Triodos Bank

Half Year Results 2024

22 August 2024

Masia del Carmen is improving biodiversity and sequestering carbon through their organic and regenerative farming.

Triodos Bank at a glance

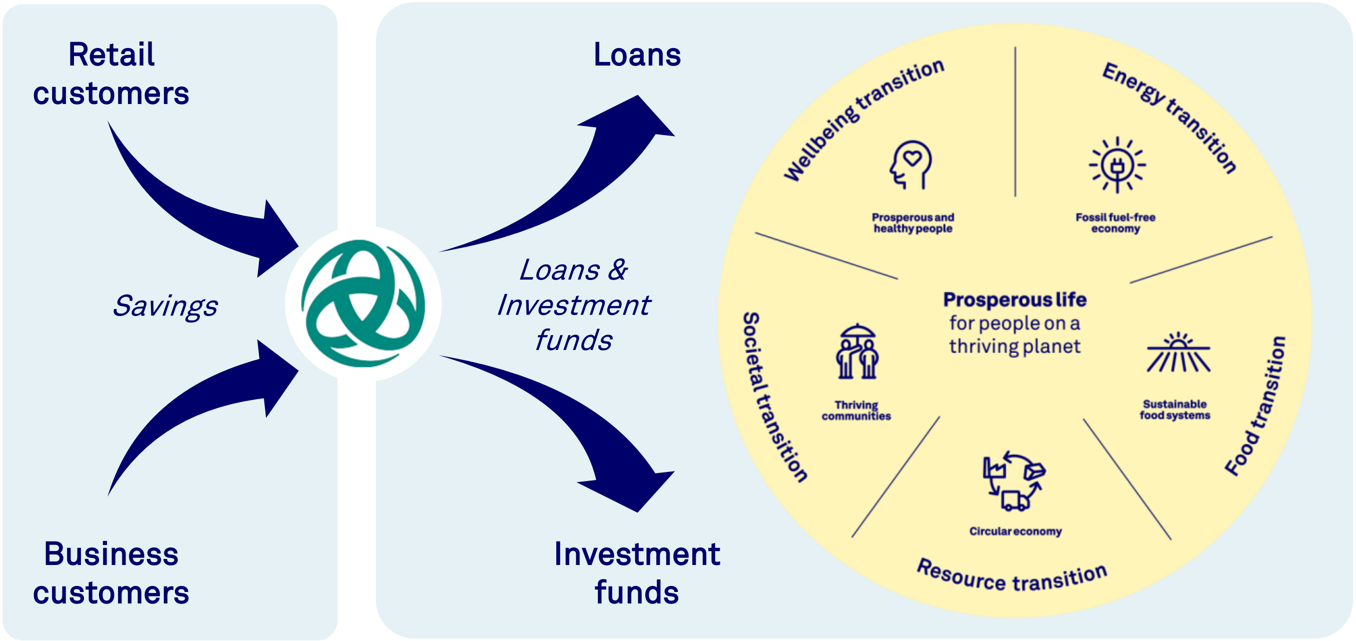
AXS Energia is boosting transition to renewable energy in Brazil with 14 new solar plants that will power the equivalent of 26,700 households annually.

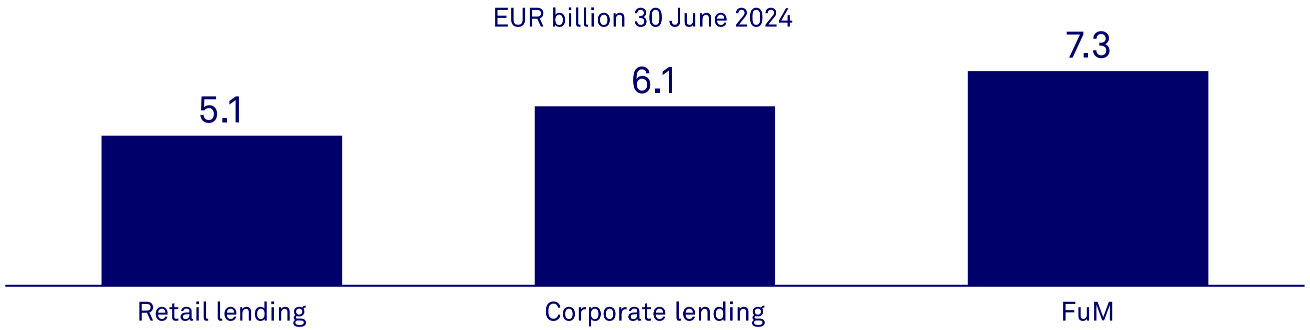
Banking for Impact

Achieving a positive impact on our planet and its people

- ✓ Founded as a **values driven financial service** provider completely devoted to harness the **transformative power** of money and to allow people to **consciously deal with money**
- ✓ A **frontrunner** in impact banking, transforming customer savings into positive impact by investing in five selected themes
- ✓ A **change-maker in the financial system;** changing the system from within
- ✓ **Founding member** in 2009 of the Global Alliance for Banking on Values (GABV), **largest GABV Bank** of Europe
- ✓ Certified as a **B Corp** since April 2015, representing a growing movement of sustainable companies using business as a force for good and positive change

Transforming savings into positive impact in our 5 transition themes





Triodos Bank

Sustainable bank with 40+ years' track record

Impact focused European bank established in 1980

Our mission is to make money work for **positive** social, environmental and cultural **change**

Committed to **net zero emissions by 2035**

Simple, straightforward balance sheet with an absence of legacy assets and limited transition risks

Thanks to our **modest risk profile,** track record of **stable returns** and **no losses**

Organised along five geographies

Reaching 748,517 customers with 1,927 co-workers, 51/49 F/M gender split

Four activities

- **Retail banking:** savings, payments, lending, private banking and investments
- **Business banking:** savings, payments and lending
- **Investment Management:** impact investing (SFDR article 9-only)
- **Regenerative Money Centre:** impact-first lending, investing and donating

Financial instruments

Depository Receipts
14.2 million certificates in circulation
Green Subordinated Tier 2 Notes
EUR 250 million First call date 2026, due 2032

Achievements & Highlights of H1 2024 I

Partners

Announced a new partnership with Canadian pension fund Fondaction to jointly accelerate positive change in global finance

10

New projects financed in the first half of 2024 under our Nature-based Solutions strategy

Listing

Preparations started for the listing of Triodos Bank DRs on Euronext

650

EUR 650 million in new loans were provided to social entrepreneurs under our five transition themes

>20

Supporting a citizens' initiative in the Netherlands with more than 20 other organisations to put this issue on the political agenda

Driving transitions

Published a vision paper on the resource transition and a position paper on the post-growth economy

Customers
748,517

YE 2023: 746,479

Co-workers
1,927

YE 2023: 1,851

Gender split
51/49 (F/M)

YE 2023: 50/50

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Achievements & Highlights of H1 2024 II

Net interest margin
2.18%
H1 2023: 2.23%

Net profit
EUR 36.2m
H1 2023: EUR 35.0m

Return on equity (annualised)
5.6%
H1 2023: 5.6%

Cost/income ratio
76%
H1 2023: 73%

CET1 ratio
17.1%
YE 2023:16.7%

Total capital ratio
20.7%
YE 2023: 20.4%

Leverage ratio
7.1%
YE 2023: 6.9%

Liquidity coverage ratio[1]
189%
YE 2023: 221%

Cash interim dividend
EUR 1.27 per DR (before tax)
H1 2023: EUR 1.23

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[1] Triodos Bank's changes in interpretation applied to the LCR at the end of 2023 would change the LCR from 221% to 181%

Focus on making impact across our transition themes

Transition themes	Lending by theme 30 June 2024 (31 December 2023)	Long-term impact target
1 Energy transition	EUR 1,812 million (EUR 1,795 million) 1,214 projects (1,217)	AsOneToZero Triodos Bank
2 Food transition	EUR 249 million (EUR 252 million) 1,006 projects (1,039)	
3 Resource transition	EUR 1,009 million (EUR 1,108 million) 968 projects (1,000)	
4 Societal transition	EUR 788 million (EUR 827 million) 887 projects (918)	
5 Wellbeing transition	EUR 2,170 million (EUR 2,189 million) 3,836 projects (3,968)	
Mortgages	EUR 5,123 million (EUR 4,903 million) 20,018 projects (19,394)	

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Preparation started for Euronext listing

- In H1 2024 we finalised the evaluation of the tradability of our DRs on the MTF
- Conclusion: trading of DRs on the MTF does not provide the adequately functioning trading solution that DR holders and Triodos Bank are looking for => decided to prepare for a listing on Euronext.
- After the announcement => preparing for the listing including engaging with external financial, legal and communications advisers
- We expect to seek DR Holder approval for the decision to list the DRs on Euronext at an Extraordinary General Meeting (EGM) later this year
- Expected listing ultimately May 2025

Financial Results

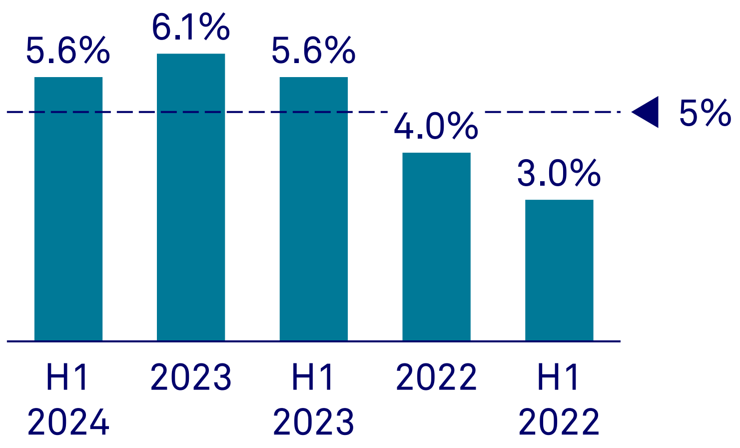
UK Co-workers visited customer Jamie's Farm to see the impact they create through supporting young people to thrive.

Positive performance of H1 2024 benefited from the interest rate tailwinds

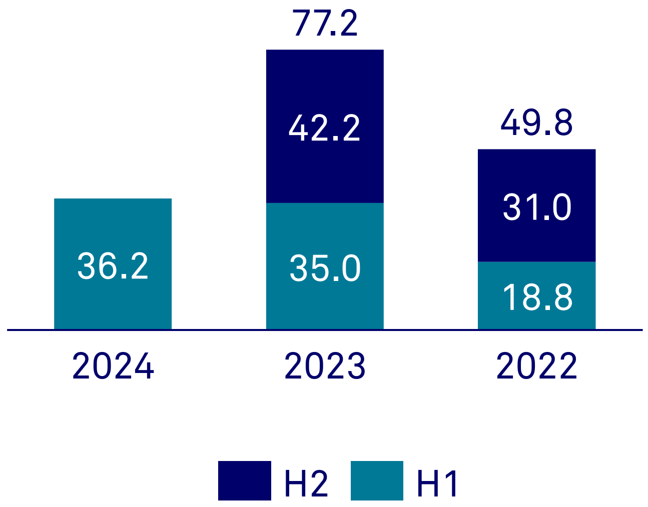
Result (EUR million, unless otherwise stated)	H1 2024	H1 2023	Delta %	FY2023
Total income	234.4	230.5	1.7%	466.3
Operating expenses	-177.9	-168.8	5.4%	-339.0
Impairment result on financial instruments	-5.8	-12.7	-54.3%	-21.3
Operating result before taxation	**50.7**	**49.0**	**3.5%**	**106.0**
Taxation on operating result	-14.5	-14.0	4.5%	-28.8
Net profit	**36.2**	**35.0**	**3.4%**	**77.2**
Return on equity	**5.6%**	**5.6%**	**-**	**6.1%**
Cost to Income Ratio	**76%**	**73%**		**73%**

- We benefited from favourable interest rates that helped offset the effects of inflation on our cost levels
- ECB announced the first interest rate cut since September 2019 on 12 June 2024 of 25 basis points. Further cuts are anticipated which we expect to gradually negatively impact our net interest margin
- The limited ECL expenses are a confirmation of the credit quality of our well-diversified loan portfolio
- The effective tax rate (ETR) ended up at 28.7% in line with the ETR for the same period of last year of 28.6%

Return on equity (annualised)



Net profit (EUR million)



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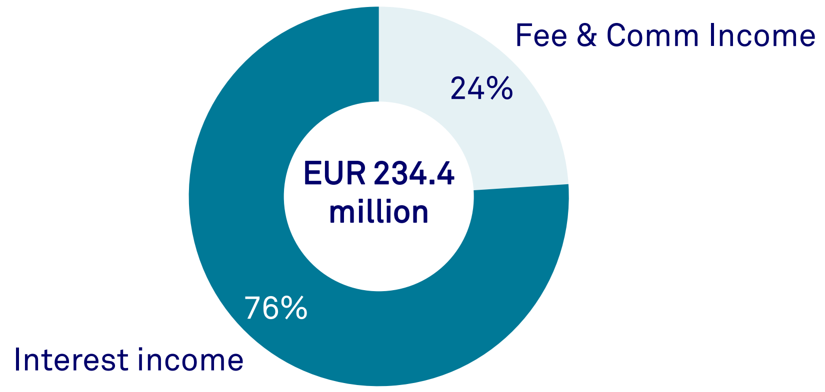
Top-line growth driven by the favourable interest environment

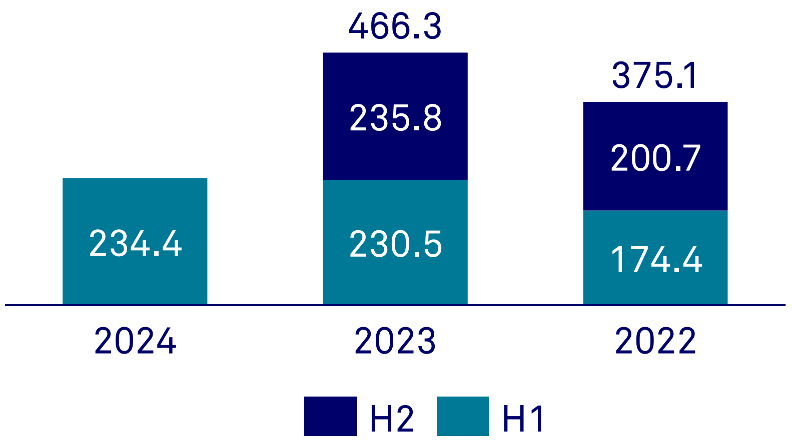
Income (in EUR million, unless otherwise stated)	H1 2024	H1 2023	Delta %	2023
Net interest income	177.4	176.1	0.7%	356.2
Net fee and commission income	56.0	56.4	-0.7%	112.3
Other income	1.0	-1.9	n.m.	-2.2
Total income	**234.4**	**230.5**	**1.7%**	**466.3**
Net interest margin	**2.18%**	**2.23%**		**2.23%**

Interest income and fee and commission income



- Total income was supported by higher net interest income due to the favourable interest rate environment
- Both interest income and interest expense grew strongly in the first half of 2024 compared to the same period in 2023, reflecting the raised interest rates for our sustainable loan book as well as on savings accounts and fixed term deposits
- Net fee and commission income was relatively stable at EUR 56.0 million
- Improved net result from financial instruments

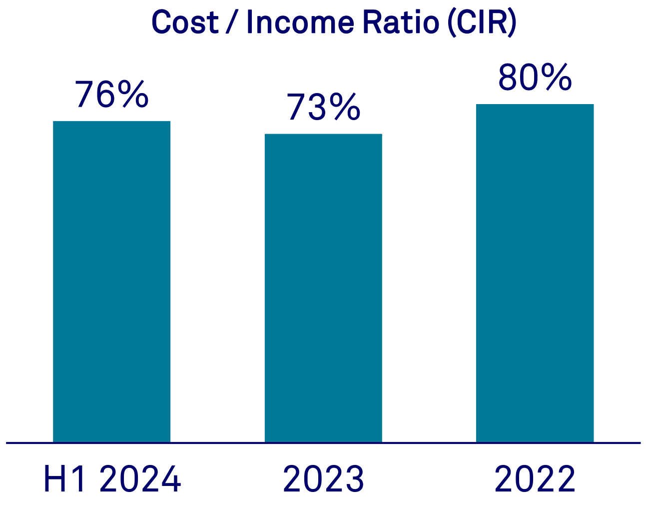
Total income (EUR million)

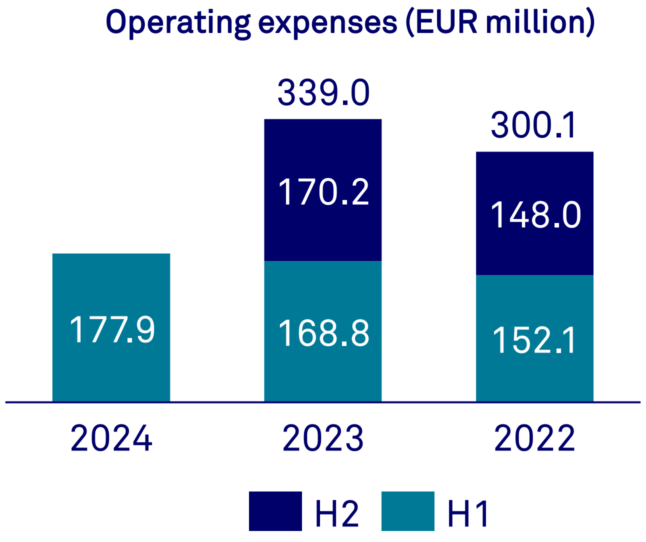


Operating expenses

Operating expenses (EUR million, unless stated otherwise)	H1 2024	H1 2023	Delta %	2023
Personnel expenses	100.3	91.4	9.8%	183.2
Administrative expenses	63.1	62.3	1.3%	125.2
Other expenses	14.5	15.1	4.0%	30.6
Total operating expenses	**177.9**	**168.8**	**5.4%**	**339.0**
Average number of FTE	1,759	1,681	4.6%	1,693

- Nearly all of the increase is due to EUR 8.9 million higher personnel expenses as the result of increased wages related to inflation, while the number of co-workers grew during the second half of 2023 including an increase in KYC, IT and product development
- Other operating expenses remained at the same level. It includes litigation costs of EUR 5.6 million and a restructuring provision of EUR 2.7 million





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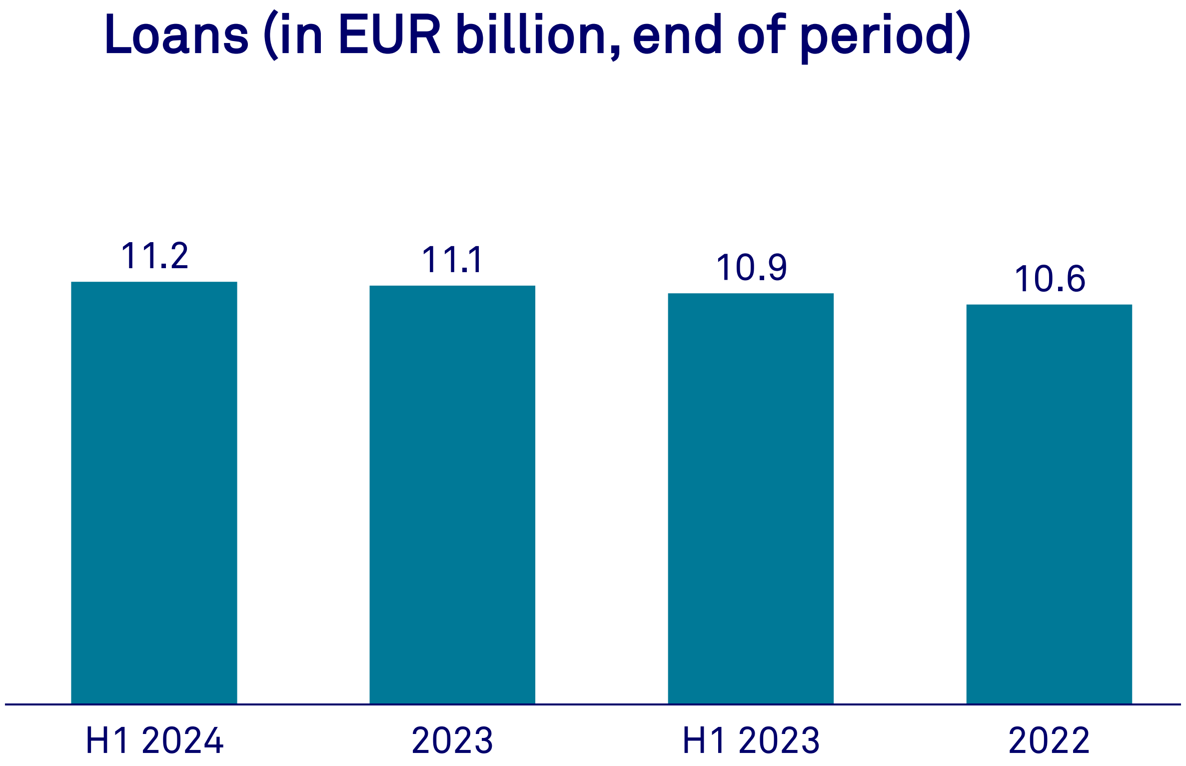
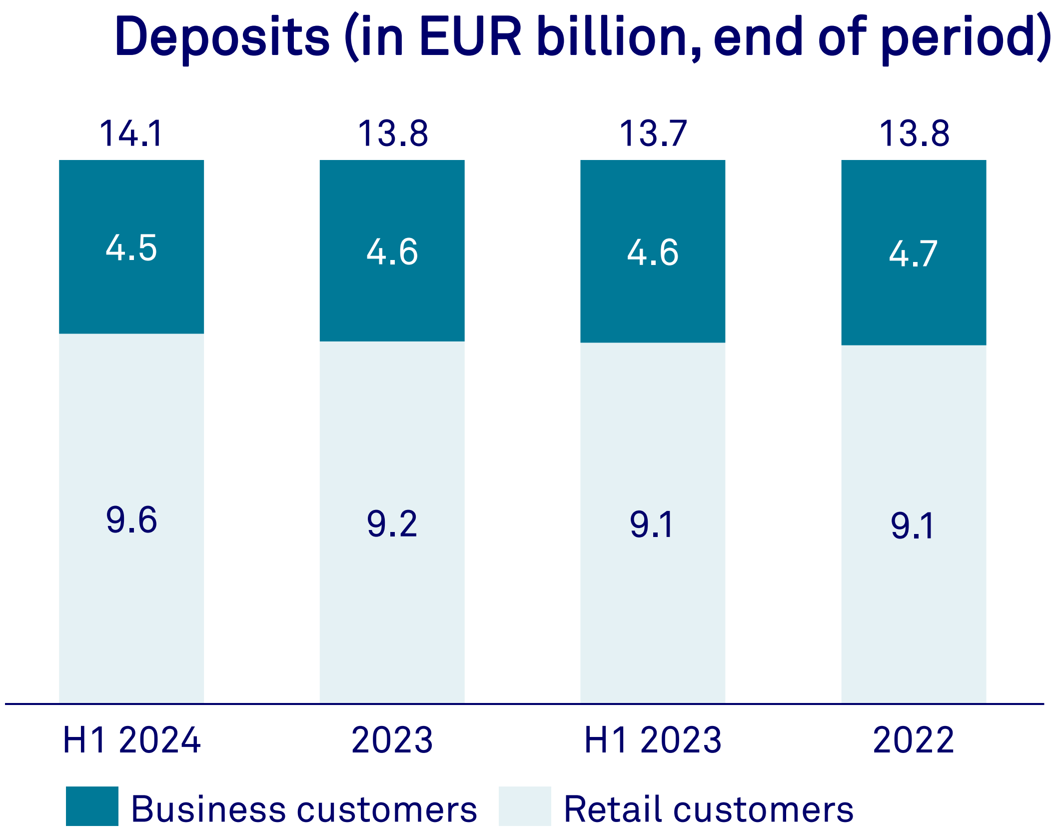
Sound quality of loan book

Impairment charges per geography (EUR million)	H1 2024	H1 2023	2023
Netherlands	1.0	-1.7	-2.2
Belgium	-0.2	-0.3	-0.2
United Kingdom	-3.1	-7.1	-13.1
Spain	-1.7	-2.0	-4.2
Germany	-1.8	-1.6	-1.6
Total impairment charges	**-5.8**	**-12.7**	**-21.3**

- The impairment result on financial instruments, which is primarily made up by the allowance for expected credit losses (ECL) totalled EUR 5.8 million in H1 2024, a decrease of EUR 6.9 million compared to same period last year
- The ECL expenses on loans represent 5 bps of the average loan book (H1 2023: 11 bps). The limited ECL expenses are a confirmation of the credit quality of our well-diversified loan portfolio, which remains robust and focused on balancing impact, risk and return for every loan engagement.

Triodos' loan book is predominantly funded by retail customers





Triodos Bank lends exclusively to the real economy with business loans to small- and medium-sized enterprises and residential mortgage loans to households, leading to a well-diversified lending portfolio across geographies, sectors and loan durations

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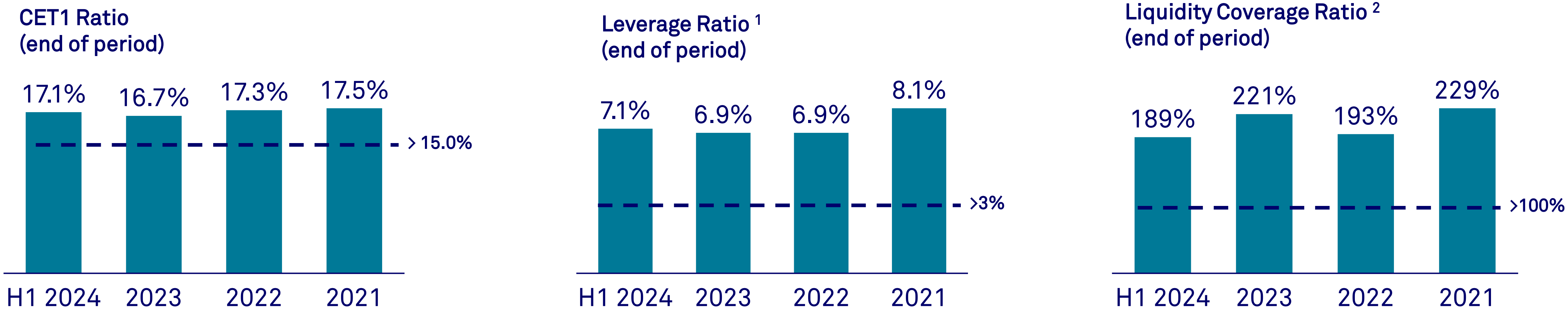
Operations in five countries

H1 2024 (2023) income contribution	Nature of Activities	Total Savings (EUR billion) at period end: H1 2024	2023	2022	Loan volumes (EUR million) at period end: H1 2024	2023	2022
Netherlands 42% (41%)	Retail Banking Business Banking Private Banking	7.4	7.2	6.9	5.8	5.7	5.2
Belgium 11% (12%)	Retail Banking Business Banking Private Banking	2.1	2.0	2.1	1.8	1.9	1.8
United Kingdom 14% (14%)	Retail Banking Business Banking	2.0	1.9	1.9	1.3	1.3	1.3
Spain 17% (16%)	Retail Banking Business Banking	2.0	2.0	2.2	1.7	1.7	1.8
Germany 5% (6%)	Retail Banking Business Banking	0.7	0.7	0.8	0.6	0.6	0.5

	Nature of Activities	Total income (EURm): H1 2024	2023	2022	FuM (EURbn): H1 2024	2023	2022
T-IM 11% (11%)	Investment Management	25	51	53	5.9	5.7	5.5

Our Balance Sheet underpins our resilient capital and liquidity position



- The capital and liquidity ratio's at 30 June 20224 are all well above the hurdle rates
- We will continue to pursue a sustainable financial return with capital and liquidity ratio's safely within our risk appetite. The bank recognises that this modest risk strategy has implications for its target return on equity.

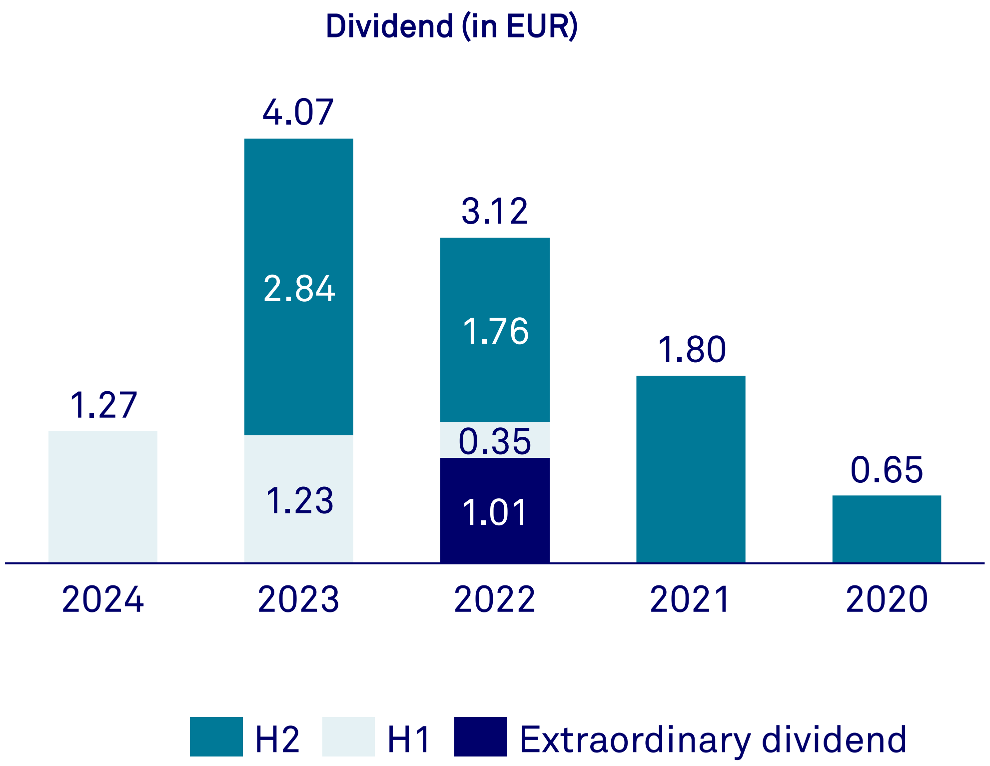
[1] The decrease of the leverage ratio in 2022 is mainly due to the termination of the temporary application of the CRR exemption as per 1 April, 2022 where certain Central Bank exposures were previously excluded from the leverage ratio. The CRR exemption was introduced by the ECB in response to the COVID-19 pandemic.
[2] Triodos Bank's changes in interpretation applied to the LCR at the end of 2023 would change the LCR from 221% to 181%

Financial targets

	H1 2024	FY 2023	Medium-term target	Guidance
Return on Equity (annualised)	5.6%	6.1%	5-7%	• Medium-term RoE target takes into account current interest rate environment
Operating expense/total income (annualized)	76%	73%	70-75%	• For the medium-term C/I ratio target Triodos focuses on the lower side of the range
CET1 capital ratio (annualised)	17.1%	16.7%	>15%	• For the medium-term Triodos aims to keep the CET1 ratio above 15%
Dividend pay-out ratio	50%	75%	50%	• The Triodos dividend policy assumes a 50% pay-out, with the possibility to adjust the payout upwards, as demonstrated by the 75% payout ratio for 2023, or downwards, if circumstances allow or require.
Contribution of fee income	24%	24%	30-40%	• Triodos targets a stable contribution of fee income as percentage of total income between 30% and 40%

Dividend

- The Executive Board has decided to pay an interim cash dividend of EUR per DR (before withholding tax, where applicable), which represents a 50% pay out of the first half year 2024 net profit.
- The interim cash dividend will be made payable as at 17 September 2024 (ex-dividend date 2 September 2024).



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Outlook

Triodos Bank remains committed to making positive impact as its first priority, and we will continue to pursue this ambition.

The financial results of our banking activities are sensitive to developments in the interest rate environments in the markets where we are active. Following the first decrease in interest rates by the ECB in June and with the expectation that more decreases will follow, we expect our net interest margin to be gradually negatively impacted.

To realise our strategy to enhance impact and financial results within the boundaries of our modest risk appetite, we will continue to simplify our organisation, focus on scalability and strategic fit to optimise resource allocation and synergy, explore potential partnerships and pursue further digitalisation. This will enable us to meet the expectations of our stakeholders and remain sustainable and meaningful over time.

Join the change

Triodos Bank

Important Information and Disclaimer

Triodos Bank N.V.'s interim condensed consolidated financial information is prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2023 Triodos Bank N.V. Annual Report.

Small differences are possible in the tables due to rounding.

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Financial calendar

Ex-dividend date (interim dividend)	2 September 2024
Dividend payment date (interim dividend)	17 September 2024
Publication of Annual Results 2024	13 March 2025
Publication (Online) Annual Report 2024	13 March 2025

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