

18 June 2020

On 18 March 2020 Triodos Bank decided to suspend offering Depository Receipts and to suspend accepting sell orders of Depository Receipts in response to upheaval in the economy which was also reflected in the trading patterns in Depository Receipts. Trade is suspended until there is more clarity on the immediate effects of the COVID-19 pandemic on the economy at large, on the financial sector, and on Triodos Bank. More information on this is available on our website at triodos.co.uk/unprecedented-times

In this letter we would like to provide you with an update on the steps we are taking in order to be able to resume trading of the Depository Receipts.

Since March, we have been working hard to support our business and retail customers through the financial challenges associated with the crisis by, among others, agreeing payment holidays, and offering refinancing arrangements, in line with the government support schemes per country. We have reached out to our communities to help them make sense of the crisis and provided practical support. See triodos.co.uk/coronavirus for further information.

The economic consequences experienced by our customers are likely to impact also the bank itself. How big or long-lasting this effect will be, is hard to predict fully at this stage. Our strong capital position, significantly above the minimum capital requirement, will help the bank in dealing with this crisis.

Price of Depository Receipts

While trading in Depository Receipts has been suspended, the calculation of the price has continued as usual every week and currently stands at EUR 83.00 [18 March 2020: EUR 84.00]. More information is available at triodos.co.uk/dr-performance

Our Depository Receipts derive their value from the calculated value of the bank's net assets (all assets minus all liabilities). This approach avoids uncontrolled market volatility and speculation and makes the price of our Depository Receipts much more stable than the price of stocks which are listed on a stock exchange. Weekly calculation of the Depository Receipt price includes any known economic expectation at that time.

Change in facilitating transactions in Depository Receipts

Triodos Bank facilitates transactions to and from Depository Receipt holders, by (re)purchasing and (re)selling Depository Receipts. Depository Receipts are directly linked to the capital of the bank. The amount of Depository Receipts the bank can repurchase is limited by regulation.

To facilitate transactions in a controlled way, the total value of Depository Receipts that may be offered for sale by any Depository Receipt holder can be restricted. When we are ready to start selling and repurchasing Depository Receipts again, the maximum value that may be sold to Triodos Bank will be restricted to an amount of EUR 5,000 per Depository Receipt account per week. We will monitor the sales and demand patterns carefully and may change this amount again in future.

Financial impact of COVID-19

A prerequisite for reopening trade is a reasonable expectation that there will be a measured response on our offering, resulting in the inflow of new Depository Receipt capital. We believe it is important to give insight into our financial situation and be transparent about the effects of the current crisis on the performance of the bank. On 21 August 2020 we will publish our (audited) Half Year Results 2020, which will give an overview of our performance between 1 January – 30 June 2020. We expect to be able to reopen trading shortly after this date, pending approval from the relevant regulatory bodies.

The corona crisis exposes structural weaknesses in the contemporary global social economic system. Reconnecting finance and the real economy and rebalancing social, ecological and economic values are crucial for the recovery and the journey to a more resilient system. The entrepreneurs and the initiatives Triodos Bank has served in the last 40 years have a lot to offer in this transition. By investing in Depository Receipts, you are providing the necessary long-term capital that enables Triodos Bank to continue to grow and finance positive impact. Many opportunities for action lay ahead and Triodos Bank can and wants to play a crucial role.

With kind regards,

A handwritten signature in black ink, appearing to read 'Gareth Griffiths', written in a cursive style.

Gareth Griffiths

Head of Retail Banking
Triodos Bank UK