

## Press Release

### Half Year Results 2018

#### Triodos Bank delivers stable growth in challenging environment

Key financial milestones:

- 4.9% growth in balance sheet to EUR 10.4 billion
- 3.9% growth in total assets under management to EUR 15.1 billion
- Common Equity Tier 1 Ratio 18.3%
- Net profit EUR 20.5 million
- 9.5% growth in impact lending to sustainable businesses
- 17,000 new customers (3% growth)

Zeist, 24 August 2018.

#### Transition to a new economy

Triodos Bank CEO Peter Blom: “The Paris Climate Accord and the United Nations’ Sustainable Development goals all provide pace for the global economy to transition to a more sustainable system that supports humans and the planet, rather than erodes it. The role of money and the role of financial institutions is crucial in trying to accelerate this movement. Every financial decision has impact. People realise increasingly that who and what you finance matters. Our results for the first half of the year show an increase in impact lending, with more entrepreneurs and more customers joining the movement towards a sustainable future.”

#### Half Year Results 2018

In the six months to 30 June 2018, Triodos Bank continued to increase impact lending to support sustainable enterprises, institutions and projects. Impact lending increased by 9.5% in the first six months of 2018 (30 June 2017: 6.6%). In the first half of 2018 residential mortgages granted increased by 17.2%, compared to 15.8% in the same period last year. Mortgages account for 19% of total impact lending.

The loans to deposit ratio, calculated for our impact lending, increased from 70% at the end of 2017 to 72.9%, in line with our policy to increase the ratio of loans to funds entrusted.

Total loans – which also includes residential sustainable mortgage lending and a limited number of short-term loans including overdrafts on current accounts - increased by 7.5% in the first half of the year. In general, we remain confident in the potential to grow the loan book in the coming years.

In the first six months of 2018 the number of customers grew by 17,000 to a total of 698,000, an increase of 3% (first six months 2017: 3%).

The ratio of operating expenses against income was 79% for the first half of the year (first 6 months of 2017: 78%).

The impairments for the loan portfolio for the first half year amounted to EUR 0.8 million, compared to EUR 1.0 million in the same period in 2017, reflecting a high-quality loan portfolio.

Triodos Bank's net profit over the first six months of 2018 is EUR 20.5 million, an increase of 5.5% compared to the same period in 2017 (EUR 19.4 million).

The profit was positively influenced by the merger of New Resource Bank, a California-based sustainable bank, and Amalgamated Bank, a larger US-based sustainable bank. Triodos Bank was a founding investor in New Resource Bank. The merger generated a one-off positive result of EUR 3.8 million for Triodos Bank.

### **Capital position**

During the first six months of 2018 Triodos Bank's equity increased by 5.3% to EUR 1,066 million, compared to 5.8% during the same period in 2017.

Triodos Bank has a leverage ratio of 8.8% in combination with a common equity Tier 1 ratio of 18.3%. The latter continues to be within the range of our capital targets. Together they are an important indicator of a bank's solvency.

### **Triodos Investment Management**

During the first half of the year Triodos Investment Management started to run the financial asset management of the discretionary portfolios of Triodos Bank Private Banking Netherlands, and of its funds that invest in stock listed companies. The assets under management of Triodos investment management increased with 21% to EUR 4.2 billion of which 19% relates to the takeover of the management of the portfolio of Triodos Bank Private Banking Netherlands.

For further detail about the performance of Triodos Investment Management and its investment funds please refer to the press release issued by Triodos Investment Management today.

### **Outlook**

Triodos Bank expects to continue to grow its business in the second half of 2018. To support this growth, the bank aims to continue to raise additional capital in the second half of the year. Steady growth in volumes of funds entrusted and sustainable loans to entrepreneurs and projects is

also expected in the second half of 2018. In the current market, Triodos Bank's goal is to continue to maintain a relatively high equity base and a substantial liquidity surplus.

Alongside a low interest rate environment and growing regulatory demands this puts downward pressure on Triodos Bank's Return on Equity. Triodos Bank will continue to work on financing more impact while maintaining stable results.

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### **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, 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 54 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 The Nederlandsche Bank N.V. (the Dutch central bank) and The Netherlands Authority for the Financial Markets.*

Most recent company information is available on Triodos Bank's website: [www.triodos.com](http://www.triodos.com)

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