

**FLOW ■ TRADERS
COÖPERATIEF U.A.**

**Condensed consolidated
interim financial statements
30 June 2015**

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The Management Board of Flow Traders N.V. hereby presents its financial statements for the financial half year ending on 30 June 2015. Note that at 9 July 2015 Flow Traders Cooperative U.A. legal form has been converted to a public limited company (N.V.) for the listing on Euronext Amsterdam. As a result of the conversion, the Management Board of the Company has been changed, at the signing of this report the Management Board comprises of Mr. Dijkstra and Mr. Rietberg both in their role as Co-Ceo.

Financials over the first half of 2015

During the first half of 2015, Flow Traders was able to further improve our business by improving the net trading income over the first half year to €147.4 million compared to €61.4 million during the first half year of 2014. We were able to realize this increase due to trading volumes, driven by an increase in ETP market volumes in combination with our growing market share and the expanding capacity (investments in technology and by trading) to our trading platform.

In line with the financial year 2014 our majority net trading income is generated in Europe and amounted to 65%. This is also the region which benefited the most of the growth in capacity, but also because of the increase in higher overall market volumes. In addition, our Asian region was able to increase the net trading income from €6.8 million over the first half year in 2014 to €29.7 million during the first half year 2015 and was mainly the result of positive gradual developments in the Asian market, specifically the opening of the Chinese market. In the US we were able to grow our trading volumes resulting in an increase of our net trading income.

At 15 June 2015 there has been an additional capital contribution of the Company. The transaction raised a total amount of €22.2 in new capital.

As per 10 July 2015 Flow Traders N.V. has become listed on Euronext Amsterdam. As a consequence of the listing, the outstanding Share Appreciation Rights (SARs) were settled which has a significant impact on the personnel expenses of €33 million recognized during the first half year of 2015. In addition, the additional costs in relation to the IPO amounted €0.8 million. Both can be considered as an extra ordinary expense.

After adjusting the operational expenses for this one-off effect, the operational expenses remain relatively stable and because we have a relatively low fixed costs basis we were able to increase our net trading income at a faster rate than our fixed operational expenses.

Risk assessment

In the prospectus issued by Flow Traders N.V. on 30 June 2015 in connection with the listing of the shares to Euronext Amsterdam, the relevant risk categories and risk factors that could adversely affect the Company's business and financial performance have been described. The prospectus is available on our website.

Amsterdam, 18 August 2015

Management Board:

D.D.M. Dijkstra

S.A. Rietberg

Condensed consolidated statement of financial position

<i>In thousands of euro</i>	Note	30 June 2015	31 Dec 2014
Assets			
Cash and cash equivalents		2,245	2,322
Financial assets held for trading	4	3,173,088	2,796,084
Member loans	13	218	215
Trading receivables		2,430,642	495,656
Other receivables		9,995	4,292
Investments available-for-sale	4	1,094	1,236
Investments in associates		110	106
Property and equipment		24,048	20,866
Intangible assets		1,800	1,554
Total assets		5,643,240	3,322,331
Liabilities			
Financial liabilities held for trading	4	2,925,107	2,334,265
Trading payables		2,400,560	755,486
Other liabilities	7,12	107,249	83,008
Current tax liabilities	10	7,259	5,948
Deferred tax liabilities		857	832
Total liabilities		5,441,032	3,179,539
Member capital accounts			
Capital account member A		15,000	15,000
Capital account member B		170,893	118,077
Currency translation reserve		16,620	9,600
Revaluation reserve		(305)	115
Total member capital accounts	6	202,208	142,792

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of comprehensive income

<i>In thousands of euro</i>	Note	Q2 2015	Q2 2014	1st Half year 2015	1st Half year 2014	Pro forma* 1st Half year 2015
Gross trading income		93,777	39,595	194,200	93,578	194,200
Fees related to the trading activities		(13,934)	(7,879)	(28,703)	(17,432)	(28,703)
Net financial expenses related to the trading activities		(9,332)	(6,862)	(18,073)	(14,748)	(18,073)
Net trading income		70,511	24,854	147,424	61,398	147,424
Personnel expenses	7, 8, 13	(57,289)	(8,804)	(85,639)	(21,612)	(52,637)
Depreciation of property and equipment		(1,685)	(1,047)	(2,877)	(2,098)	(2,877)
Amortization of intangible assets		(124)	(87)	(239)	(164)	(239)
Write off of (in) tangible assets		(29)	(9)	(29)	(337)	(29)
Other expenses	9	(9,772)	(7,266)	(18,587)	(13,326)	(17,789)
Operating expenses		(68,899)	(17,213)	(107,371)	(37,537)	(73,571)
Operating result		1,612	7,641	40,053	23,861	73,853
Profit before tax		1,612	7,641	40,053	23,861	73,853
Tax expense	10	(1,705)	(342)	(9,402)	(3,407)	(13,202)
Profit for the period		(93)	7,299	30,651	20,454	60,652
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
Foreign currency translation differences – foreign operations		(3,286)	524	7,020	467	7,020
Available for sale net changes in fair value		51	-	(420)	-	(420)
Other comprehensive income for the period (net of tax)		(3,235)	524	6,600	467	6,600
Total comprehensive income for the period		(3,328)	7,823	37,251	20,921	67,252

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

* Pro forma illustrates the effect of the initial public offering of shares as further explained in note 14.

Condensed consolidated statement of changes in member capital accounts

Attributable to members of the Company for the six months ended 30 June 2015

<i>In thousands of euro</i>	Capital account member A	Capital account member B	Translation reserve	Revaluation reserve	Total member capital accounts
Balance at 1 January 2015	15,000	118,077	9,600	115	142,792
Total comprehensive income for the period					
Profit	-	30,651	-	-	30,651
Total other comprehensive income	-	-	7,020	(420)	6,600
Total comprehensive income for the period	-	30,651	7,020	(420)	37,251
Transactions with members of the Company, recognised directly in member capital accounts					
Capital contribution	-	22,165	-	-	22,165
Total contributions by and distributions to members of the Company	-	22,165	-	-	22,165
Balance at 30 June 2015	15,000	170,893	16,620	(305)	202,208

Attributable to members of the Company for the six months ended 30 June 2014

<i>In thousands of euro</i>	Capital account member A	Capital account member B	Translation reserve	Revaluation reserve	Total member capital accounts
Balance at 1 January 2014	19,000	118,055	582	(310)	137,327
Total comprehensive income for the period					
Profit	-	20,454	-	-	20,454
Total other comprehensive income	-	-	467	-	467
Total comprehensive income for the period	-	20,454	467	-	20,921
Transactions with members of the Company, recognised directly in member capital accounts					
Dividends	(4,000)	(24,450)	-	-	(28,450)
Total contributions by and distributions to members of the Company	(4,000)	(24,450)	-	-	(28,450)
Balance at 30 June 2014	15,000	114,059	1,049	(310)	129,798

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

For the six months ended 30 June

<i>In thousands of euro</i>	2015	2014
<i>Cash flows from operating activities</i>		
Profit for the period	30,651	20,454
<u>Adjusted for:</u>		
Depreciation of property and equipment	2,877	2,098
Amortization of intangible assets	239	164
Write off of (in)tangible assets	29	337
Net financial expenses related to the trading activities	18,073	14,748
Tax expenses	9,402	3,407
<u>Changes in working capital</u>		
· (Increase) / decrease in financial assets held for trading	(377,004)	(26,657)
· Increase / (decrease) financial liabilities held for trading	590,842	724,658
· (Increase) / decrease trading receivables	(1,934,986)	(290,772)
· Increase / (decrease) trading payables	1,645,074	(394,642)
· (Increase) / decrease member loans	(3)	314
· (Increase) / decrease other receivables	(1,715)	3,333
· Increase / (decrease) other liabilities	34,007	(15,022)
<u>Cash flow from business operations</u>		
Interest paid	(18,470)	(15,269)
Interest received	397	521
Corporate income tax paid	(8,066)	(2,124)
Cash (used in) / provided by operating activities	(8,653)	25,548
<i>Cash flows from investing activities</i>		
(Acquisition) / sale investments available for sale	-	-
Investment in associates	-	-
Acquisition of property and equipment	(4,389)	(4,490)
Acquisition of intangible assets	(112)	(306)
Finance leases expenses	(202)	-
Net cash (used in) / provided by investing activities	(4,703)	(4,796)
<i>Cash flows from financing activities</i>		
Dividend paid	(11,294)	(28,450)
Capital contributions	18,177	-
Net cash (used in) / provided by financing activities	6,883	(28,450)
Effects of exchange rate changes on cash and cash equivalents	6,396	(209)
Net change in cash and cash equivalents	(77)	(7,907)
 <i>Changes in cash</i>		
Cash and cash equivalents at 1 January	2,322	9,528
Cash and cash equivalents at 30 June	2,245	1,621
Changes in cash	(77)	(7,907)

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

1. Reporting entity

Flow Traders Coöperatief U.A. (referred to as “the Coop”) is the parent Company of a related consolidated group of companies (referred to as “the Group”). Flow Traders Coöperatief U.A. is a cooperative, incorporated under Dutch law on 14 February 2008, and registered at Jacob Bontiusplaats 9, 1018 LL Amsterdam, the Netherlands. The Coop has two members, Summit Partners (hereafter referred to as Member A) and Stichting Administratiekantoor Flow Traders (hereafter referred to as Member B). The Group plays a central role in the global ETP ecosystem, providing liquidity to markets, issuers and investors. The Group’s goal is to be a leading ETP-focused liquidity provider.

The condensed consolidated interim financial statements of the Group for the six month period ended 30 June 2015 incorporate financial information of Flow Traders Coöperatief U.A., its controlled entities and interests in associates.

As per 9 July 2015 Flow Traders Coöperatief U.A. is converted to Flow Traders N.V..

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

The accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2014, except for finance leases as these lease terms have been concluded for the first time for the Group as of 1 January 2015. In addition compared to prior reporting period there has been a change in the basis of segmentation. As per Q2 our subsidiary Flow Traders US BV is reported as part of the ‘U.S.’ segment instead of the ‘Europe’ segment as all assets, liabilities and profit fully relates to our US activities.

Finance leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition property and equipment acquired by way of finance lease is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Finance lease payments

Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Transfer pricing

As per 1 January 2015, the Company applies a new transfer pricing methodology for the determination of its taxable income in the Netherlands, U.S. and Singapore which results in an intercompany adjustment for related party transactions in order to meet the local at arm’s requirements.

3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

4. Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and Black-Scholes option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Notes to the condensed consolidated interim financial statements

When the Group measures portfolios of financial assets and financial liabilities on the basis of net exposures to market risks, then it applies judgement in determining appropriate portfolio-level adjustments such as bid-ask spreads. Such adjustments are derived from observable bid-ask spreads for similar instruments and adjusted for factors specific to the portfolio. Similarly, when the Group measures portfolios of financial assets and financial liabilities on the basis of net exposure to the credit risk of a particular counterparty, then it takes into account any existing arrangements that mitigate the credit risk exposure (e.g. master netting agreements with the counterparty).

We value our daily trading positions based on theoretical prices whereby the price differences are recorded through the profit or loss account. However, the theoretical prices can differ from quoted market prices. Our risk management department monitors whether all differences can be substantiated and whether the trading positions as recorded by our prime brokers correspond with our trading positions. As we seek to trade our positions delta neutral (i.e. all trading positions are hedged and thus the margin is locked in) we elect to opt for the portfolio measurement exception under IFRS 13.48-52 to mitigate our market risk (price risk). Under IFRS, Level 1 securities must reflect unadjusted prices. The theoretical prices we use reflect price adjustments under the portfolio measurement exception caused by, among others, the fact that not all venues close daily at the same time. Therefore most of our daily trading positions cannot be reported as Level 1 securities and are classified as Level 2 in the fair value hierarchy.

Valuation framework

The Group has an established control framework with respect to the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and reports to the Co-Chief Executive Officer, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- Verification of observable pricing;
- Re-performance of model valuations;
- A review and approval process for new models and changes to models involving both Product Control and Group Market Risk;
- Periodic calibration and back-testing of models against observed market transactions;
- Analysis and investigation of significant daily valuation movements; and
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 2 and 3 instruments (if any) compared with the previous day, by a local head of trading and appropriate risk personnel.

When third party information, such as broker quotes or pricing services, is used to measure fair value, Product Control assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

a) Financial assets and liabilities held for trading

The Group mainly trades on regulated and active markets and mainly consist of Level 2 valuations in the fair value measurement hierarchy.

The valuation of trading positions, both the long and the short positions, is determined by reference to their quoted bid or ask prices from the exchanges at the reporting date. For offsetting (delta neutral) positions, the Group uses mid-market prices to determine fair value.

b) Investments available for sale

The fair value of investments available-for-sale is determined by reference to their quoted closing bid price at the reporting date, or if unquoted, determined using a valuation technique.

Notes to the condensed consolidated interim financial statements

c) Trading & other receivables

The carrying value of trading and other receivables with a maturity of less than one year is assumed to approximate the fair value.

d) Member-based payment transactions

The fair value of member appreciation rights is measured using a valuation technique. Measurement inputs include the theoretical share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Group's theoretical historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Fair value hierarchy

30 June 2015

<i>In thousands of euro</i>	Level 1	Level 2	Level 3	Total
Long positions in equity securities- trading	213,184	2,924,573	-	3,137,757
Market to market derivative assets	17	35,314	-	35,331
Financial assets held for trading	213,201	2,959,887	-	3,173,088
Investments available for sale	-	1,094	-	1,094
Total Long position	213,201	2,960,981	-	3,174,182
Short positions in equity securities- trading	(632,266)	(2,292,831)	-	(2,925,097)
Market to market derivative liabilities	(1)	(9)	-	(10)
Total Short position	(632,267)	(2,292,840)	-	(2,925,107)

Due to the short term between acquisition and sale, there are no transfers between level 1 and level 2. There are no level 3 positions.

31 December 2014

<i>In thousands of euro</i>	Level 1	Level 2	Level 3	Total
Long positions in equity securities- trading	124,199	2,655,133	-	2,779,332
Market to market derivative assets	-	16,753	-	16,753
Financial assets held for trading	124,199	2,671,886	-	2,796,084
Investments available for sale	-	1,236	-	1,236
Total Long position	124,199	2,673,122	-	2,797,320
Short positions in equity securities- trading	(172,213)	(1,336,886)	-	(1,509,099)
Market to market derivative liabilities	(824,918)	(248)	-	(825,166)
Total Short position	(997,130)	(1,337,134)	-	(2,334,265)

Due to the short term between acquisition and sale, there are no transfers between level 1 and level 2. There are no level 3 positions.

Notes to the condensed consolidated interim financial statements

5. Segment reporting

The Group has the following regions through which the Group operates via its local subsidiaries in the Netherlands (Europe), United States of America (U.S.) and Singapore (Asia).

Compared to prior reporting period there has been a change in the basis of segmentation. As per Q2 our subsidiary Flow Traders US BV is reported as part of the 'U.S.' segment instead of the 'Europe' segment as all assets, liabilities and profit fully relates to the our US activities. Note that the basis of segmentation is also adjusted for the comparative H1 2014 figures.

Reportable segments for the six months ended 30 June

	Europe		Asia		U.S.		Total	
	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014
<i>In thousands of euro</i>								
Gross trading income	126,678	61,091	37,174	10,458	30,348	22,029	194,200	93,578
Fees related to the trading activities	(18,239)	(12,323)	(5,173)	(2,386)	(5,291)	(2,723)	(28,703)	(17,432)
Net financial expenses related to the trading activities	(11,704)	(8,583)	(2,291)	(1,288)	(4,078)	(4,877)	(18,073)	(14,748)
Net trading income	96,735	40,185	29,710	6,784	20,979	14,429	147,424	61,398
Personnel expenses	(60,678)	(15,155)	(7,590)	(2,273)	(17,371)	(4,184)	(85,639)	(21,612)
Depreciation of property and equipment	(1,780)	(1,306)	(478)	(369)	(619)	(423)	(2,877)	(2,098)
Amortization of intangible assets	(140)	(73)	(37)	(37)	(62)	(54)	(239)	(164)
Write off of (in)tangible assets	(29)	(7)	-	(60)	-	(270)	(29)	(337)
Other expenses	(3,248)	(9,450)	(11,692)	(1,690)	(3,647)	(2,186)	(18,587)	(13,326)
Operating expenses	(65,875)	(25,991)	(19,797)	(4,429)	(21,699)	(7,117)	(107,371)	(37,537)
Operating result	30,860	14,194	9,913	2,355	(720)	7,312	40,053	23,861
Profit before tax	30,860	14,194	9,913	2,355	(720)	7,312	40,053	23,861
Tax expense	(7,718)	(3,666)	(1,684)	259	-	-	(9,402)	(3,407)
Profit for the period	23,142	10,528	8,229	2,614	(720)	7,312	30,651	20,454

Reportable segments as per 30 June 2015

Assets	4,348,132	488,006	807,102	5,643,240
Liabilities	4,245,687	461,012	734,333	5,441,032

Notes to the condensed consolidated interim financial statements

6. Member capital accounts

On 15 June 2015, Member B issued new depositary receipts for membership interests in the Company's capital, issuance represents, on aggregate and on a fully-diluted basis, an indirect economic interest of approximately 3.3% in the capital of the Company. The aggregate subscription price paid for such depositary receipts was €22.2 million.

The Company's member capital account B increased with €22.2 million. Capital account member A owns 29.01% and capital account member B own 70.99% of the Company as per 30 June 2015.

7. Member-based payment transactions

Description of the share-based payment arrangements

During 2009 and 2011 the Group granted 28,080 and 24,441 member appreciation rights (SARs), respectively, to employees that entitle them to a cash payment. As a result of the Initial Public Offering (IPO) the Company has agreed to cancel and settle the SARs in connection with the offering. Upon, and subject to, the settlement the Company will therefore repurchase all SARs from each of the participants assuming 100% vesting, the calculation of the settlement amounts to be paid to the participants shall be based on the average of the opening price and the closing price of the shares after the first day of trading and settlement of the SARs will occur fully in cash. After repurchase of the SARs, the Company will terminate the SARs scheme and no further rights or obligations will be outstanding vis-a-vis the participants.

As the Company has been successfully listed as per 10 July 2015, the fair value of the SARs per 30 June 2015 has been considered equal to the settlement value as per 14 July 2015.

The conversion rate (number of shares that can be converted for one SAR) has been determined at 25 (i.e. 1 SAR represent 25 shares after conversion of the entity).

The settlement with the employees is as follows:

	Outstanding # of SARs	Strike price	Settlement price	Amount in €'000
SARs granted in 2009	18,000	47.00	877.50	14,949
SARs granted in 2011	23,683	90.50	877.50	18,639
Total Settlement price of the SARs				33,588
Recognised on the balance sheet as per 31 December 2014				586
Recognised in personnel expenses during first half year of 2015				33,002
Opening price first day of trading			34.00	
Closing price first day of trading			36.20	
<i>Average</i>			35.10	
Conversion (#shares that can be transferred for one SAR)			25	
Settlement price used in the calculation			877.5	

The expense has been recognized in the statement of comprehensive income in the line item personnel expense and the corresponding liability has been recognized under other liabilities.

8. Personnel expenses

For the six months ended 30 June

<i>(in thousands of euro)</i>	2015	2014
Wages and salaries	6,857	6,135
Social security charges	868	844
Recruitment and other employee costs	2,398	2,198
Share based payment transactions	33,002	53
Anticipated bonus expenses	42,514	12,382
Personnel expenses	85,639	21,612

9. Other Expenses

For the six months ended 30 June

<i>(in thousands of euro)</i>	2015	2014
IT costs and licensing	12,330	10,101
Housing	1,790	1,244
Advisors and Assurance	1,672	488
Regulatory costs	336	53
Fixed Exchange costs	1,777	1,432
Various expenses	682	8
Other expenses	18,587	13,326

The costs related to the initial public offering recognised during the first six months of the year amounted €0.8 million and are included in the Advisors and Assurance line item.

10. Tax expenses

Tax expense is recognised based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

The Group's consolidated effective tax rate for the first half year ended 30 June 2015 is 23% (first half year ended 30 June 2014: 14%). The change in effective tax rate was caused mainly by the following factors:

- the change of activities in the U.S. as a result of which the Group's U.S. activities no longer benefit from a so-called trading safe harbor provision under the U.S. Internal Revenue Code and have become subject to the ordinary U.S. tax regime.
- as of 1 January 2015, the Company applies a new transfer pricing methodology for the determination of its taxable trading income in the Netherlands, U.S. and Singapore.
- as the majority of the SARs are not deductible for tax purposes, this has a negative impact to the expected annual effective tax rate of approximately 5%.

11. Other contingent liabilities

a) Claims

The Group is not involved in any significant legal procedures and/or claims. There are no other contingent liabilities.

b) Fiscal unity

The Group constitutes a fiscal unity with its fully owned Dutch subsidiaries for Dutch corporate income tax purposes. Moreover, Flow Traders BV forms part of a fiscal unity for VAT purposes, covering part of the Dutch group. All companies in the fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity.

Notes to the condensed consolidated interim financial statements

12. Finance lease

In the other liabilities of €107.2 million as per 30 June 2015, an amount of €1.5 million relates to finance lease liabilities. Finance lease liabilities are as follows:

<i>(in thousands of euro)</i>	Future minimum lease payments		Interest		Present value of minimum lease payments	
	30 June 2015	31 Dec 2014	30 June 2015	31 Dec 2014	30 June 2015	31 Dec 2014
Less than one year	567	-	49	-	518	-
Between one and five years	1,059	-	49	-	1,011	-
More than five years	-	-	-	-	-	-
Total	1,627	-	98	-	1,528	-

The Group concluded lease arrangements for IT investments that were classified as finance leases. At inception of the arrangements, payments were split into lease payments and payments related to the other elements based on their relative fair value.

13. Related parties*General*

The global Management Board consist of 6 persons in total which are considered the persons responsible for managing and controlling the Group. Transactions with key management personnel relate to:

Member loans

This loan is granted to a member of the Coop and is secured by a pledge on the membership rights. The loan has a term of 10 years and matures in 2025, but is repayable without any penalty fee and bears a floating interest rate with a credit spread.

Employee shareholders

During the second quarter the members of the Company offered a group of employees the possibility to invest in the Company at fair value and become members. All rights attached to these shares are identical to right issued to other members, however the employees are subject to a lock up period under which no shares may be transferred, sold, assigned or encumbered in any way prior to 1 June 2018.

In the event of termination of employment the shares needs to be offered to the Company at the lower of the price paid at issuing or the fair market value at the time of termination. After elapse of the lock up period the employee may transfer the shares of 25% during the first year, 50% during the second year and 75% during the third year and 100% after the four years onwards.

In relation to the above transaction there is a receivable outstanding of €3.9 million from employees.

14. Subsequent events

Subsequent events have been evaluated through the date of the condensed consolidated interim financial statements on 18 August 2015.

- On 9 July 2015, Flow Traders U.A. was converted into Flow Traders N.V. with an authorized share capital of €10 million consisting of 100 million shares with a nominal value of €0.10 each. At the conversion date, 46,534,500 shares were issued. The amount of the Capital accounts of members A and B in excess of par value is recognized as share premium.
- On 10 July 2015, Flow Traders N.V. listed its shares through an Initial Public Offering (“IPO”) on Euronext Amsterdam and since that day, the shares are trading under the symbol “FLOW”. The Company did not receive any proceeds from the IPO, the net proceeds of which were received by existing shareholders. The expenses and taxes related to the IPO payable by the Company were approximately €0.8 million and are included in Other Expenses.
- On 14 July 2015, the Company repurchased all SARs from each of the participants, assuming 100% vesting, against an aggregate settlement amount as disclosed in note 7. After repurchase of the SARs, the Company terminated the SARs scheme and no further rights or obligations are outstanding vis-a-vis the participants.
- After the balance sheet date the Management Board will announce interim dividend of €0.50 per share that has not been provided for.

To: the General Meeting of Flow Traders Coöperatief U.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements as at 30 June 2015 of Flow Traders Coöperatief U.A., Amsterdam, which comprises the condensed consolidated statement of financial position as at 30 June 2015, the condensed consolidated statements of comprehensive income, changes in member capital accounts and cash flows for the period of 6 months ended at 30 June 2015, and the notes. The Management Board of the Cooperation is responsible for the preparation and presentation of this interim financial information in accordance with the 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 statements as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 18 augustus 2015

KPMG Accountants N.V.

J.J.A. van Nek RA