

Press Release

Annual Results 2017

Triodos Bank realises solid growth and a stable return

Key performance milestones:

- 8% growth of assets under management to EUR 14.5 billion
- 19% growth in sustainable lending; mortgage portfolio grew by 36%
- Common Equity Tier 1 Ratio 19.2%
- Net profit EUR 37.4 million, up by 28% (2016: EUR 29.2 million)
- Return on Equity 3.9% (2016: 3.5%)
- number of customers increased by 4% to 681,000

Through business lending and investment funds the banks positive impact has grown. For example, Triodos Bank

- contributed to generating green energy for 1.4 million households
- provided inclusive finance for 15.1 million savers and 20.3 million borrowers in emerging markets, via 107 local financial institutions
- financed 32,000 hectares of organic farmland, producing 30 million organic meals.

Zeist, The Netherlands, 15 March 2018.

Triodos Bank CEO Peter Blom: *“Every financial decision has impact: positive or negative. The financial sector plays an important role in enabling people to make positive choices such as renewable energy lending and offering green investment opportunities. However, there is still a long way to go. Triodos Bank is committed to playing its part in contributing to a cleaner and fairer economy. This is not only possible and economically viable, but also urgently needed.”*

Financing sustainable business

Overall growth of the loan portfolio amounted to EUR 900 million (+16%). This includes the growth of the residential mortgage portfolio by 36%.

As a result, the sustainable loans to funds entrusted ratio increased from 64% in 2016 to 70% in 2017. This improvement was realised despite persisting low interest rates in the market, which prompted a substantial increase in early repayments, particularly in Spain. Throughout 2017, Triodos Bank was able to convert 138% (2016: 87%) of the inflow of new funds entrusted into sustainable loans.

Although net profit was up by 28% versus 2016, it has not returned to the level of previous years. This is due to continued pressure on interest margins because of low interest rates in the market, as well as the burden of increased regulatory expenses.

Operational expenses increased by 11% during the year (2016: 14%), mainly due to growth in the number of co-worker numbers (in FTE) and IT-costs, which increased by 10% and 19% respectively. The bank upgraded its control framework to cope with, amongst other items, the increased supervisory requirements. Strategic investments in the development of

the business, such as developments in our Socially Responsible Investment Offering, Personal Current Account in the UK and preparations for Brexit led to further growth in costs. The ratio of operating expenses against income was 79% (2016: 79%). Impairments for the loan portfolio decreased from EUR 5.7 million in 2016, to EUR 1.8 million in 2017, or 0.03% of the average loan book compared to 0.10% in 2016.

The most important sectors we financed in 2017 were:

- renewable energy, with a growth of 10%
- sustainable residential mortgages, which were up 36%
- healthcare, up by 19%

Capital position

Triodos Bank's equity increased in 2017 by 12%, to EUR 1,013 million.

This increase includes net new capital and retained net profit.

The number of depository receipt holders increased to 40,077 (2016: 38,138).

The additional capital enabled Triodos Bank to maintain its position as a resilient financial institution. The Common Equity Tier 1 ratio remained 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 2017 was 8.9%.

Triodos Investment Funds

Triodos Investment Funds invest in sustainable themes such as inclusive finance, sustainable trade, sustainable food and agriculture, energy and climate, sustainable real estate, arts and culture, or in listed companies with above average environmental, social and governance (ESG) performance.

Triodos Investment Management is responsible for 18 funds, for both individual and professional investors, totalling EUR 3.5 billion assets under management. The total growth of the investment funds during the year was EUR 174 million, up 5% (2016: 5%).

The investment funds publish separate annual reports and most have their own Annual General Meeting.

Triodos Bank in 2018

In the year ahead, Triodos Bank sees continued growth of the European economies where the bank is active, providing opportunity to expand the loan portfolio.

The financial market – with low interest rates and large amounts of liquidity available - will continue to be challenging.

At the same time the UN Sustainable Development Goals (SDGs) and the Paris Climate Summit in 2017 provide momentum for further growth in sustainable finance and investment.

Triodos Bank will continue to deliver positive impact through growth and innovation, while aiming for a stable return on equity.

Dividend

Triodos Bank NV proposes a dividend of EUR 1.95 per depository receipt. This will result in a pay-out ratio of 61% in 2018.

Important dates for shareholders and depository receipt holders:

Annual General Meeting	18 May 2018
Ex-dividend date	22 May 2018
Dividend payment date	25 May 2018

2017 figures at a glance:

- Triodos Group total assets under management: EUR 14.5 billion
- Triodos Bank balance sheet: EUR 9.9 billion (9% growth)
- Triodos Investment Funds: EUR 3.5 billion (5% growth)
- Number of customers: 681,000 (4% growth)
- Lending: sustainable businesses, projects and mortgages: 19% growth
- Triodos Bank net profit: EUR 37.4 million, up by 28% versus last year
- Return on Equity 3.9% (2016: 3.5%)
- Common Equity Tier 1 ratio: 19.2%
- Number of co-workers 1,377 (2016: 1,271)

Key impact examples:

In 2017, financing by Triodos Bank and its investments funds

- contributed to generating green energy, equivalent to the electricity needs of 1.4 million European households, avoiding 2.4 million tonnes of CO2 emissions
- provided inclusive finance for 15.1 million savers and 20.3 million borrowers in emerging markets, via 107 financial institutions
- financed 32,000 hectares of organic farmland, producing 30 million organic meals

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.

Triodos Bank co-founded the Global Alliance for Banking on Values, a network of 46 sustainable banks. Together these banks want to grow sustainable banking and its impact on the real economy 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

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