



UmweltBank

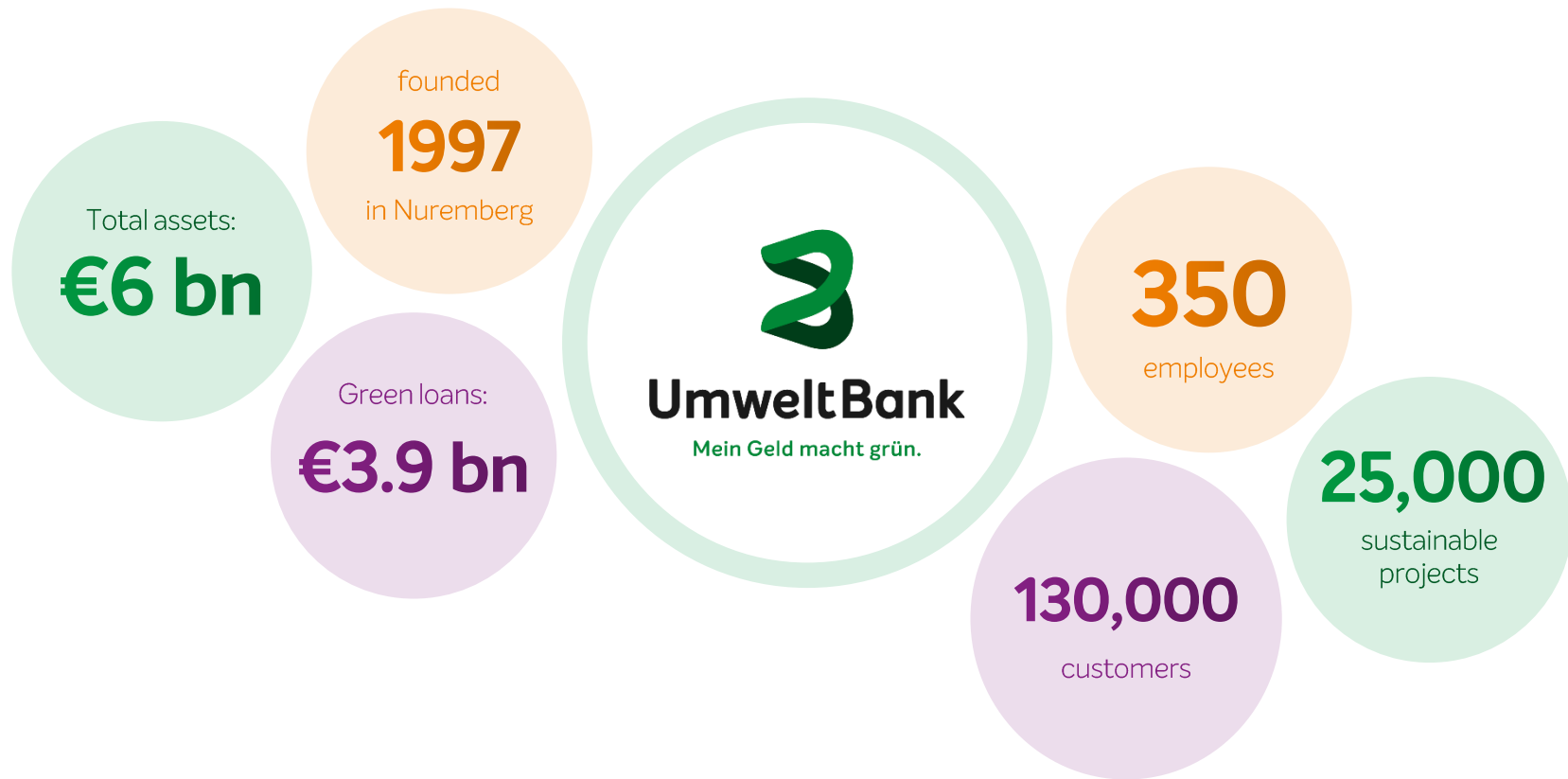
Mein Geld macht grün.

Company Presentation

UmweltBank AG

Interim Results 2023
as of 7 August 2023

UmweltBank – Sustainable Banking Made Profitable



Financials and Developments **in H1 2023**

H1 2023 at at glance

- H1 2023 influenced by **challenging market environment** as well as investments in IT and staff
- **Earnings** under pressure from increased interest expenses and declining income from the securities business
- Newly hired employees and salary adjustments led to an increase in **personnel expenses**
- **Administrative expenses** have increased significantly, in particular due to investments in the new core banking system (€4.1 m in H1 2023)
- Pleasingly high **new lending volume** of €397 m
- **Earnings before taxes** amounted to €3 m (H1/2022: €14 m)

Financials

H1 2023

€6 bn

Total assets
(2022: 6)

€3.1 m

Earnings before
taxes
(H1 2022: 14.0)

€397 m

New lending
volume
(H1 2022: 325)

H1 2023 - Financials

Total assets

in € bn

6.0



6.0



31.12.2022

30.06.2023

- ✓ Slight decline in customer deposits
- ✓ Growing refinancing by promotional banks
- ✓ Amount of TLTRO funds unchanged

New lending volume

in € m

261



217



399



325



397



H1 19

H1 21

H1 23

- ✓ Demand for private construction financing remains at a low level
- ✓ Solid commercial real estate business
- ✓ Strong demand for loans in the field of renewable energies

Earnings before taxes

in € m

21.6



21.3



21.7



14.0



3.1



HJ 19

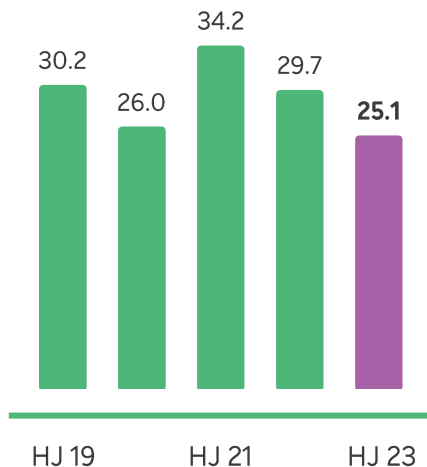
HJ 21

HJ 23

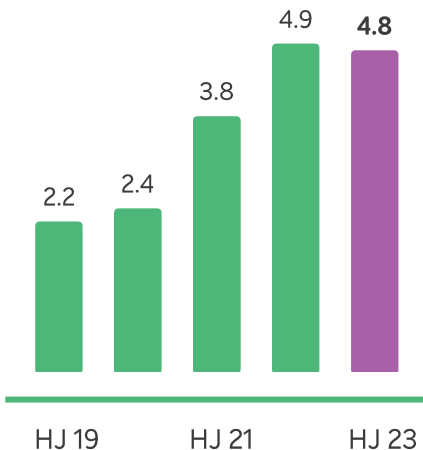
- ✓ Interest expenses increased significantly more than interest income
- ✓ Income from the securities business below expectations
- ✓ Investments in IT and staff

H1 2023 - Financials

Interest, financial and
valuation result
in € m



Net commission and
trading income
in € m



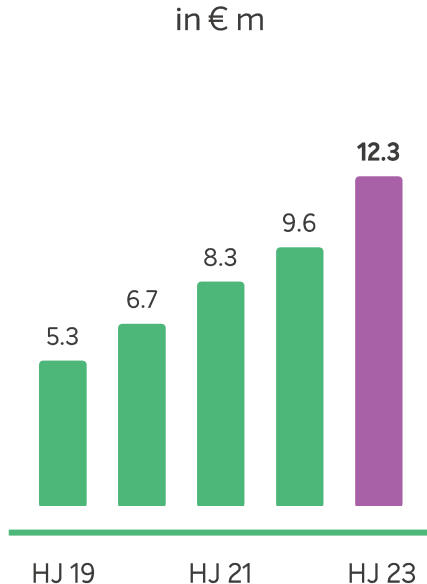
Challenging environment

slows down income development

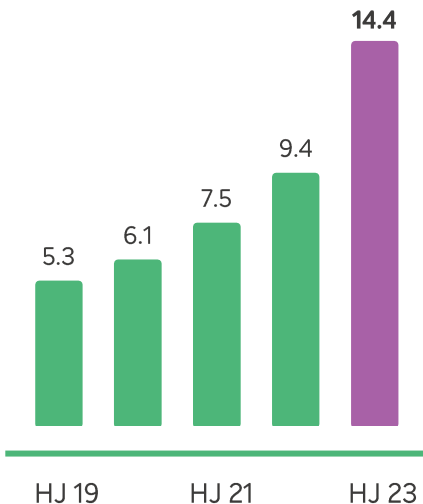
- ✓ Interest, financial and valuation result burdened by significantly increased interest expenses with only slightly increased interest income at the same time
- ✓ Net commission and trading income was at the previous year's level, but fell short of expectations

H1 2023 - Financials

Personnel expenses
in € m



Other administrative
expenses
in € m



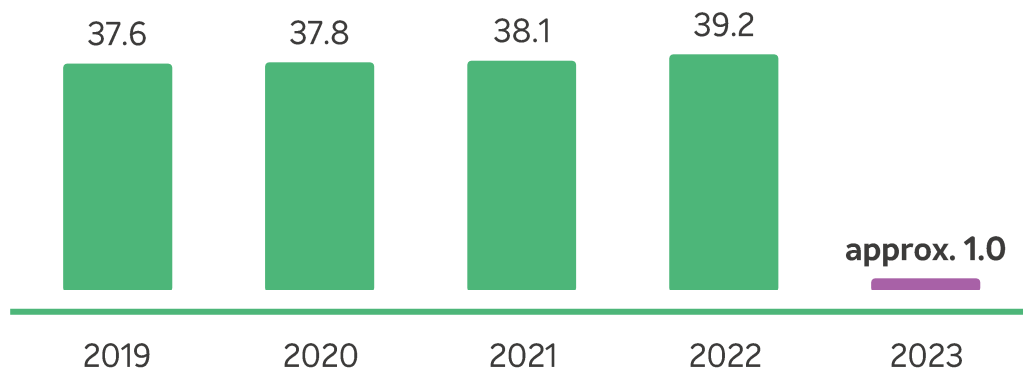
Investments support

sustainable growth

- ✓ Personnel expenses increased significantly due to necessary new hires and salary adjustments for the existing staff
- ✓ Other administrative expenses influenced in particular by investments in the project to switch the core banking system (€4.1 m in H1 2023)

Outlook 2023

Earnings before taxes and reserves
in € m




Outlook influenced by investments and challenging environment

- ✓ Rising interest rates will positively affect the **interest margin** in the medium term, yet are challenging in the short term
- ✓ The positive effects of **TLTRO funds** obtained in the last years will no longer occur due to changed conditions
- ✓ **Further investments** in employees as well as digitalisation; in 2023 around €10 m for the migration of the core banking system
- ✓ The planned **sale of investment projects** will be postponed in order to be able to achieve better prices on the market

Three Focused Business Areas:

Strong Base with a Lot of Potential

Sustainably Successful with Focused Business Areas



UmweltBank
Mein Geld macht grün.

Lending business



UmweltSpektrum
Die Fondsmarke der UmweltBank.

Securities



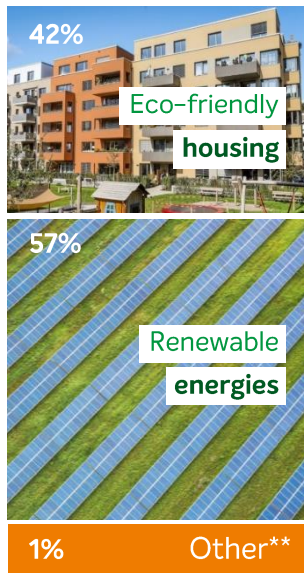
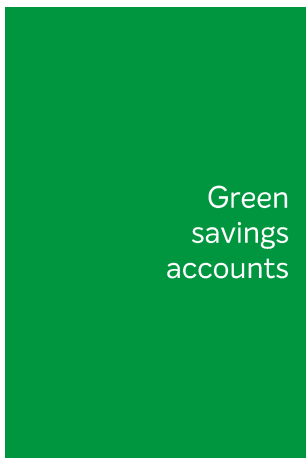
UmweltProjekt
Mein Invest macht grün.

Investments

Our Core Business – Loans for Sustainable Projects

Deposits
€3.0 bn

Eco-friendly loans*
€3.9 bn



- ✓ Robust and profitable **core business** of UmweltBank
- ✓ **100% sustainable** loan book
- ✓ **Risk provisions** amounted to €6.7 m at the end of 2022 which translates into a ratio of **0.18%** of the volume of eco-friendly loans

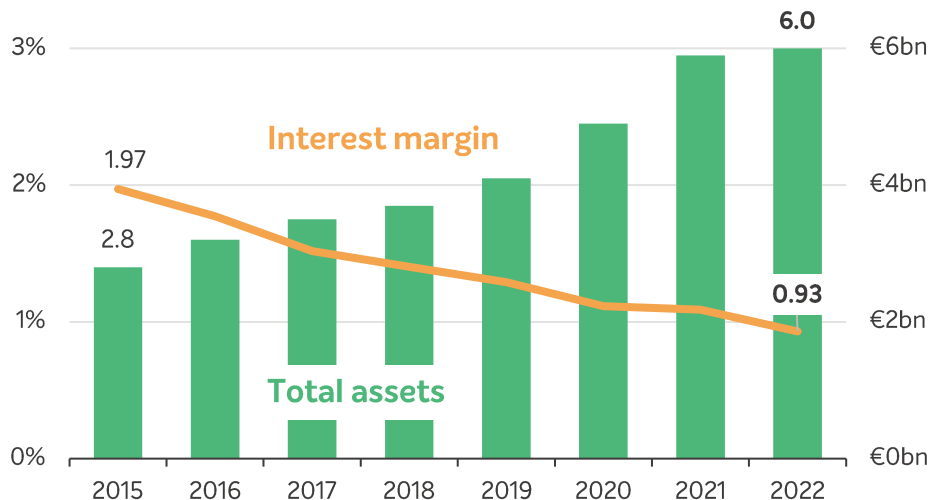
*Loans for sustainable projects including outstanding commitments

** Other projects such as organic farming

Rising Interest Rates Good in the Medium to Long Term

Rising interest rates are good

yet challenging in the short term



- ✓ **In the short term, the interest margin remains under pressure:** a high stock of long-term loans at low interest rates meets short-term savings deposits with rising interest rates
- ✓ **In the medium to long term, the interest margin widens again:** new loans and extensions can be granted at significantly higher interest rates

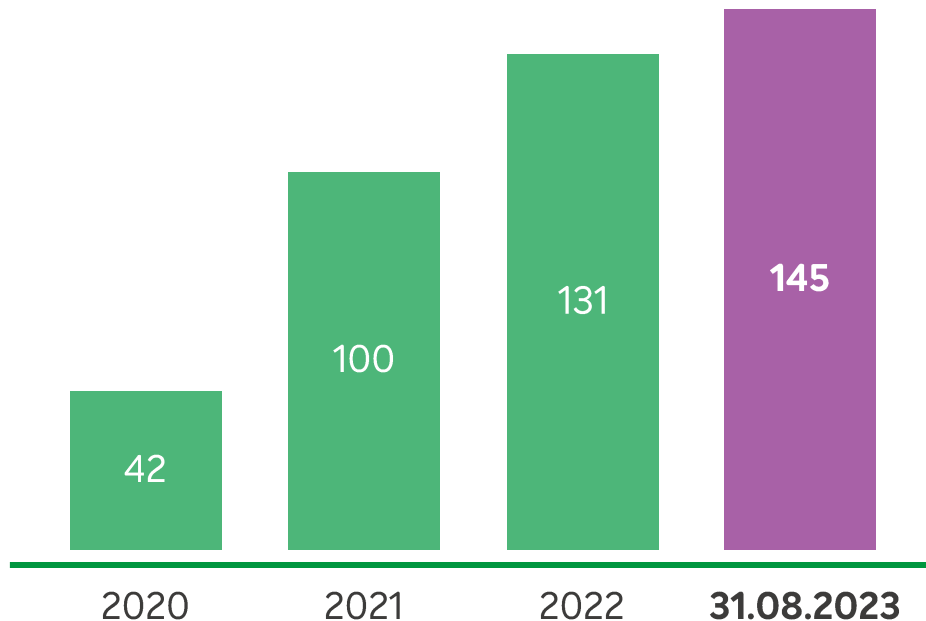
„Green Without Washing“ – Really Green Funds

- Three **green funds** under the brand UmweltSpektrum:
 - > UmweltSpektrum Mix
 - > UmweltSpektrum Natur
 - > UmweltSpektrum Mensch
- The selection process of UmweltBank guarantees **uncompromising sustainability**
- The **Management** is conducted externally by experienced fund companies
- **Earnings contribution** was already at €1.7 m in 2022, with good growth prospects



UmweltSpektrum Funds Further Growing

Assets under management
in € m



- ✓ The young fund brand is still being developed and is slowly becoming better known outside of the UmweltBank clientele
- ✓ UmweltSpektrum Mix celebrated its **3rd birthday** in February 2023 and received its first rating by Morningstar afterwards. Currently the balanced fund is rated with five stars

Profitable Investments in Green Projects

- UmweltBank invests in **sustainable and profitable projects**
- The wholly owned subsidiary **UmweltProjekt GmbH** bundles the investments amounting to a volume of €750 m (as of 30 June 2023)
- Investments across **all of Germany**
 - > solar and wind power plants
 - > affordable, eco-friendly apartments
- The Investments **remain in the books in the long-run** thereby providing for **recurring earnings**



Gradually Increasing Earnings Contribution



Apartments

Rented:	456		39,837 m ²
Construction:	781		63,380 m ²
Planned:	99		6,691 m ²



Photovoltaiks (in kWp)

Operating:	51,800
Construction:	6,500
Planned :	214,000



Wind power (in kW)

Operating:	29,900
Construction:	0
Planned:	16,800



- ✓ Expansion of the **project portfolio**:
 - > more than 1,300 apartments*
 - > more than 100 commercial units *
 - > more than 300 megawatts of RE *
- ✓ Continuous earnings contribution with **increasing distributions**
- ✓ Projects can also be **sold** if the market conditions are attractive

The Investments of Today

are the Chances of Tomorrow

25 years of UmweltBank – Time for Change

- UmweltBank has **grown significantly** over the past 25 years
- Also grown have the expectations of
 - > customers
 - > employees
 - > the supervisory authorities
- In relation to the strong growth in the past, too little **investment** in digitization and personnel
- 2022 marks the start of 'umwelt.neo'. Through the **transformation process**, UmweltBank is positioning itself for a successful future



Ready for the Digital Future with New Core Banking System

Status quo

- ✓ Manual effort in various processes
- ✓ Continuously growing regulatory requirements
- ✓ Customers wish for new products and further digital services

New system by Atruvia

- ✓ Enhanced (digital) customer experience
- ✓ New possibilities for extending the range of products
- ✓ Optimisation of internal processes, work-flows and decision-making

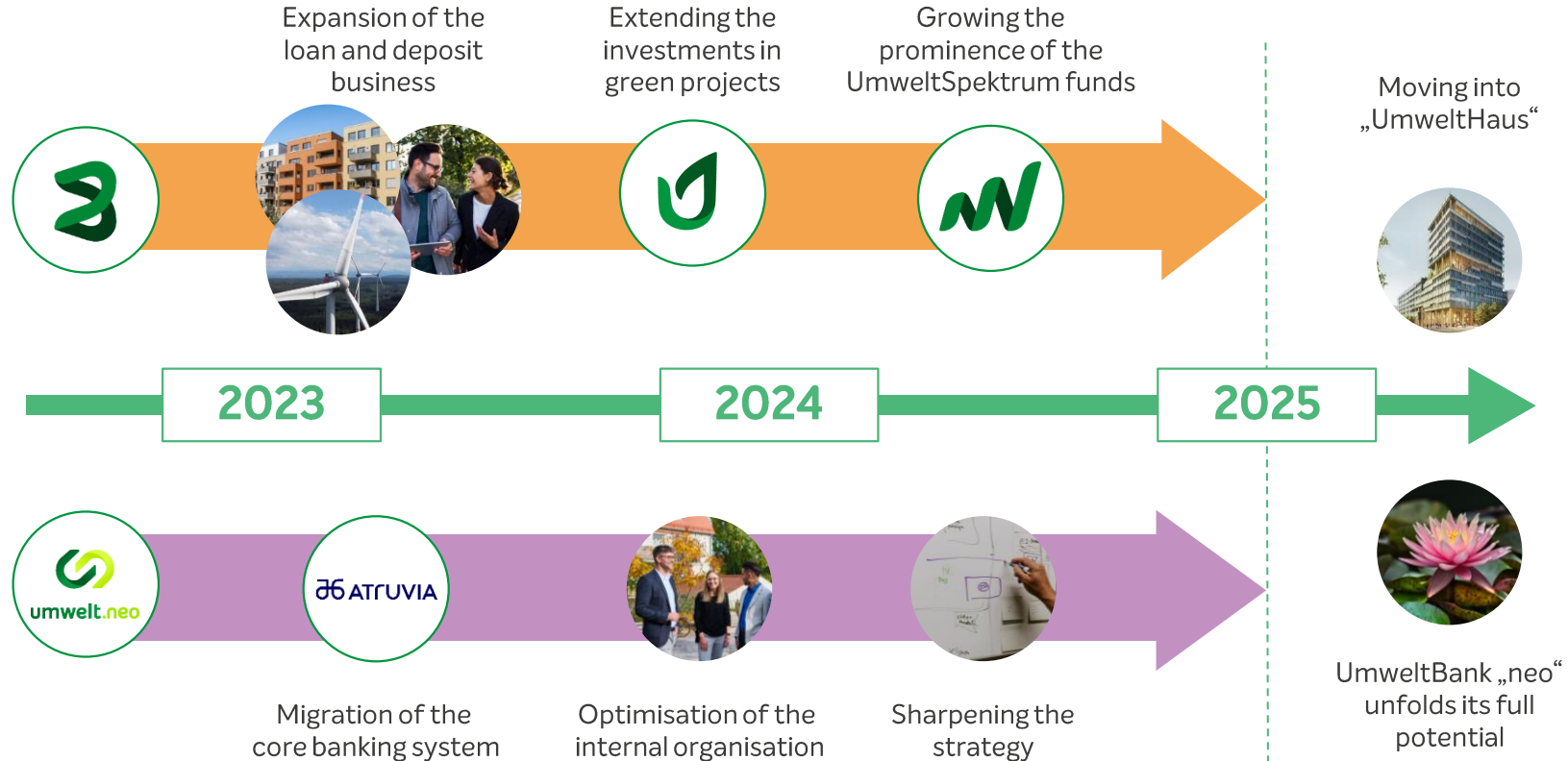
A modern system

won't come for free

- ✓ (Planned) costs:
 - > 2022: around €4 m
 - > 2023: around €10 m
 - > 2024: around €4 m
- ✓ The project costs cannot be capitalized and flow directly into the profit and loss account
- ✓ In addition to the monetary costs, the migration in 2023 also ties up a large amount of personnel capacities

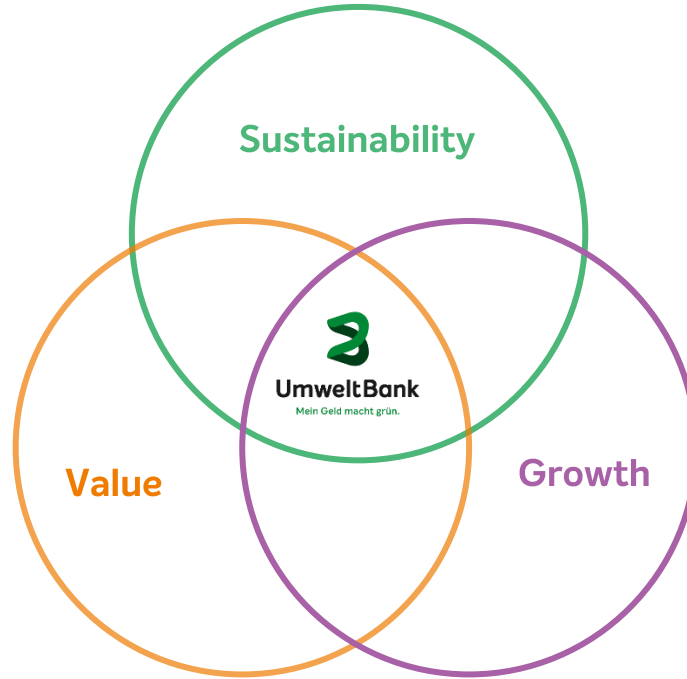
'Migration weekend': 7/8 October 2023

We're getting **Fit** for the Coming 25 Years



Green and Profitable – the Bank for the Future

- ✓ UmweltBank has been **profitable since it was founded** in 1997
- ✓ High quality **low-risk loan portfolio** with low default rates
- ✓ In its history of 26 years UmweltBank has already paid a **dividend 23 times**



- ✓ **Consistent sustainability strategy** runs through all areas of the company
- ✓ **100% sustainable** loan book and own investments; No legacy problems
- ✓ Review by **independent environmental council**

- ✓ **Strong growth** since foundation of UmweltBank in 1997
- ✓ Expansion of **renewable energies and sustainable real estate** is politically desired. UmweltBank offers high level of expertise and innovative financing concepts
- ✓ Increasing demand for **green funds**

Financial Calendar 2023/2024

18 March 2024	Annual press conference
18 March 2024	Preliminary results FY2023
29 April 2024	Audited results FY 2023
End of May 2024	Sustainability and annual report 2023
27 June 2024	Annual General Meeting
19 August 2024	Interim results 2024



Oliver Patzsch

Manager Investor Relations
oliver.patzsch@umweltbank.de
+49 911 5308 1305

Investor Relations Newsletter:
www.umweltbank.de/ir-newsletter



UmweltBank

Mein Geld macht grün.

Company Presentation

Appendix

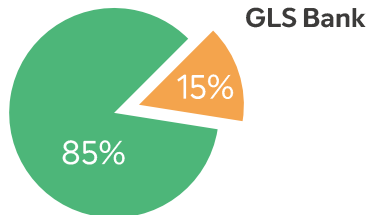
UmweltBank – a Hidden Champion

Shareholders

Free float

Mostly held by customers of UmweltBank (~ 60%) as well as professional investors, such as:

- > Stuttgarter Lebensversicherung
- > Evangelische Bank
- > Murphy & Spitz



5-year performance



Closing prices adjusted for stock splits and pre-emption rights

Key data

Symbol / ISIN	UBK / DE0005570808
Number of shares	35,662,712
Market capitalisation	€391 m
Market segment / listings	m:access / XETRA, further stock exchanges
Price	€10.95
Price/earnings ratio	12.73
Price-to-book ratio*	0.97
Dividend yield	3.0%
Research	GBC AG Baader Europe

* Capital incl. allocation to reserves due to §340g HGB

Management Board with Extensive Financial Expertise



Goran Bašić

Member of the Board

Lending business | HR | Investments

- Member of the Board since 2014
- With UmweltBank since 1999
- Invested in UmweltBank



Jürgen Koppmann

Spokesman of the Board

Savings | Securities | IT | Marketing

- Member of the Board from 2002–2014 / since 2017
- With UmweltBank since 1996
- Invested in UmweltBank



Heike Schmitz

Member of the Board

Finance | Controlling | Legal |
Credit back office

- Member of the Board since 2022
- With UmweltBank since 2021
- Invested in UmweltBank



Financials H1 2023

		31.12.2022	30.06.2023	Δ in %	
Business volume	€m	6,602	6,805	+	3.1
Total assets	€m	5,981	6,023	+	0.7
Regulatory capital*	€m	529	530	+	0.2
Client deposits	€m	3,176	3,046	-	4.1
Environmental loans	€m	3,703	3,889	+	5.0
Financed eco-friendly projects since 1997	Number	24,949	25,073	+	0.5
Volume of securities accounts	€m	791	736	-	7.0
UmweltSpektrum funds: AUM	€m	131	143	+	9.2
Customers	Number	132,157	131,243	-	0.7
Employees	Number	332	351	+	5.7
Total capital ratio*	%	16.5	16.1		
Tier 1 capital ratio*	%	12.0	11.7		

* according to CRR

Financials H1 2023

		30.06.2022	30.06.2023	Δ in %	
Net financial income, interest and valuation changes	€k	29,685	25,130	-	15.3
Net income from commissions and fees	€k	4,884	4,830	-	1.1
Personnel expenses	€k	9,596	12,273	+	27.9
Other administrative expenses	€k	9,371	14,353	+	53.2
thereof, banking tax and deposit insurance	€k	2,567	2,280	-	11.2
thereof investment in core banking system	€k	100	4,117	+	4,017.0
Other expenses (-) / income (+)	€k	1,593	222	-	86.1
Earnings before taxes	€k	14,009	3,113	-	77.8
Taxes	€k	4,937	1,626	-	67.1
Earnings after taxes	€k	9,072	1,487	-	83.6
New lending volume	€m	325	397	+	22.2

UmweltBank Financials at a Glance

		31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	Δ in %
Business volume	€m	4,119	4,518	5,393	6,451	6,602	+ 2.3
Total assets	€m	3,699	4,095	4,944	5,928	5,981	+ 0.9
Client deposits	€m	2,330	2,529	2,694	2,954	3,176	+ 7.5
Environmental loans	€m	2,901	2,997	3,247	3,543	3,703	+ 4.5
Financed eco-friendly projects since 1997	Number	22,931	23,371	23,881	24,513	24,949	+ 1.8
New lending volume	€m	542	543	689	845	623	- 26.3
Volume of securities accounts	€m	447	569	682	949	791	- 16.7
UmweltSpektrum funds: assets under management	€m	-	-	42	100	131	+ 31.0
Customers	Number	113,290	116,180	121,166	132,087	132,157	+ 0.1
Employees	Number	169	201	250	299	332	+ 11.0
Regulatory capital*	€m	333	378	408	427	529	+ 23.9
Total capital ratio*	%	14.0	14.5	14.6	14.0	16.5	
Tier 1 capital ratio*	%	9.3	10.0	9.8	9.5	12.0	

* according to CRR

UmweltBank Financials at a Glance

		31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	Δ in %
Net financial income, interest and valuation changes	€k	51,893	54,423	54,345	63,203	74,044	+ 17.2
Net income from commissions and fees	€k	2,605	5,084	5,148	9,421	9,345	- 0.8
Other expenses (-) / income (+)	€k	-571	260	-5,421	874	2,725	+ 211.8
Personnel expenses	€k	9,221	11,210	13,778	17,154	19,880	+ 15.9
Other administrative expenses	€k	8,537	10,432	13,288	16,512	21,574	+ 31.0
thereof, banking tax and deposit insurance	€k	1,849	1,798	2,684	4,096	3,695	- 9.8
thereof investment in core banking system	€k	-	-	-	-	3,595	
Earnings before taxes	€k	37,311	37,605	37,848	38,085	39,210	+ 2.9
Taxes	€k	11,975	11,683	11,350	12,710	8,661	- 31.9
Earnings after taxes	€k	25,336	25,922	26,498	25,375	30,549	+ 20.3
Allocation to reserves pursuant to §340g HGB	€k	8,400	8,750	8,000	6,000	11,000	+ 83.3
Net income	€k	16,936	17,172	18,498	19,374	19,549	+ 0.8
Cost-to-income ratio	%	32.0	37.5	42.5	45.8	50.4	