

Press Release

Half-year figures 2016

Triodos Bank delivers sustainable impact with steady growth

Key financial milestones:

- 5% growth in balance sheet
- 3% growth in total assets under management to EUR 12.6 billion
- Common Equity Tier 1 Ratio 19.8%
- Net profit EUR 18.6 million
- 4.1% growth in lending to sustainable businesses
- 23,000 new customers (4% growth)

Zeist, 26 August 2016.

In the first six months of 2016, total assets under management, Triodos Bank, including Triodos Investment Funds and Triodos Private Banking grew by 3% to EUR 12.6 billion.

Triodos Bank's balance sheet increased by 5% to EUR 8.6 billion in the first half of 2016, driven by growth in loans, funds entrusted and new capital raised in all branches.

Triodos Bank's net profit is EUR 18.6 million.

Growing in the local economy

Triodos Bank CEO Peter Blom: "We support positive change by and for people. We connect depositors with borrowers, investors with sustainable ventures and businesses so they in turn can create value in the real economy. We do this against a background of a low-interest environment, and much social and economic debate. Increasingly, communities and not governments take action to improve the world around them. People believe less and less in a 'global solution'. In many parts of the world they therefore choose their own solutions for dealing with renewable energy generation, access to sustainable housing and food. As a bank firmly rooted in the community and with a resilient result we are able to finance an increasing number of these initiatives and grow our positive impact."

In the six months to 30 June 2016, Triodos Bank continued to increase lending to sustainable enterprises, institutions and projects. In the first half of the year impact lending increased by 4.1% (first half year 2015: 7%). Mortgages accounted for an important part of this increase, in the first half of 2016 mortgages granted increased by 16%, compared to 22% in the same period last year.

The loans to deposits ratio, calculated for the Bank's impact lending, decreased marginally from 62% in 2015 to 61% in the first half of 2016.

The impairments for the loan portfolio decreased further to EUR 0.2 million compared with EUR 1.6 million in the same period of 2015. This development reflects a robust loan portfolio and has a positive impact on Triodos Bank's net profit.

In the first six months of 2016 the number of customers grew by 23,000 to a total of 630,000, an increase of 4%. The amount of funds entrusted to Triodos Bank, which are composed of savings, fixed-term deposits, and current accounts, increased by 5% during the first six months of 2016 (first half year 2015: 8%).

Triodos Bank's net profit over the first six months of 2016 is EUR 18.6 million. This is 15% below the same period in 2015 (EUR 21.9 million). The main reasons for the lower net profit are lower interest margins and the contribution Triodos Bank is required to make to the Dutch Deposit Guarantee Scheme (DGS). The DGS came into effect in 2016. The additional cost of the DGS contribution explains to a large extent the marked increase of the cost/income ratio (77% versus 71% for the same period last year). New regulatory levies and government taxes related to Banking activities amount to a total of EUR 4.4 million (first half year 2015: EUR 1.1 million).

Capital position

During the first six months of 2016 the Bank's equity increased by 7% to EUR 835 million, compared to 4% during the same period in 2015.

Triodos Bank has a Common Equity Tier 1 ratio (CET1), which is an important indicator of a bank's solvency, of 19.8%. The leverage ratio is 8.8%. This is higher than the 3% which is considered a minimum for European banks.

Funds under management

Despite challenging market conditions, the assets under management by Triodos Investment Management have remained stable at EUR 3.1 billion. Inflow continued to be strong for the majority of the funds, but for the SRI funds results were neutralised by lower stock prices. In the first half of 2016, funds managed by Triodos Private Banking grew by 5% to almost 1 billion EUR (first half year 2015: 9%).

Total assets under management by the Triodos Group increased the first half year with 2.8% to 12.6 billion (8.3% to 11.5 billion in the first half year of 2015).

Outlook

Triodos Bank expects to continue to grow in the second half of 2016, in line with its mission to create lasting sustainable benefits for people, the environment and culture. To support this growth, the bank aims to raise additional capital in the magnitude of EUR 60 to EUR 75 million in the second half of 2016.

Steady growth in volumes of funds entrusted and sustainable loans to entrepreneurs and projects is also expected in the second half of 2016 although early redemptions on loans may have a limiting effect on the net growth of the loan book. Excluding unforeseen circumstances, Triodos Bank's balance sheet total is expected to grow by approximately 5%, in line with plan.

Net Profit for 2016 is expected to be between EUR 25 and 33 million, in line with plan (3 to 5% Return on Equity).

About Triodos Bank

Founded in 1980, Triodos Bank has become a reference point for sustainable banking globally. Triodos Bank is an independent bank that promotes sustainable and transparent banking. It does not see any conflict between a focus on people and the planet and a good financial return. Instead it believes that they reinforce each other in the long-term.

Triodos Bank has branches in the Netherlands, Belgium, the UK, Spain, Germany and an agency in France. It is a global authority in the field of microfinance in developing countries, Central Asia and Eastern Europe.

Triodos Bank co-founded the Global Alliance for Banking on Values, a network of 36 sustainable banks. Together these banks want to grow sustainable banking and its impact substantially.

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