

Press Release

Annual Results 2016

Triodos Bank realises solid growth in challenging interest environment

Key performance milestones:

- 9.4% growth of assets under management to EUR 13.5 billion
- 14.4% growth in sustainable lending
- Common Equity Tier 1 Ratio 19.2%
- Net profit EUR 29.3 million (2015: EUR 40.7 million)

Triodos Bank and its investment funds' finance:

- contributed to generating green energy for 1.2 million households
- helped 2.0 million individuals to benefit from education initiatives
- provided inclusive finance for 13.7 million savers and 20.2 million borrowers in emerging markets, via 100 financial institutions

Zeist, 16 February 2017.

Total assets under management, comprised of Triodos Bank, Triodos Investment Funds and Triodos Private Banking grew in 2016 by 9% to EUR 13.5 billion.

Triodos Bank's balance sheet total grew in 2016 by 11% to EUR 9.1 billion driven by a steady growth in funds entrusted and new capital raised.

Triodos Bank's net profit of EUR 29.3 million represents a decrease of 28% compared to 2015, in line with expectations. This decrease can be attributed mainly to the introduction in 2016 of the contribution to the Deposit Guarantee Scheme (DGS) and low interest margins. The bank delivered a return on equity of 3.5% (2015: 5.5%).

The number of customers increased by 7.4%. By the end of 2016 Triodos Bank had 652,000 customers across our five European branches.

Financing sustainable business

Throughout 2016, Triodos Bank was able to convert close to 90% of the inflow of new funds entrusted into sustainable loans.

The sustainable loans to funds entrusted ratio increased from 62% in 2015 to 64% in 2016. Although the overall balance sheet grew 11%, income from interest did not grow due to lower interest margins. At the same time costs increased relative to volume as a result of higher staff costs to meet regulatory requirements and due to the contribution to the DGS. In addition, Triodos Bank continues to invest in people and technology, anticipating the changing demand of our customers. This has resulted in a ratio of operating expenses against income of 79% (2015: 71%).

Impairments for the loan portfolio decreased further, from EUR 7.6 million in 2015, to EUR 5.7 million, or 0.10% of the average loan book compared to 0.16% in 2015.

The most important sectors we financed in 2016 were:

- renewable energy, with a growth of 12%
- sustainable mortgages, which were up 30% versus last year
- healthcare, up with 21% and with significant growth potential.

Triodos Bank CEO Peter Blom: “We want to support and facilitate the new economy: social, sustainable and smart. This can be through financing renewable energy, organic agriculture and good food but also healthcare, culture & art and social entrepreneurship. In a way that brings people together and empowers them around practical, shared solutions to common questions. Using money as a tool for change. And we are very pleased that more and more people are joining our ambition ‘to change finance in order to finance change’, expecting us to use their money in a positive way.”

Capital position

Triodos Bank’s equity increased in 2016 by 16%, to EUR 904 million.

The share capital increased by EUR 97 million, or 16%, by issuing new depository receipts throughout the year to retail investors in The Netherlands, Belgium, Spain and Germany. As a result the number of depository receipt holders increased to 38,138 (2015: 35,735). Almost all of our depository receipts are held by retail investors.

Due to volatility of the GBP to EUR exchange rates as a result of widespread market insecurity following the Brexit vote, it was decided not to launch a campaign to sell depository receipts in the United Kingdom in 2016.

The additional capital has helped Triodos Bank to maintain its position as a resilient financial institution. The Common Equity Tier 1 ratio was at the level of 19.2%, well above Triodos Bank’s own target of 16%. The leverage ratio of Triodos Bank at the end of 2016 was 8.8%. The minimum leverage ratio required by the regulator in Europe is 3%.

Prospects for 2017

Triodos Bank’s balance sheet total is expected to grow between 10% and 15%.

All branches will focus on continuing to deliver, or develop, a credible set of services. We are preparing to launch of a personal current account in the UK in 2017.

The number of customers is expected to grow in 2017 by between 5% and 10% across the Group.

We aim for controlled growth and want to realise a sustainable loans to funds entrusted ratio of between 65 and 75%.

The sustainable loan portfolio and funds entrusted are expected to increase by 10 to 15%. Triodos Bank will focus primarily on the quality and diversification of its loan portfolio.

Triodos Bank will aim for a Return on Equity of between 3% and 5% in 2017, and expects to be at the lower end of this band.

Investment Funds

Triodos Investment Funds invest in sustainable sectors such as inclusive finance, organic agriculture, cultural projects, renewable energy, sustainable real estate, and stock-market listed companies with a strong social and environmental performance (SRI).

Triodos Investment Management manages 17 funds, for both individual and institutional investors, totalling EUR 3.3 billion assets under management. The total growth of the investment funds was EUR 157 million, up 5% (2015: 19%). The relatively modest growth of the assets under management is in part due to Triodos Renewables plc (EUR 138

million) becoming independent from Triodos Bank. The company was no longer managed by Triodos Investment Management as of March 2016 and now operates under the name Thrive Renewables.

Worldwide, more and more investors are realising that how they invest their money now determines what the world will look like in the future. They are increasingly opting for meaningful and measurable impact investing solutions. Triodos Investment Management sees this as a promising development in light of the many challenges the world faces today, such as climate change and increasing inequality.

Triodos Organic Growth Fund (+25%), Triodos Microfinance Fund (+17%), Triodos Groenfonds (+14%) and Triodos Renewables Europe Fund (+14%) in particular have benefited from an increasing appetite for sustainable investments and have experienced substantial growth (in 2015 growth was: 11%, 32%, 9% and 3% respectively).

Dividend

Triodos Bank NV proposes a dividend of EUR 1.95 per depository receipt. The pay-out ratio is 69%.

2016 figures at a glance:

- Triodos Bank balance sheet: EUR 9.1 billion (11% growth)
- Triodos Investment Funds: EUR 3.3 billion (5% growth)
- Private Banking assets under management: EUR 1.1 billion (14.5% growth)
- Number of customers: 652,000 (7.4% growth)
- Lending: sustainable businesses, projects and mortgages: 14.4% growth
- Triodos Bank net profit: EUR 29.3 million (28% decline, in line with expectations)
- Common Equity Tier 1-ratio: 19.2%
- Number of co-workers: 1,271 (13.4% growth)

Key impact milestones:

In 2016 Triodos Bank and its investments funds' finance:

- contributed to generating green energy, equivalent to the electricity needs of 1.2 million European households, avoiding 1.7 million tonnes of CO2 emissions
- helped 2.0 million individuals to benefit from education initiatives
- provided inclusive finance for 13.7 million savers and 20.2 million borrowers in emerging markets, via 100 financial institutions

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.

Triodos Bank N.V. has a full banking licence and is registered with De Nederlandsche Bank N.V. (the Dutch central bank) and The Netherlands Authority for the Financial Markets.

For more information, please contact Christine van Waveren:
Telephone +31 30 693 2754 (direct) or +31 6 1156 3144 (mobile)
E-mail: christine.vanwaveren@triodos.nl
www.triodos.com