



# Project Satie

Evaluation report

April 2024

Triodos  Bank

*Strictly private & confidential*

# Important notice

This presentation is confidential and has been prepared solely for the Executive Board and Supervisory Board of Triodos Bank N.V. ("Triodos Bank" or the "Company") for the purpose of assisting in the evaluation of the MTF listing. In no event, shall Oaklins assume any responsibility to any third party to which the report is disclosed or otherwise made available.

The information and opinions contained in this document are derived from public and private sources. Public information, industry, and peer group data are from sources widely used and considered reliable; however, Oaklins makes no representation as to the accuracy or completeness of such information. Oaklins has not independently verified or has not made an independent appraisal of the accuracy and completeness of any information contained herein. Accordingly, Oaklins assumes no responsibility and makes no representations or warranties with respect to the accuracy or completeness of any information.

This information is supplied on the condition that Oaklins, and any partner or employee of Oaklins, is not liable for any error or inaccuracy contained herein, or loss or damage suffered by any person due to such error, omission or inaccuracy as a result of such supply. In particular, any numbers and valuations contained in this document are solely based on public information.

The term "Oaklins" and any term that refers to Oaklins or the Swiss Verein refers to the affiliated firms or entities authorized to carry the name "Oaklins" or one or more of those affiliated firms or entities, as the context requires. Such terms are used only for convenience of reference and do not imply that all or any of such entities are in partnership together or accept responsibility for the acts or omissions of each other.

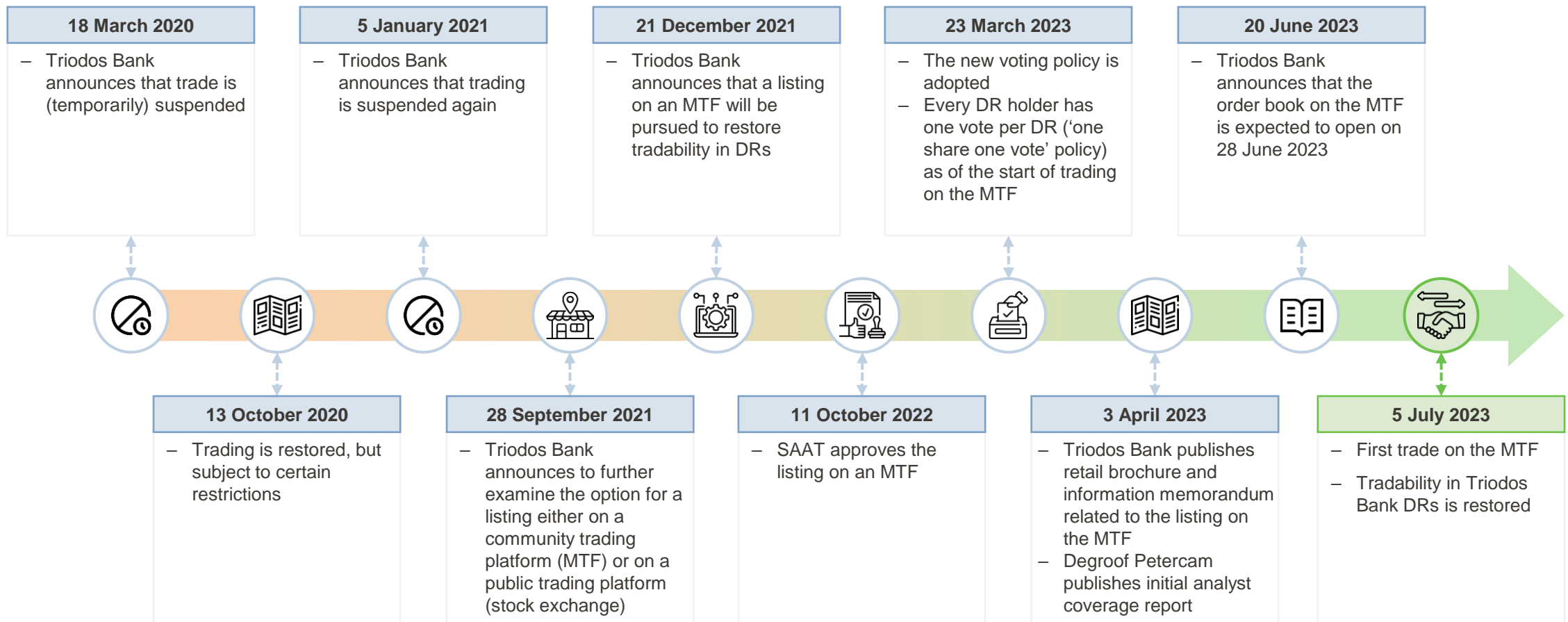
Legal responsibility for the provision of services to clients is defined in engagement terms entered into between clients and the relevant member of Oaklins International, and these should be relied upon in determining liability for the services provided. In the absence of any explicit agreement and without the consent of both entities involved, no Oaklins member firm is responsible for the acts or omissions of, nor has any authority to obligate or otherwise bind, any other Oaklins member firm. Similarly, Oaklins International has no authority to obligate or otherwise bind any member firm.

## TABLE OF CONTENTS

<b>Introduction</b>	<b>4</b>
Investor engagement – post MTF listing	6
Price and liquidity on the MTF	10
Appendix	19

# Key events between suspension of trading on the internal trading system and start of trading on the MTF

## Key events up to the MTF listing



This report will evaluate the MTF from three perspectives: investor engagement & feedback, price and liquidity

## TABLE OF CONTENTS

Introduction	4
<b>Investor engagement – post MTF listing</b>	<b>6</b>
Price and liquidity on the MTF	10
Appendix	19

# Building upon previous investor engagement activities, Triodos Bank has continued its efforts to increase investor awareness since listing

## Overview of investor engagement activities

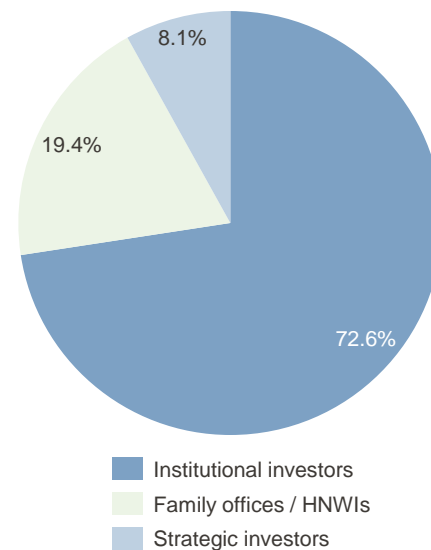
Listing  
5 July  
2023

After MTF listing

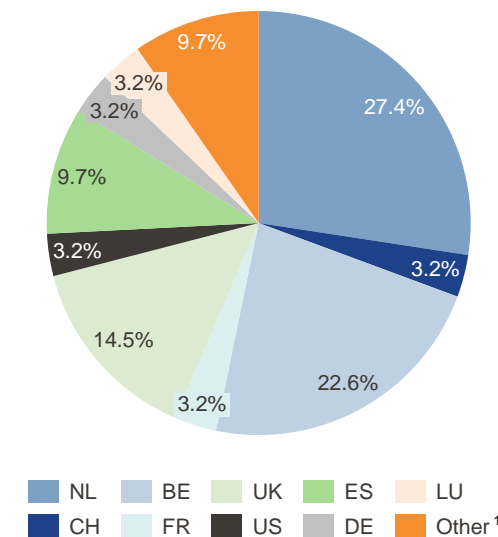
Triodos Bank was in contact with 62 potential investors

- Triodos Bank has been in contact with 62 investors in the period between start of trading on the MTF and December 2023 (incl. follow-up meetings with investors that have been approached pre-listing). An additional 23 potential investors have been approached post-listing, but have not responded
- The contact moments included a.o. 30-minute introductions, discovery meetings, discussions post H1 2023 results and sessions to address due diligence questions. With several potential investors, Triodos Bank has had multiple contact moments
- The 62 (potential) investors can be divided in:
  - 45 institutional investors
  - 12 family offices / HNWI's
  - 5 strategic investors
- These potential investors were primarily located in Belgium, the Netherlands, France, the UK, Spain and Germany

Investor type



Geography



Ongoing investor engagement activities post-listing have provided Triodos Bank with a valuable outside view

# Investors generally appear to remain hesitant to acquire DRs

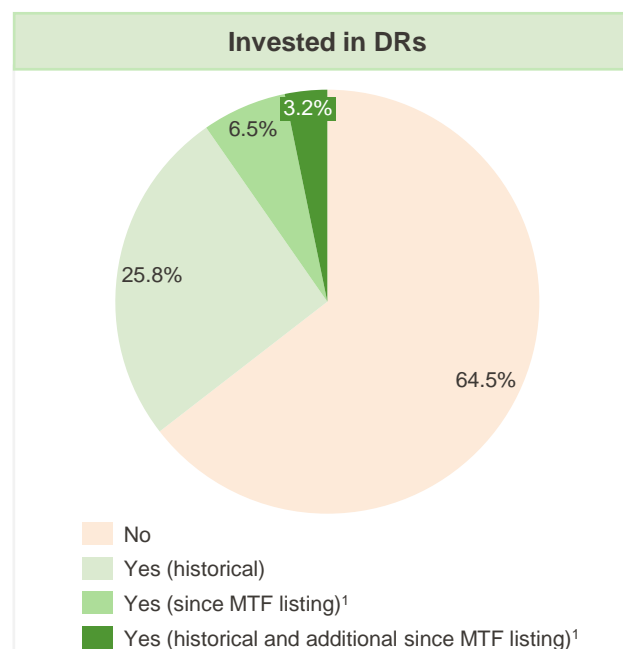
## Overview of investor engagement activities and selected feedback

Listing  
5 July  
2023

After MTF listing

Triodos Bank was in contact with 62 potential investors

- Throughout its investor engagement activities, Triodos Bank focused on potential new as well as existing DR holders
- From the 62 investors:
  - 40 potential investors will not invest in the DRs
  - 16 investors have historically invested in the DRs
  - 4 investors have invested in the DRs since the MTF listing
  - 2 investors have historically invested in the DRs and made an additional investment since the MTF listing
- Most (potential) investors have indicated that they will not invest (at this moment). Several existing DR holders indicated that they will remain invested for the time being. A selection of the available feedback is outlined on the right
- Since listing, ~1,200<sup>2</sup> trading accounts have been opened by potential (new) investors, consisting of both individuals and entities



**Available feedback**

“Interest to develop investment case; stopped due to Captin”

“Continue to monitor developments on MTF, likely to acquire DRs in the near term”

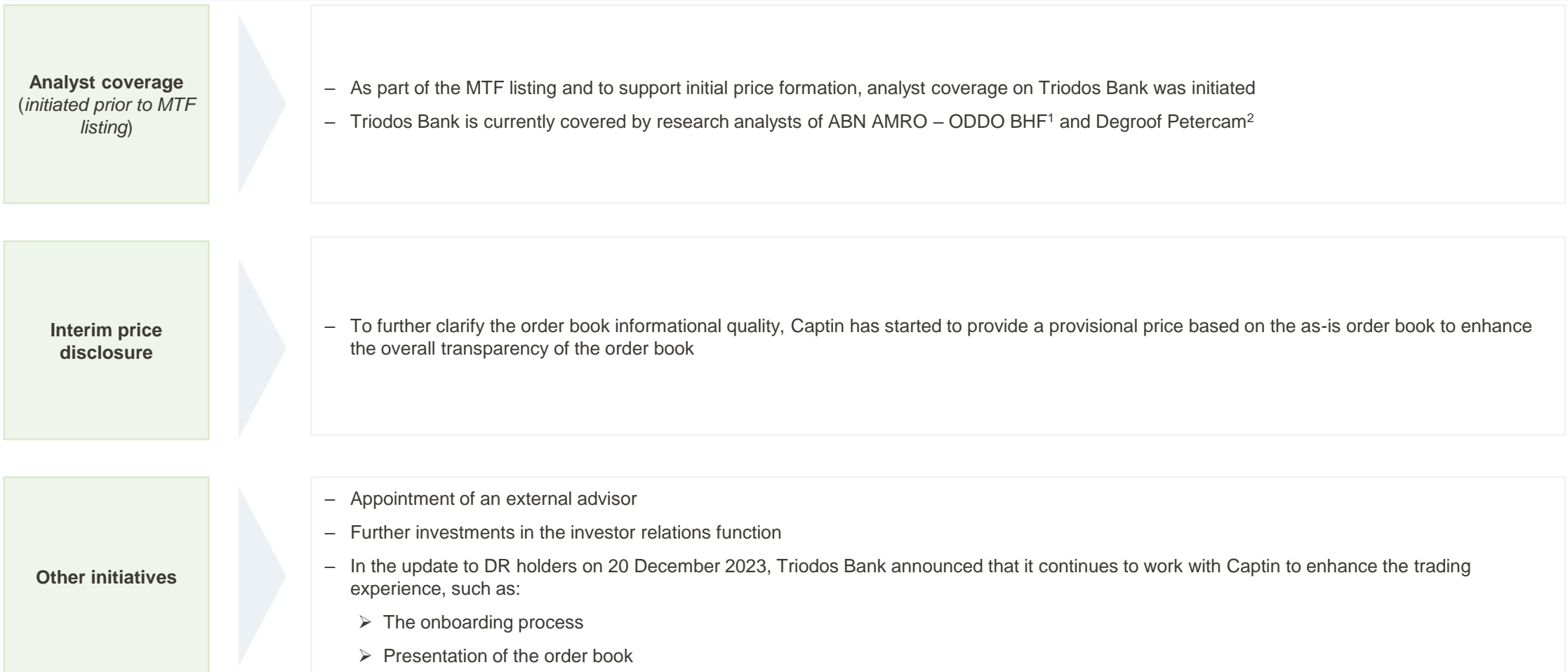
“Outside mandate”

“Litigation risk”

**Based on the received investor feedback, the MTF remains a reason not to invest  
Meanwhile, ~1,200 trading accounts have been opened by potential (new) investors since listing**

# Triodos Bank has initiated several other initiatives to increase investor awareness

## Overview of initiatives





## TABLE OF CONTENTS

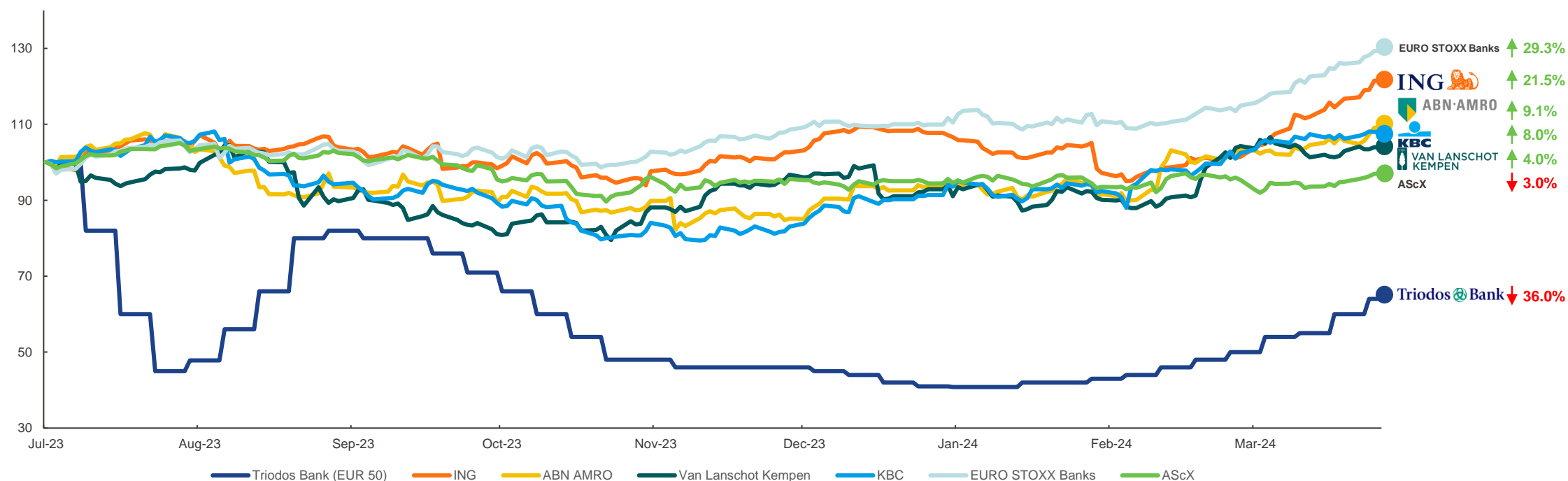
Introduction	4
Investor engagement – post MTF listing	6
<b>Price and liquidity on the MTF</b>	<b>10</b>
Appendix	19

# DR price returns compared to share price returns of selected listed Dutch and Belgian financial institutions

## Key remarks and observations

- The graph below shows the price returns rebased to 100 of Triodos Bank DRs since the start of trading on Captin (5 July 2023). The price returns are plotted against the price returns of selected Dutch and Belgian financial institutions listed on Euronext (i.e. ING, ABN AMRO, Van Lanschot Kempen and KBC Group), the EURO STOXX Banks index and the AScX
- The closing prices as of 4 July 2023 are taken as starting point. For Triodos Bank the first trading price of EUR 50 is taken as starting point
- Despite a strong improvement in profitability over the first half of 2023 (in line with the industry), the DR price has underperformed compared to the selected Dutch and Belgian financial institutions

Price performance of Triodos Bank versus selected Dutch and Belgian financial institutions, the EURO STOXX banks index and the AScX (rebased to 100)<sup>1</sup>



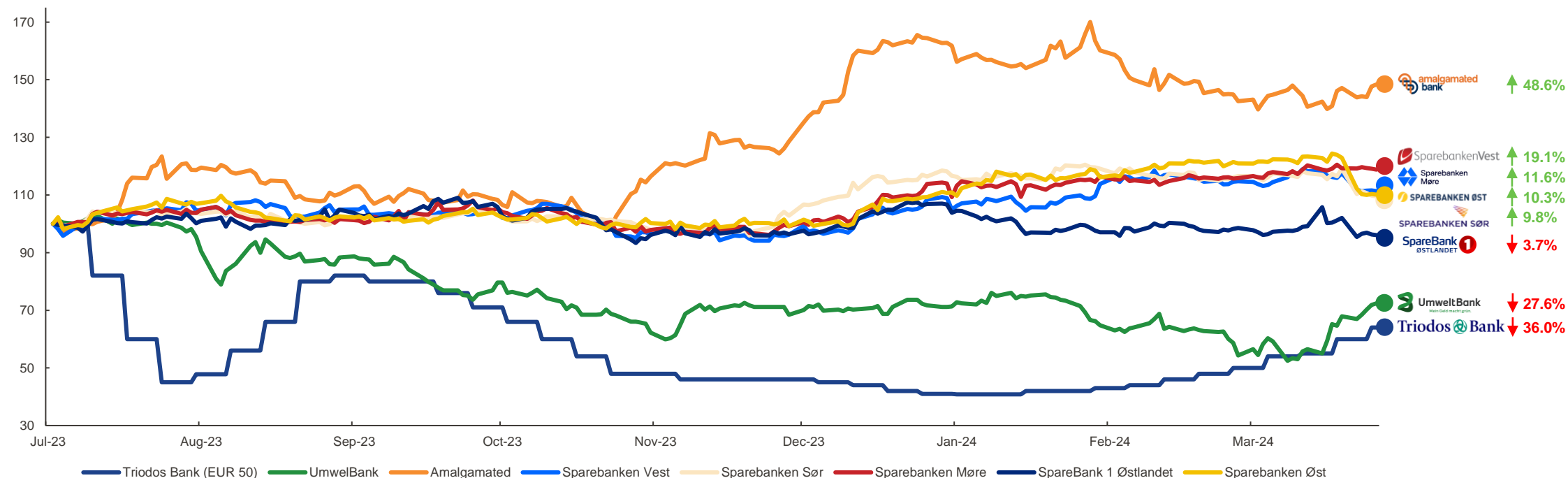
The price returns of Triodos Bank are not in line with price returns of other listed banks, suggesting price development can (largely) be attributed to factors specifically related to Triodos Bank

# DR price returns compared to share price returns of selected listed financial institutions with an ESG focus

## Key remarks and observations

- The graph below shows the price returns rebased to 100 of Triodos Bank DRs since the start of trading on Captin (5 July 2023). The price returns are plotted against the price returns of selected ESG focused financial institutions (i.e. UmweltBank, Amalgamated, Sparebanken Vest, Sparebanken Sør, Sparebanken Møre, SpareBank 1 Østlandet and Sparebanken Øst)
- The closing prices as of 4 July 2023 are taken as starting point for the ESG focused financial institutions. For Triodos Bank the first trading price of EUR 50 is taken as starting point
- Despite a strong improvement in profitability over the first half of 2023 (in line with the industry), the DR price has underperformed compared to the ESG focused financial institutions

## Price performance of Triodos Bank versus selected ESG focused financial institutions (rebased to 100)<sup>1</sup>



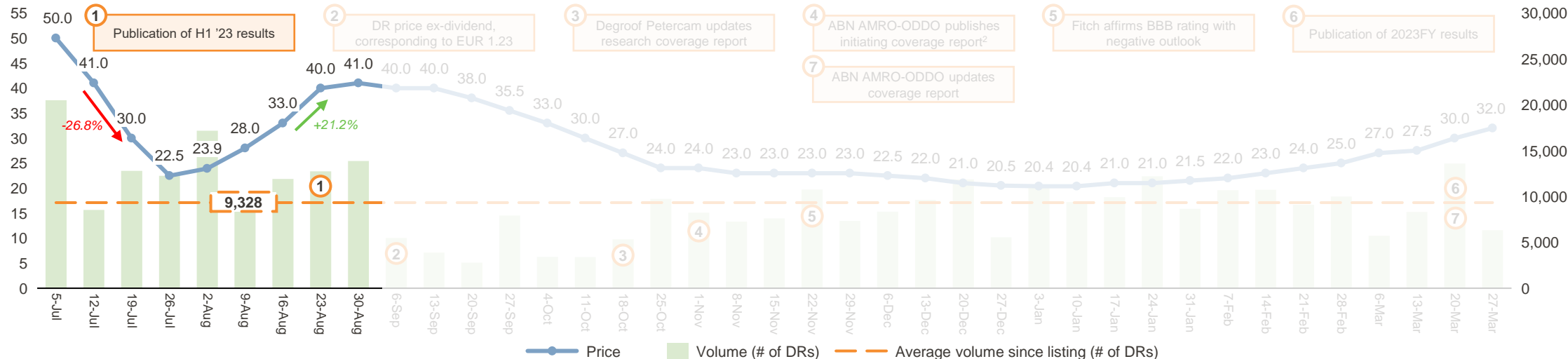
**The price returns of Triodos Bank are not in line with price returns of other listed banks, suggesting price development can (largely) be attributed to factors specifically related to Triodos Bank**

# The first two months of trading on the MTF were volatile

## Key observations from the first two months of trading

- Price as well as trading volume have been relatively volatile. This is characterized by:
  - An initial fall in price after resumption of trading, resulting in a low of EUR 22.50 (55% decline vs. first trading price)
  - The low of EUR 22.50 is followed by a high of EUR 41, an increase of ~82% (vs. the low of EUR 22.50)
  - Both (large) down- and upward movements in weekly price, ranging from -26.8% to +21.2%
  - Trading volumes (typically) higher than the current average trading volume since listing (9,328 DRs)

- Total trading volume and value for these two months amounted to 119,524 DRs and EUR 4,188,953 respectively. To illustrate, total trading volume since listing amounts to 299,973 DRs with a corresponding value of EUR 8,564,211



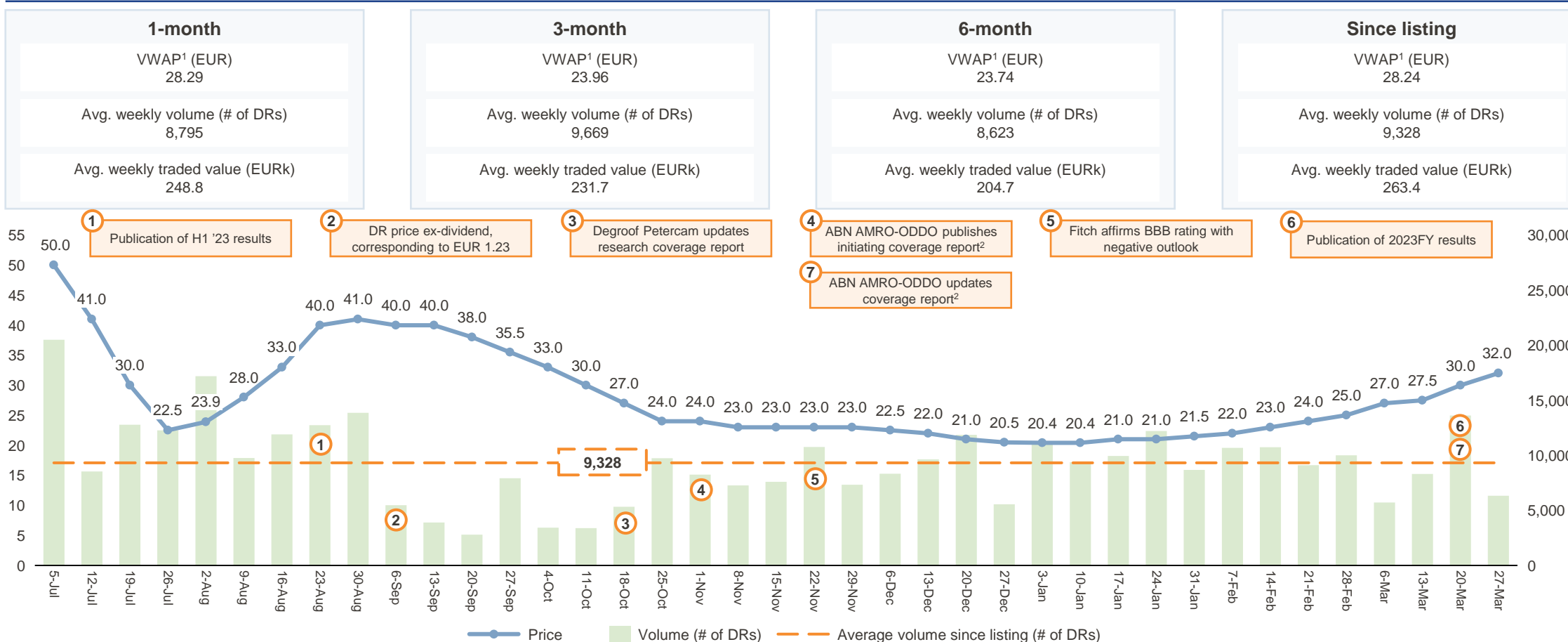
## Possible factors of the volatility in the first two months

DR overhang	Limited liquidity	Media exposure
<ul style="list-style-type: none"> <li>DR holders willing to sell at a discount versus NAV price after trading resumed, resulting in prolonged selling pressure</li> </ul>	<ul style="list-style-type: none"> <li>Although trading volumes in the first two months were above the current average trading volume, the trading volumes are (still) low compared to # of shares outstanding (i.e. &lt;math&gt;&lt;0.15\%&lt;/math&gt;)<sup>2</sup>. This affects a smooth price setting, causing higher price volatility</li> </ul>	<ul style="list-style-type: none"> <li>Press release of 20 June 2023 anticipating strong profit growth for H1' 23, followed by strong H1 '23 results, as well as strong results of relevant peers and other media exposure (e.g. FD article) might have evoked additional investor demand after the low of EUR 22.50</li> </ul>

All these factors, in varying degrees, likely affected volatility in the first two months of trading

# However, after the volatile start on the MTF, volumes have stabilized while price is gradually rising

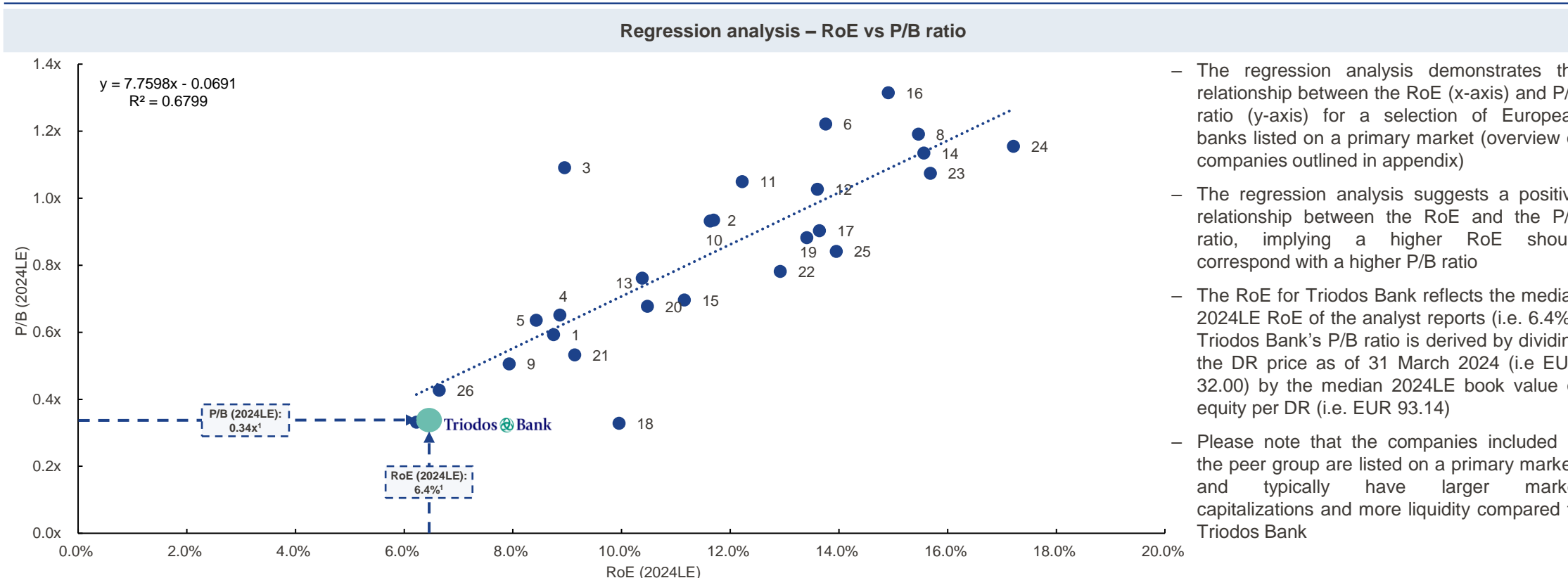
## Price and volume since listing on the MTF



After the first two months, volatility has gradually diminished and both price and volume seem to be trending towards an equilibrium

# Current pricing implications – regression analysis

## Regression analysis

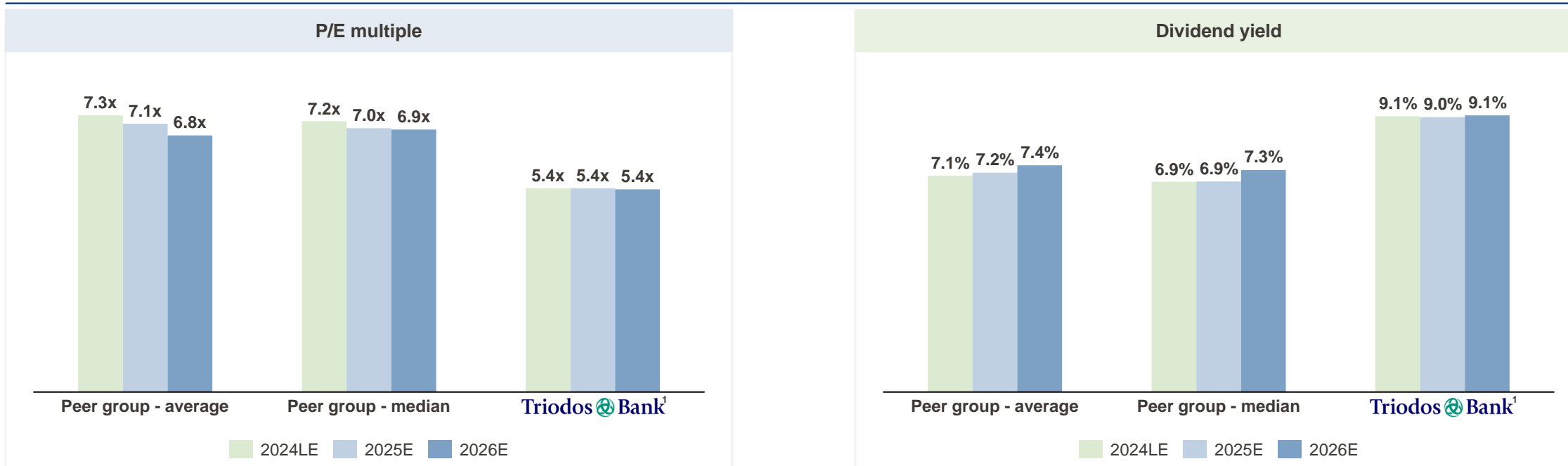


- The regression analysis demonstrates the relationship between the RoE (x-axis) and P/B ratio (y-axis) for a selection of European banks listed on a primary market (overview of companies outlined in appendix)
- The regression analysis suggests a positive relationship between the RoE and the P/B ratio, implying a higher RoE should correspond with a higher P/B ratio
- The RoE for Triodos Bank reflects the median 2024LE RoE of the analyst reports (i.e. 6.4%). Triodos Bank's P/B ratio is derived by dividing the DR price as of 31 March 2024 (i.e. EUR 32.00) by the median 2024LE book value of equity per DR (i.e. EUR 93.14)
- Please note that the companies included in the peer group are listed on a primary market, and typically have larger market capitalizations and more liquidity compared to Triodos Bank

**Based on the DR price as of 31 March, Triodos Bank trades at a 0.34x 2024LE P/B despite a 2024LE RoE of 6.4%**

# Current pricing implications – P/E multiples and dividend yields

Overview of selected metrics of a selected peer group vs. Triodos Banks



Selected peers – overview of key metrics in appendix



**Triodos Bank trades at a P/E discount at the current DR price, while the expected dividend yield based on analyst forecasts is higher than the peer group**

# Trading volume on the MTF compared to the internal trading system

## Overview of trading statistics

Captin			
	Average weekly trading volume (# of DRs)	Outstanding (onboarded) DRs <sup>1</sup>	Average weekly trading volume as % of outstanding (onboarded) DRs
Last trade	6,320	14,213,365 (5,116,811)	0.04% (0.12%)
1-month	8,795	14,213,365 (5,116,811)	0.06% (0.17%)
3-month	9,669	14,213,365 (5,116,811)	0.07% (0.19%)
6-month	8,623	14,213,365 (5,116,811)	0.06% (0.17%)
Since listing	9,328	14,213,365 (5,116,811)	0.07% (0.18%)

Internal trading system			
	Average weekly # of DRs offered for sale and traded by DR holders	Average # issued DRs <sup>2</sup>	Average weekly DR sales as % of average issued DRs
2021	0 <i>Less representative since trading was (partially) suspended</i>	14,467,055	0.00%
2020	6,011	14,463,252	0.04%
2019	14,509	13,968,215	0.10%
2018	13,665	12,896,841	0.11%
2017	11,615	11,725,705	0.10%
2016	8,669	10,380,484	0.08%

## Key observations

- To assess liquidity, the trading volumes on the MTF are compared to the average weekly # of DRs offered for sale and traded by DR holders on the internal trading system. The average weekly # of DRs offered for sale and traded by DR holders (adjusted for the use of the buffer) is the best available proxy for trading volume on the internal trading system
- Trading volume on the MTF has been relatively stable, varying between ~6,300 and ~9,700 DRs per week. This corresponds with 0.04% - 0.07% of outstanding DRs. The average weekly sales volume on the internal trading system varied between ~8,700 and ~14,500, corresponding to 0.08% - 0.11% of average # of issued DRs
- It should be noted that, as of 31 March '24, ~33% of existing DR holders have a trading account with Captin and are thus onboarded and able to trade. These DR holders hold ~36% of total DRs outstanding (i.e. 5,116,811 DRs). In addition, approximately ~1,200 trading accounts have been opened by (potential) new investors
  - Based on the # of onboarded DRs, weekly trading volumes correspond to 0.12% - 0.19% of total DRs onboarded
  - These numbers imply a slightly higher average weekly trading volume compared to the internal trading system
- Looking at trading values, there is a larger difference between trading on the MTF and trading on the internal system. This is driven by the fact that, on the internal trading system, trading prices were based on NAV, resulting in higher trading values
- Although trading volumes on Captin are not materially different from the internal trading system, pricing has changed from NAV-based to market-based. Consequently, liquidity has become a factor that influences the DR price, whereas this was not a factor under the internal trading system

**Due to the shift from NAV-based to market-based pricing, liquidity has become a factor that influences price**  
**Overall, trading volume on the MTF is (marginally) lower than the average weekly sales volume on the internal trading system**



# Wrapping up: possible factors affecting the DR price and liquidity since the start of trading on the MTF

## Possible factors

## Explanation

**Discretionary power to purchase at NAV to market pricing**

- Price setting shifted from an NAV-based methodology to a market-based methodology. Under the market-based methodology, prices are determined by supply of, and demand for DRs / shares
- With market pricing, a discount versus the book value of equity was to be expected. The magnitude of the discount is dependent on a variety of factors

**MTF**

- As part of the preparations towards a listing on the MTF, a variety of investor engagement activities were undertaken. Despite these (ongoing) efforts, investors are still reluctant to acquire DRs via the MTF, for reasons such as:
  - Investing on an MTF platform like Captin is not possible for many (institutional) investors, because of their investment requirements;
  - (Expected) limited liquidity (see page 16);
  - Separate trading account in combination with onboarding requirement

**DR overhang**

- Almost 3 years of suspended trading resulted in an 'overhang' of DRs, leading to significant and prolonged downward pressure on the DR price

**Litigation risks**

- The ongoing litigation threat poses an additional risk for both existing DR holders as well as for investors considering to buy DRs

**These factors must all be absorbed by the market, affecting the time required for the DR price to find a new equilibrium**

## TABLE OF CONTENTS

Introduction	4
Investor engagement – post MTF listing	6
Price and liquidity on the MTF	10
<b>Appendix</b>	<b>19</b>

# Current pricing implications – overview of peer group

## Peer group and key metrics

#	Company Name	Country	Current (31-03-2024)		P/BV			P/E			RoE			Dividend yield		
			Closing price (EUR)	Market cap (EURm)	2024LE	2025E	2026E	2024LE	2025E	2026E	2024LE	2025E	2026E	2024LE	2025E	2026E
1	ABN AMRO Bank	Netherlands	15.85	13,567	0.6x	0.6x	0.5x	6.8x	6.7x	6.2x	8.7%	8.1%	8.1%	7.5%	7.5%	8.1%
2	ING Groep	Netherlands	15.25	50,299	0.9x	0.9x	0.8x	8.2x	7.4x	6.9x	11.7%	11.7%	11.6%	6.1%	6.8%	7.2%
3	Van Lanschot Kempen	Netherlands	31.50	1,334	1.1x	1.0x	1.0x	11.6x	10.7x	10.3x	9.0%	9.4%	9.9%	8.3%	6.4%	6.7%
4	BNP Paribas	France	65.86	75,030	0.7x	0.6x	0.6x	7.5x	6.6x	6.3x	8.9%	9.3%	8.6%	6.9%	7.6%	8.2%
5	Crédit Agricole	France	13.82	41,787	0.6x	0.6x	0.6x	7.7x	7.3x	7.0x	8.4%	8.5%	8.5%	6.9%	7.1%	7.5%
6	KBC Group	Belgium	69.42	28,097	1.2x	1.2x	1.1x	9.2x	9.0x	8.4x	13.8%	13.0%	13.1%	6.6%	6.9%	7.3%
7	Société Générale Société anonyme	France	24.81	19,812	0.3x	0.3x	0.3x	5.8x	4.6x	4.0x	6.2%	7.1%	7.5%	4.2%	5.6%	6.8%
8	Banco Bilbao Vizcaya Argentaria	Spain	11.04	62,026	1.2x	1.1x	1.0x	7.9x	7.9x	7.5x	15.5%	14.4%	13.8%	5.8%	5.8%	6.0%
9	Commerzbank	Germany	12.73	15,081	0.5x	0.5x	0.4x	6.6x	5.9x	5.1x	7.9%	8.4%	8.5%	4.4%	6.0%	6.4%
10	Danske Bank	Denmark	27.70	23,721	0.9x	0.9x	0.8x	8.3x	8.0x	7.5x	11.6%	11.6%	11.6%	7.3%	7.7%	8.2%
11	Svenska Handelsbanken	Sweden	9.38	18,664	1.0x	1.0x	1.0x	8.4x	9.2x	9.4x	12.2%	11.0%	10.5%	10.0%	9.0%	8.1%
12	Intesa Sanpaolo	Italy	3.36	61,398	1.0x	1.0x	0.9x	7.4x	7.3x	7.3x	13.6%	12.9%	12.6%	9.6%	9.8%	10.0%
13	Lloyds Banking Group	United Kingdom	0.61	38,430	0.8x	0.7x	0.7x	8.0x	6.7x	5.8x	10.4%	11.4%	12.0%	5.8%	6.4%	7.0%
14	Nordea Bank	Finland	10.33	36,175	1.1x	1.1x	1.0x	7.4x	7.5x	7.4x	15.6%	14.7%	14.1%	9.0%	9.1%	9.2%
15	Banco Santander	Spain	4.52	71,147	0.7x	0.6x	0.6x	6.5x	6.1x	5.7x	11.2%	10.8%	10.6%	4.2%	4.5%	4.8%
16	Skandinaviska Enskilda Banken	Sweden	12.57	25,967	1.3x	1.3x	1.2x	9.0x	9.3x	9.1x	14.9%	14.2%	14.1%	8.0%	6.5%	6.5%
17	UniCredit	Italy	35.18	59,159	0.9x	0.8x	0.8x	6.9x	6.6x	6.2x	13.6%	12.9%	12.9%	6.1%	6.9%	8.0%
18	Raiffeisen Bank International	Austria	18.46	6,062	0.3x	0.3x	0.3x	3.5x	3.5x	3.5x	10.0%	9.4%	9.2%	7.6%	8.0%	5.8%
19	CaixaBank	Spain	4.49	33,100	0.9x	0.8x	0.8x	6.6x	7.1x	7.0x	13.4%	12.1%	11.7%	9.2%	8.7%	8.8%
20	Banco BPM	Italy	6.17	9,297	0.7x	0.7x	0.6x	7.2x	7.4x	7.3x	10.5%	9.0%	8.8%	11.0%	9.2%	9.0%
21	Banco de Sabadell	Spain	1.46	7,861	0.5x	0.5x	0.5x	6.1x	6.8x	7.0x	9.1%	7.1%	6.3%	6.4%	5.9%	5.9%
22	Bank of Ireland Group	Ireland	9.45	9,978	0.8x	0.7x	0.7x	6.3x	6.2x	6.1x	12.9%	11.7%	11.4%	6.8%	7.2%	7.6%
23	Bankinter	Spain	6.78	6,095	1.1x	1.0x	1.0x	7.1x	7.8x	7.8x	15.7%	13.4%	13.5%	7.1%	6.5%	6.5%
24	BAWAG Group	Austria	58.70	4,608	1.2x	1.1x	1.0x	6.9x	6.5x	6.1x	17.2%	16.7%	16.8%	8.6%	8.9%	9.4%
25	Erste Group Bank	Austria	41.30	16,460	0.8x	0.7x	0.7x	6.6x	6.9x	6.3x	13.9%	10.6%	10.7%	6.9%	6.9%	7.3%
26	Deutsche Bank	Germany	14.58	28,877	0.4x	0.4x	0.4x	6.9x	5.8x	5.2x	6.6%	7.4%	7.3%	4.6%	6.4%	7.2%
<b>Median - Total peer group</b>			<b>24,844</b>		<b>0.9x</b>	<b>0.8x</b>	<b>0.7x</b>	<b>7.2x</b>	<b>7.0x</b>	<b>6.9x</b>	<b>11.7%</b>	<b>11.2%</b>	<b>11.0%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>7.3%</b>
<b>Average - Total peer group</b>			<b>29,386</b>		<b>0.8x</b>	<b>0.8x</b>	<b>0.7x</b>	<b>7.3x</b>	<b>7.1x</b>	<b>6.8x</b>	<b>11.6%</b>	<b>11.0%</b>	<b>10.9%</b>	<b>7.1%</b>	<b>7.2%</b>	<b>7.4%</b>