end Q3 2007			Year to end Q3 2006		
	Total	Retail	Services	Total	Retail	Services
Revenues						
Interest	12,206	10,734	1,472	7,505	6,567	938
Commission	34,149	28,092	6,057	26,540	22,570	3,970
Other revenues	3,814	-	3,814	-	-	-
Total Revenues	50,169	38,826	11,343	34,045	29,137	4,908
Expenses						
Staff costs	(11,879)	(6,257)	(5,622)	(6,297)	(4,339)	(1,958)
Other administrative expenses	(10,018)	(8,583)	(1,435)	(6,071)	(5,270)	(801)
Depreciation and amortisation	(1,119)	(637)	(482)	(1,144)	(812)	(332)
Impairment of other investments	-	-	-	-	-	-
Total Expenses	(23,016)	(15,477)	(7,539)	(13,512)	(10,421)	(3,091)
Operating profit before tax	27,153	23,349	3,804	20,533	18,716	1,817
Tax	(6,508)			(3,458)		
Profit on continuing operations	20,645			17,048		
Profit on discontinued operations	1,484			1,381		
Net profit	22,129			18,429		

Condensed consolidated income statement for the nine months ended 30 September 2007 and 30 September 2006

Income statement (x €1,000)	Year to end Q3 2007	Year to end Q3 2006	Change %
Revenues	50,169	34,045	47.4%
Expenses	(23,016)	(13,512)	70.3%
Profit before tax	27,153	20,533	32.2%
Tax*	(6,508)	(3,485)	86.7%
Profit on continuing operations	20,645	17,048	21.1%
Profit on discontinued operations	1,484	1,381	7.5%
Net profit	22,129	18,429	20.1%
Costs income ratio	46%	40%	
Earnings per share	€ 0.72	€ 0.60	20.0%
Net asset value per share	€ 2.58	€ 2.13	21.1%
Number of clients	73,800	49,500	49.1%
Assets under administration x € 1 billion	3.6	2.4	50.0%
Number of transactions	2,139,00	1,559,000	37.2%

F-5. AUDITED FINANCIAL INFORMATION OF ALEX FOR THE YEAR ENDED 31 DECEMBER 2006

Alex *

FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2006

As included in annual report of Rabobank Nederland

* Alex is no independent legal entity, but a business unit of Rabobank Nederland.

Balance sheet Alex

per 31 December 2006 (before profit allocation)

(x €1,000)

	2006	2005
Assets		
Cash (1)	2	2
Banks (2)	352,530	51,342
Loans and receivables (3)	413,160	578,803
Tangible fixed assets (4)	2,340	2,403
Other assets	8,774	7,020
Total assets	776,806	639,570
Liabilities		
Banks (5)	38,760	46,976
Customer saving accounts	119,669	-
Other funds entrusted	<u>581,122</u>	<u>545,782</u>
Funds entrusted (6)	700,791	545,782
Other liabilities (7)	9,782	8,610
Accruals	2,573	21,617
Provisions	216	376
	<u>752,122</u>	<u>623,361</u>
Result fiscal year	24,684	16,209
Total liabilities	776,806	639,570
Profit and Loss account Alex over 2006		
(x €1,000)		
Interest income	32,164	19,832
Interest expense	14,244	6,039
Interest (8)	<u>17,920</u>	<u>13,793</u>
Commission income	79,447	61,350
Commission expense	22,469	16,669
Fees and commissions (9)	<u>56,978</u>	<u>44,681</u>
Total income	74,898	58,474
Staff costs (10)	17,901	16,410
Other administrative expenses (11)	20,328	16,198
Depreciation	1,603	2,105
Operating expenses	<u>39,832</u>	<u>34,713</u>
Value adjustments	4	98
Operating profit before taxation	35,062	23,663
Taxation	10,378	7,454
Net profit for the year	<u>24,684</u>	<u>16,209</u>

Notes to financial information of Alex

1 General

Below the accounting policies and methods for determination of the results applied on the figures of Alex are described, which are derived from the annual report of Rabobank Groep.

2 Accounting policies

The most important accounting policies, which were applied when preparing this financial information, are summarized below:

2.1 General

The assets and liabilities are valued against nominal value, unless stated otherwise. Unless stated otherwise, this financial information is in thousands of euros.

2.1.1 Estimates

The preparations of this financial information involves making assumptions and estimates by management which can influence the amounts of reported assets and liabilities and the reporting of contingent assets and liabilities on the date this financial information and the reported amounts of income and expense items during the reporting period. This enhances mainly the assumptions and estimates regarding provisions on debtors, estimating the fair value of assets and liabilities and the estimates made in respect of exceptional impairment losses. Cases are assessed, based on available financial information. Although these assessments are made by management on the basis of the most accurate estimates relating to recent events and actions, actual results can deviate from these estimates.

2.2 Netting of financial assets and liabilities

Financial assets and liabilities are set off and the net amount is transferred in the balance sheet if there is a legally enforceable right to set off the recognised amounts and it is intended to settle the expected future cash flows on a net basis, or realise the asset and settle the liability simultaneously.

2.3 Foreign currencies

2.3.1 Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the transaction date. Translation differences arising on the settlement of such transactions or on the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss, unless they are recognised in equity as qualifying cash flow hedges.

Translation differences on debt securities and other monetary financial assets carried at fair value are included under foreign exchange gains and losses.

2.4 Interest

Interest income and expenses for all interest-bearing instruments are recognised in profit and loss according to the allocation principle, with the effective interest method being applied to the actual purchase price. If any loans suffer impairment losses, they are written down to their recoverable amounts and the interest income recognised henceforth is based on the discount rate for calculating the present value of the future cash flows used to determine the recoverable amounts.

2.5 Fees and commissions

Fees and commissions are generally recognised according to the allocation principle. Fees and commissions received for negotiating a transaction, or taking part in the negotiations, on behalf of third parties, for example

the acquisition of a portfolio of loans, shares or other securities, or the sale or purchase of companies, are recognised at completion of the underlying transactions. With certain parties contracts consisting of multiple services have been agreed. Some of these services are profitable, while other services are loss making. Since these contracts are profitable as a whole, they have been regarded as a single service contracts. For this reason, profitability of the separate services has not been assessed and disclosed separately.

2.6 Loans to customers and receivables

A value adjustment, for losses on loans, is recognised if there is objective evidence that Alex will not be able to collect all amounts due under the original terms of the contract. The size of the reserve is the difference between the carrying amount and recoverable amount, which is the present value of the expected cash flows, including amounts recoverable under guarantees and sureties, discounted at the original effective rate of interest of the loans.

The value adjustments for loans includes losses if there is objective evidence that losses are attributable to some portions of the loan portfolio at the balance sheet date. These are estimated based on the historical pattern of losses for each separate portion, the credit ratings of the borrowers, and taking into account the actual economic conditions under which the borrowers conduct their activities. If a loan is not collectible, it is written off from the related value adjustments for losses on loans. Any amounts subsequently collected are included under the item 'Value adjustments' on the profit and loss account.

2.7 Tangible fixed assets

Equipment (for own use) is recognised at historical cost net of accumulated depreciation and impairments if applicable.

Straight-line depreciation is applied to these assets in accordance with the schedule below. Each asset is depreciated to its residual value over its estimated useful life:

Equipment, including the following:

- Computer equipment 1 – 3 years
- Other equipment 3 – 8 years

Tangible fixed assets are regularly assessed based on indications of impairment. If the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount is written down immediately to the recoverable amount. Gains and losses on the disposal of items of tangible fixed assets are determined in proportion to their carrying amounts and taken into account when determining the operating result. Repair and maintenance work is charged to profit and loss at the time the costs are incurred.

2.8 Tax

Tax receivables and payables and deferred tax assets and liabilities are set off when they relate to the same taxation group, the same taxation authority, a legal right exists to set off tax items and simultaneous treatment or settlement is expected.

Provisions are formed in full for deferred tax liabilities, using the liability method, arising from temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.9 Related party transactions

Within the Rabobank Group several internal costs relating to interest and operational costs directly attributable are charged on. The charges are primarily based on annually determined intra-group basis. In this financial information, these charges are accounted for as Group companies.

Notes to balance sheet Alex
(x €1,000)

1 Cash

Includes all cash in legal tender.

2 Banks

Includes all receivables on banks, excluding interest bearing paper

	2006	2005
<hr/>		
The total comprises:		
Receivables on Group companies	330,033	51,296
Receivables on other banks	22,497	46
	<hr/>	<hr/>
	352,530	51,342

The receivables on other banks are on demand, i.e. indefinite

3 Loans and receivables

Includes the receivables relating to operations excluding receivables to banks and excluding interest bearing paper.

	2006	2005
<hr/>		
The receivables comprise:		
- Public sector loan	-	-
- Private sector loans	413,160	578,803
	<hr/>	<hr/>
Total loans	413,160	578,803

4 Tangible fixed assets

Includes buildings and terrains, machines, installations and other tangible fixed assets, and other non-operational tangible fixed assets, such as purchased deposits.

	2006	2005
<hr/>		
Tangible fixed assets	2,340	2,403
	<hr/>	<hr/>
Total tangible fixed assets	2,340	2,403

Movements

<hr/>		
Book value 1 January		2,403
Additions in fiscal year		1,540
Depreciation and impairments		(1,603)
		<hr/>
Book value 31 December		2,340
Sum of deprecations and impairments		9,650

5 Banks

	2006	2005
Including liabilities to banks not comprising a debts or subordinated debts, of which:		
Group companies	34,430	29,380
Non-Group companies	4,330	17,596
	<u>38,760</u>	<u>46,976</u>

Liabilities on non-group companies are direct, i.e. indefinite.

6 Funds entrusted

Includes funds entrusted by clients excluding debts. Customer saving accounts comprises all deposits and saving accounts of private persons, associations, foundations without a business objective, and non-tradeable savings certificates.

The maturities of funds entrusted all parties excluding Group companies are direct, i.e. indefinite.

7 Other liabilities

Comprises liabilities that cannot be accounted for in other items, such as short positions of securities, as well as liabilities of securities of securitized liabilities.

8 Contingent liability

Alex has an agreement with a group of clients. In case this agreement is terminated by Alex, Alex has a claim for compensation to this Group of clients. This contingent liability equals approximately 10 million euro.

Notes to profit and loss account Alex

8 Interest

	2006		2005	
Interest income:	External	Internal	External	Internal
Receivables on banks	-	6,157	584	1,613
Credit balances to clients	25,682	325	17,635	-
Total interest income	25,682	6,482	18,219	1,613
Interest expenses:				
Debts to banks	-	2,217	584	-
Funds entrusted	12,027	-	5,455	-
Total interest expenses	12,027	2,217	6,039	-
Net interest result	13,655	4,265	12,180	1,613

	2006		2005	
9 Fee and commission				
Income from fees and commission:	External	Internal	External	Internal
Securities trades	75,315	-	58,458	-
Custody fees and related services	2,062	-	1,633	-
Other commission income	2,070	-	1,259	-
Total fees and commission incomes	79,447	-	61,350	-
Expenses related to fees and commission:				
Securities trades	19,519	2,385	14,343	1,784
Custody fees and related services	233	-	188	-
Other commission expenses	332	-	354	-
Total fees and commission expenses:	20,084	2,385	14,885	1,784
Net commission income	59,363	(2,385)	46,465	(1,784)
10 Staff costs				
	External	Internal	External	Internal
Wages and salaries	10,045	-	9,555	-
Social security and Insurance charges	978	-	751	-
Pension costs	-	1,563	-	701
Other staff costs	5,315	-	5,403	-
Total staff costs	16,338	1,563	16,410	-
11 Other administrative expenses				
	External	Internal	External	Internal
Marketing costs	9,779	-	7,531	-
Rental- and maintenance costs	3,321	-	2,290	-
Telephone costs	2,513	1,146	2,184	1,146
Software costs	1,497	-	971	-
Other administration costs	1,019	205	744	104
Other	848	-	1,228	-
Total other administrative expenses	18,977	1,351	14,948	1,250

Employees

The average number of employees amounts 213 (207). Of which abroad: 2 (0).

The average number of employees in terms of fulltime-equivalent amounts 168 (163).

F-6. AUDITOR'S REPORT TO THE FINANCIAL INFORMATION OF ALEX FOR THE YEAR ENDED 31 DECEMBER 2006

To: Management of Alex

Auditor's report

Introduction

We have audited the accompanying financial information of Alex, a business unit of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Amsterdam, for the year ended December 31, 2006 which comprises the balance sheet as at December 31, 2006, the profit and loss account for the year then ended and the notes. This financial information is the responsibility of the business unit's management. Our responsibility is to express an opinion on this financial information based on our audit.

Scope

We conducted our audit in accordance Dutch Law. This law requires that we plan and perform the audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information for the year ended December 31, 2006 of Alex has been prepared, in all material respects in accordance with the accounting policies selected and disclosed by the business unit, as set out in item 1 and 2 of the notes to the financial information.

Other matters – purpose of the financial information and no application of IFRS

Our audit has not been performed for purposes of a take-over of Alex by BinckBank N.V. and the financial information of Alex has not been prepared for such purpose. Items that may be of importance to you may therefore not have been addressed in this financial information. Our audit was aimed at assessing whether the financial information has been prepared in accordance with the accounting principles described in item 1 and 2 of the notes to the financial information.

Furthermore, the financial information has not been prepared in accordance with IFRS and changes might need to be made in order to present the financial information in accordance with IFRS. We have not performed any procedures in order to determine which adjustments need to be made for such purposes. In relation to this we refer, without intending to be complete and without qualifying our opinion, to item 2.9 in the notes to the financial information (Related party transactions) and note that the charges are primarily based on an annually determined intra-group basis. Additionally, Alex does not account for the option positions of its clients on balance and does not account for any pension plan liabilities, if any. Without qualifying our opinion, we draw your attention to item 8 of the notes to the balance sheet which makes reference to a contingent liability.

Utrecht, July 6, 2007

for Ernst & Young Accountants

signed by G.H.C. de Meris

F-7. REVIEWED INTERIM FINANCIAL INFORMATION OF ALEX FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007

Alex *

**INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2007**

As included in the interim report of Rabobank Groep

* Alex is no independent legal entity, but a business unit of Rabobank Nederland.

Balance Sheet Alex

per 30 June 2007 (before profit allocation, amounts in thousands euros)

	30-06-2007	31-12-2006
Assets		
Cash (1)	4	2
Banks (2)	757,667	352,530
Loans and receivables (3)	534,093	413,160
Tangible fixed assets (4)	3,016	2,340
Other assets	16,914	8,774
	<hr/>	<hr/>
Total assets	1,311,694	776,806
Liabilities		
Banks (5)	51,170	38,760
Customer saving accounts	570,207	119,669
Other funds entrusted	655,108	581,122
	<hr/>	<hr/>
Funds entrusted (6)	1,225,315	700,791
Other liabilities (7)	5,057	9,782
Accruals	14,044	2,573
Provisions	269	216
	<hr/>	<hr/>
Total liabilities	1,295,855	752,122
Period result	15,839	24,684
	<hr/>	<hr/>
Total liabilities	1,311,694	776,806

Profit and Loss Account Alex
Semi-annual results
(amounts in thousands euros)

	2007-I	2006-II	2006-I
Interest income	23,604	16,798	15,366
Interest expense	12,834	8,466	5,778
Interest (8)	10,770	8,332	9,588
Commission income	42,140	35,344	44,103
Commission expense	11,232	10,338	12,131
Fees and commissions (9)	30,908	25,006	31,972
Total income	41,678	33,338	41,560
Staff costs (10)	10,649	8,149	9,752
Other administrative expenses (11)	9,084	12,084	8,244
Depreciation	747	730	873
Operating expenses	20,480	20,963	18,869
Value adjustments	(63)	2	2
Operating profit before taxation	21,261	12,373	22,689
Taxation	5,422	3,662	6,716
Net profit for the period	15,839	8,711	15,973

Notes to interim financial information of Alex

1 General

Below the accounting policies and methods for determination of the results applied on the figures of Alex are described, which are derived from the interim report of Rabobank Groep.

2 Accounting policies

The most important accounting policies, which were applied when preparing this interim financial information, are summarized below:

2.1 General

The assets and liabilities are valued against nominal value, unless stated otherwise. Unless stated otherwise, this interim financial information is in thousands of euros.

2.1.1 Estimates

The preparations of this interim financial information involves making assumptions and estimates by management which can influence the amounts of reported assets and liabilities and the reporting of contingent assets and liabilities on the date this interim financial information and the reported amounts of income and expense items during the reporting period. This enhances mainly the assumptions and estimates regarding provisions on debtors, estimating the fair value of assets and liabilities and the estimates made in respect of

exceptional impairment losses. Cases are assessed, based on available financial information. Although these assessments are made by management on the basis of the most accurate estimates relating to recent events and actions, actual results can deviate from these estimates.

2.2 Netting of financial assets and liabilities

Financial assets and liabilities are set off and the net amount is transferred in the balance sheet if there is a legally enforceable right to set off the recognised amounts and it is intended to settle the expected future cash flows on a net basis, or realise the asset and settle the liability simultaneously.

2.3 Foreign currencies

2.3.1 Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the transaction date. Translation differences arising on the settlement of such transactions or on the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss, unless they are recognised in equity as qualifying cash flow hedges.

Translation differences on debt securities and other monetary financial assets carried at fair value are included under foreign exchange gains and losses.

2.4 Interest

Interest income and expenses for all interest-bearing instruments are recognised in profit and loss according to the allocation principle, with the effective interest method being applied to the actual purchase price. If any loans suffer impairment losses, they are written down to their recoverable amounts and the interest income recognised henceforth is based on the discount rate for calculating the present value of the future cash flows used to determine the recoverable amounts.

2.5 Fees and commissions

Fees and commissions are generally recognised according to the allocation principle. Fees and commissions received for negotiating a transaction, or taking part in the negotiations, on behalf of third parties, for example the acquisition of a portfolio of loans, shares or other securities, or the sale or purchase of companies, are recognised at completion of the underlying transactions. With certain parties contracts consisting of multiple services have been agreed. Some of these services are profitable, while other services are loss making. Since these contracts are profitable as a whole, they have been regarded as a single service contracts. For this reason, profitability of the separate services has not been assessed and disclosed separately.

2.6 Loans to customers and receivables

A value adjustment, for losses on loans, is recognised if there is objective evidence that Alex will not be able to collect all amounts due under the original terms of the contract. The size of the reserve is the difference between the carrying amount and recoverable amount, which is the present value of the expected cash flows, including amounts recoverable under guarantees and sureties, discounted at the original effective rate of interest of the loans.

The value adjustments for loans includes losses if there is objective evidence that losses are attributable to some portions of the loan portfolio at the balance sheet date. These are estimated based on the historical pattern of losses for each separate portion, the credit ratings of the borrowers, and taking into account the actual economic conditions under which the borrowers conduct their activities. If a loan is not collectible, it is written off from the related value adjustments for losses on loans. Any amounts subsequently collected are included under the item 'Value adjustments' on the profit and loss account.

2.7 Tangible fixed assets

Equipment (for own use) is recognised at historical cost net of accumulated depreciation and impairments if applicable.

Straight-line depreciation is applied to these assets in accordance with the schedule below. Each asset is depreciated to its residual value over its estimated useful life:

Equipment, including the following:

- Computer equipment 1 – 3 years
- Other equipment 3 – 8 years

Tangible fixed assets are regularly assessed based on indications of impairment. If the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount is written down immediately to the recoverable amount. Gains and losses on the disposal of items of tangible fixed assets are determined in proportion to their carrying amounts and taken into account when determining the operating result. Repair and maintenance work is charged to profit and loss at the time the costs are incurred.

2.8 Tax

Tax receivables and payables and deferred tax assets and liabilities are set off when they relate to the same taxation group, the same taxation authority, a legal right exists to set off tax items and simultaneous treatment or settlement is expected.

Provisions are formed in full for deferred tax liabilities, using the liability method, arising from temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.9 Related party transactions

Within the Rabobank Group several internal costs relating to interest and operational costs directly attributable are charged on. The charges are primarily based on annually determined intra-group basis. In this interim financial information, these charges are accounted for as Group companies.

Notes to Balance Sheet Alex

(amounts in thousands euros)

1 Cash

Includes all cash in legal tender.

2 Banks

Includes all receivables on banks, excluding interest bearing paper.

	30-06-2007	31-12-2006
The total comprises:		
Receivables on Group companies	752,850	330,033
Receivables on other banks	4,817	22,497
	<hr/> 757,667	<hr/> 352,530

The receivables on other banks are on demand, i.e. indefinite

3 Loans and receivables

Includes the receivables relating to operations excluding receivables to banks and excluding interest bearing paper.

	30-06-2007	31-12-2006
The receivables comprise:		
- Public sector loan	-	-
- Private sector loans	534,093	413,160
Total loans	534,093	413,160

4 Tangible fixed assets

Includes buildings and terrains, machines, installations and other tangible fixed assets, and other non-operational tangible fixed assets, such as purchased deposits.

	30-06-2007	31-12-2006
Tangible fixed assets	3,016	2,340
Total tangible fixed assets	3,016	2,340
Movements		
Book value at the beginning of period	2,340	2,403
Additions in reporting period	1,423	1,540
Depreciation and impairments	(747)	(1,603)
Book value at the end of period	3,016	2,340
Sum of depreciations and impairments	10,397	9,650

5 Banks

	30-06-2007	31-12-2006
Including liabilities to banks not comprising a debts or subordinated debts, of which:		
Group companies	37,757	34,430
Non-group companies	13,413	4,330
	51,170	38,760

Liabilities on non-group companies are direct, i.e. indefinite.

6 Funds entrusted

Includes funds entrusted by clients excluding debts. Customer saving accounts comprises all deposits and saving accounts of private persons, associations, foundations without a business objective, and non-tradeable savings certificates.

The maturities of funds entrusted all parties excluding Group companies are direct, i.e. indefinite.

7 Other liabilities

Comprises liabilities that cannot be accounted for in other items, such as short positions of securities, as well as liabilities of securities of securitized liabilities.

8 Contingent liability

Alex has an agreement with a group of clients. In case this agreement is terminated by Alex, Alex has a claim for compensation to this Group of clients. This contingent liability equals approximately 10 million euro.

Notes to Profit and Loss Account Alex

8 Interest

	2007-I	2006-II	2006-I
Interest income:			
Receivables on group companies	9,369	5,373	1,109
Credit balances to clients	14,235	11,425	14,257
Total interest income	23,604	16,798	15,366
Interest expenses:			
Debts to group companies	1,007	1,169	1,048
Funds entrusted	11,827	7,297	4,730
Total interest expenses	12,834	8,466	5,778
Net interest result	10,770	8,332	9,588

9 Fees and commissions

	2007-I	2006-II	2006-I
Income from fees and commission:			
Securities trades	39,373	32,951	42,364
Custody fees and related services	1,205	1,067	995
Other commission income	1,562	1,326	744
Total fees and commission incomes	42,140	35,344	44,103
Expenses related to fees and commission:			
Securities trades	10,527	8,887	10,632
Securities trades internally charged-on	256	1,207	1,178
Custody fees and related services	130	115	118
Other commission expenses	319	129	203
Total fees and commission expenses:	11,232	10,338	12,131
Net commission income	30,908	25,006	31,972

10 Staff costs

	2007-I	2006-II	2006-I
Wages and salaries	5,757	4,339	5,706
Social security and Insurance charges	517	485	493
Pension costs (internally charged-on)	762	782	781
Other staff costs	3,613	2,543	2,772
Total staff costs	10,649	8,149	9,752

11 Other administrative expenses

	2007-I	2006-II	2006-I
Marketing costs	4,094	6,838	2,941
Rental- and maintenance costs	848	1,666	1,655
Telephone costs	1,691	1,296	1,217
Telephone costs (internally charged-on)	402	506	640
IT and Software costs	1,273	1,078	1,021
Administration costs (internally charged-on)	86	47	158
Other	690	653	612
Total other administrative expenses	9,084	12,084	8,244

Employees

The average number of employees amounts 217. Of which abroad: 2

The average number of employees in terms of fulltime-equivalent amounts 171

F-8. REVIEW REPORT TO THE INTERIM FINANCIAL INFORMATION OF ALEX FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007

To: Management of Alex

REVIEW REPORT

Introduction

We have reviewed the accompanying interim financial information of Alex, a business unit of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Amsterdam, for the six month period ended 30 June 2007, which comprises the balance sheet as at June 30, 2007, the profit and loss account for the six month period then ended and the notes. The interim financial information is the responsibility of the business unit's management. Our responsibility is to express a review opinion on this interim financial information based on our review.

Scope

We conducted our review in accordance Dutch Law. 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 interim financial information of Alex has not been prepared, in all material respects in accordance with the accounting policies selected and disclosed by the business unit, as set out in item 1 and 2 of the notes to the interim financial information.

Other matters – purpose of the interim financial information and no application of IFRS

Our review has not been performed for purposes of a take-over of Alex by BinckBank N.V. and the interim financial information of Alex has not been prepared for such purpose. Items that may be of importance to you may therefore not have been addressed in this interim financial information. Our review was aimed at assessing whether the interim financial information has been prepared in accordance with the accounting principles described in item 1 and 2 of the notes to the interim financial information.

Furthermore, the interim financial information has not been prepared in accordance with IFRS and changes might need to be made in order to present the interim financial information in accordance with IFRS. We have not performed any procedures in order to determine which adjustments need to be made for such purposes. In relation to this we refer, without intending to be complete and without qualifying our conclusion, to item 2.9 in the notes to the interim financial information (Related party transactions) and note that the charges are primarily based on an annually determined intra-group basis. Additionally, Alex does not account for the option positions of its clients on balance and does not account for any pension plan liabilities, if any. Without qualifying our conclusion, we draw your attention to item 8 of the notes to the balance sheet which makes reference to a contingent liability.

Utrecht, October 10, 2007

for Ernst & Young Accountants

signed by G.H.C. de Meris

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