

## UmweltBank AG\*<sup>1,4,5a,6a,7,11</sup>

**Preliminary figures for 2024 in line with guidance, return to profitability expected from 2025 onwards**

**Sector:** financial services  
**Focus:** ecological financial investments, financing of environmentally friendly projects  
**Foundation:** 1997

**Employees:** 336 (31/12/2025)  
**Company headquarters:** Nuremberg  
**Management Board:** Goran Bašić, Dietmar von Blücher, Heike Schmitz

UmweltBank AG stands for banking transactions with ecological and social responsibility. It offers investors transparent ecological investments and supports private individuals and commercial customers throughout Germany by financing environmentally friendly projects. By exclusively offering a green product range, UmweltBank AG consistently implements its ecological orientation. In addition to the traditional savings account, the company also offers green fund products and finances green projects. UmweltBank AG operates as a direct bank without the traditional branch business. Over 25,000 loan projects have been supported since the bank was founded in 1997. At the end of 2024, environmental loans (including open commitments) totalled EUR 3.5 billion. The vast majority of the loan volume consists of solar energy financing, residential property and wind power projects.

in € million	FY 23	FY 24*	FY 25e	FY 26e	FY 27e
Net interest income	41.11	44.95	65.92	73.74	85.35
Financial result	-2.64	12.98	5.20	5.72	5.80
Net commission and trading income	9.05	5.54	9.45	10.86	11.24
Earnings before taxes	-5.61	-8.52	8.37	16.12	24.19
Earnings after taxes	0.73	0.73	5.69	10.96	16.45
Earnings per share	-0.11	-0.16	0.16	0.31	0.46
Dividend per share	0.00	0.00	0.00	0.12	0.18
Total capital	524.00	505.00	510.69	517.27	527.14
Return on capital (before taxes)	-0.7%	-1.1%	1.1%	2.1%	3.1%
Cost-income ratio	98.1%	107.2%	89.7%	82.3%	76.6%

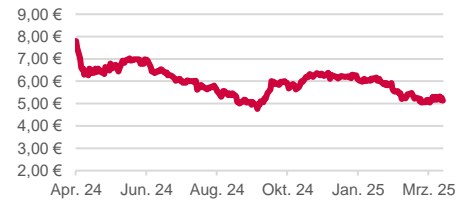
\*preliminary figures

### Investment Case

- According to preliminary figures, net interest income increased to € 44.95m (previous year: € 41.11m). The basis for this development is in particular the strong increase in customer deposits to € 3,824m (previous year: € 2,854m), which were profitably invested with the ECB. The focus on expanding the deposit business is bearing fruit.
- The expansion of the lending business was subject to equity restrictions. The volume of new loans fell noticeably to € 250 million (previous year: € 459 million).
- The planned sale of 12 investments significantly increased the financial result to € 12.98 million (previous year: € -2.64 million). Net commission income fell to € 5.54 million (PY: € 9.05 million) due to weaker commissions in the trading business.
- The conversion of the core banking system completed in 2024, the digitalisation of processes and the intensification of marketing measures increased total expenses to € 67.52 million (previous year: € 57.83 million). At € -8.52 million (previous year: € -5.60 million), earnings before taxes were in line with guidance.
- The company is expected to return to profitability in 2025. Pre-tax earnings are expected to be in the range of € 5 million to € 10 million. A continuation of the expansion of the deposit business and improved interest margins in the lending business should increase total income.
- Total costs should fall once the transformation is complete in 2025. In the coming years, the increase in earnings should lead to a further improvement in the cost-income ratio.
- Slight increase in the target price to € 10.40 (old: € 10.00).

**Rating:** BUY  
**Target price:** €10.40 (old: €10.00)

### Share and master data



Closing price (04/04/25)	EUR 5.10
Stock exchange	XETRA
ISIN	DE0005570808
WKN	UBKG
Number of shares (in m)	35.66
MCap (in EUR million)	181.87
Transparency level	Regulated unofficial
Market segment	m:access
End of FY	31.12.
Accounting	HGB

### Shareholder structure

GLS Bank	15%
Free float	85%

### Financial dates

30.04.25	Q1 figures 2025
31.07.25	Half-year figures 2025
27.08.25	Annual General Meeting
28.08.25	Q3 figures 2025

### Analysts

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Marcel Goldmann (goldmann@gbc-ag.de)

### Last GBC Research

Date: Publication / Target price in EUR / Rating

27/01/2024: RS / 10.00/ BUY

15/11/2024: RS / 10.00/ BUY

12/08/2024: RS / 9.63 / BUY

26/06/2024: RS / 9.60 / BUY

The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de)

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First publication: 07.04.2025 (10:30 am)

Validity of the price target: until 31/12/2025 at the latest

\* Catalogue of possible conflicts of interest on p6

## PRELIMINARY FIGURES FOR 2024

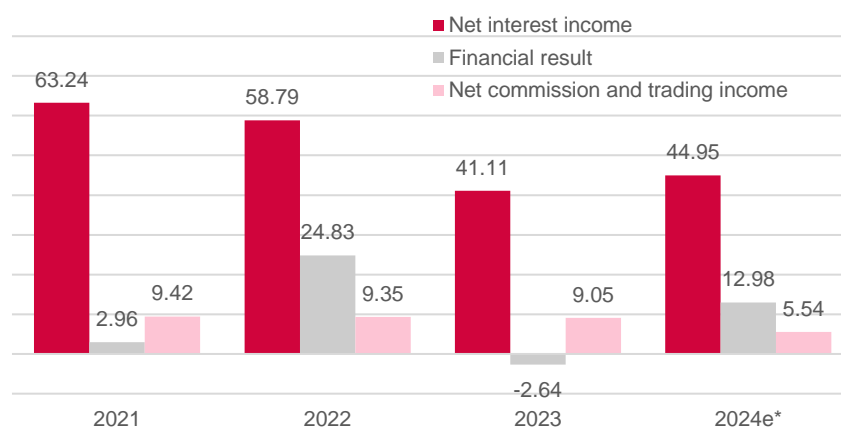
in € million	FY 2021	FY 2022	FY 2023	FY 2024*
Net interest income	63.24	58.79	41.11	44.95
Financial result	2.96	24.83	-2.64	12.98
Net commission and trading income	9.42	9.35	9.05	5.54
Earnings before taxes	38.09	39.21	-5.61	-8.52
Earnings after taxes	19.37	19.55	0.73	0.73
	<b>31.12.21</b>	<b>31.12.22</b>	<b>31.12.23</b>	<b>31.12.24</b>
Balance sheet total	5,928	5,981	5,688	6,186
Customer deposits	2,954	3,176	2,854	3,824
Environmental loans	3,543	3,703	3,722	3,457
Own funds, supervisory	487	504	524	505
Equity ratio, supervisory	16.1%	15.7%	15.6%	16.4%

Sources: UmweltBank AG; GBC AG; \*according to preliminary figures

### Earnings development 2024

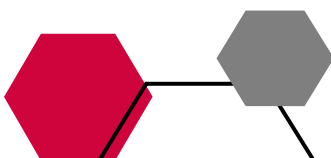
According to the preliminary figures published as at 31 March 2025, UmweltBank AG significantly improved its total income compared to the previous year, as expected. This was due in particular to net interest income, which at € 44.95 million (previous year: € 41.11 million) was slightly above our expectations (old GBC forecast: € 43.44 million). This is likely to have benefited primarily from the strong increase in customer deposits to € 3,824 million (31/12/2013: € 2,854 million). By investing customer deposits at matching maturities (ECB investment), UmweltBank AG is able to achieve an interest margin of around 100 basis points, meaning that a higher volume of deposits automatically leads to higher interest income. Intensified marketing measures, the successful conversion of the core banking system, which enables customers to complete key process steps digitally, and the introduction of attractive products are bearing fruit. The repositioning of the treasury portfolio is also likely to have contributed to the increase in net interest income.

### Development of net interest income (in € million)



Sources: UmweltBank AG; GBC AG; \*according to preliminary figures

In contrast, the lending business was characterised by a decline in the volume of new loans to around € 250 million (previous year: € 459 million). The equity base is likely to have had a restrictive effect here. This development also reflects the company's focus, which in the transformation year 2024 following the successful



conversion of the core banking system, is clearly on the digitalisation and automation of processes and the expansion of the deposit business.

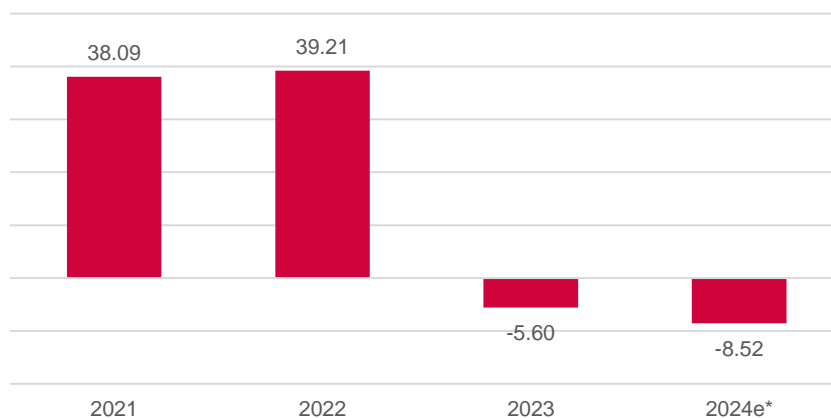
The financial result, which is difficult to forecast, is slightly below our expectations but significantly above the previous year's figure. With the sale of 12 investments in the 2024 financial year, UmweltBank AG further reduced its investment business as planned and generated a result of € 12.98 million (previous year: € -2.64 million). In our previous forecast, we had assumed higher sales activity and thus a financial result of € 20.90 million. The investment portfolio is also to be further reduced in the current financial year.

Net commission income of € 5.54 million (previous year: € 9.05 million) was characterised by weaker commissions in the trading business, although this development was to be expected in advance (GBC forecast old: € 5.60 million).

### Earnings development 2024

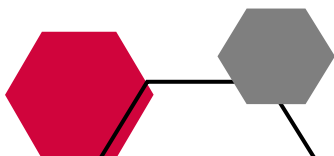
At € -8.52 million (previous year: € -5.61 million), earnings before taxes and reserves were within the company's guidance range (€ -5 million to € -10 million). In our previous forecast, we had assumed a pre-tax result of € -5.76 million. The higher total income of € 59.02 million (previous year: € 52.23 million) was offset by a significant increase in total expenses totalling € 67.52 million (previous year: € 57.83 million). This is particularly related to the transformation that was continued in 2024 and has now been largely completed, which includes the digitalisation of processes and the completion of the conversion of the core banking system. In addition, marketing measures to expand the deposit business were intensified. As a result, administrative expenses rose visibly to € 40.62 million (previous year: € 31.51 million). At € 26.14 million (previous year: € 25.62 million), personnel expenses were slightly higher than in the previous year.

#### Earnings before taxes and reserves (in € million)



Sources: UmweltBank AG; GBC AG; \*according to preliminary figures

The release of reserves increased the after-tax result to € 0.73 million (previous year: € 0.73 million), which is exactly the same level as the previous year.



## Forecast

million €	FY 2024*	FY 2025e	FY 2026e	FY 2027e
Net interest income	44.95	65.92	73.74	85.35
Financial result	12.98	5.20	5.72	5.80
Net commission and trading income	5.54	9.45	10.86	11.24
Earnings before taxes	-8.52	8.37	16.12	24.19
Earnings after taxes	0.73	5.69	10.96	16.45

Sources: UmweltBank. AG; GBC AG; according to preliminary figures

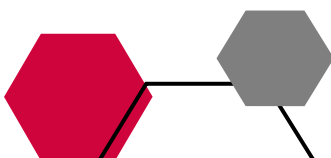
As part of the preliminary figures, the Management Board of UmweltBank is forecasting a return to profitability in 2025 and expects earnings before taxes in the range of € 5 million to € 10 million. Dietmar von Blücher had already provided an outlook on the future drivers of business development at the Capital Markets Day in mid-January. These were confirmed by the preliminary figures.

UmweltBank's earnings situation will be characterised by a significant increase in net interest income. This is due to the expansion of the deposit business with private customers, which is to be increased to EUR 4.3 billion in the current financial year and to EUR 5.9 billion by 2028. In addition to savings products, the deposit business will be driven in particular by the current account, which is about to be launched. At the same time, the Management Board of UmweltBank expects the lending volume to move sideways, but expiring loans are to be replaced by new loans at improved conditions, which should be reflected in an increase in net interest income. New lending business in the range of € 250 million to € 350 million is expected for the current financial year. An expansion to € 650 million is planned by 2028. The lending business remains subject to capital restrictions, which will be further tightened by the implementation of CRR III.

The company expects net commission and trading income to benefit from rising income in the securities and lending business. The company's own issue business was supplemented in the middle of the past financial year by the successful issue of the first UmweltBank ETF. Further ETFs and the expansion of the fund business should lead to an increase in net commission and trading income.

The expected increase in net interest income and net commission and trading income will initially be offset by a disproportionately low increase in administrative expenses. This is against the backdrop of the transformation implemented in recent years, which should lead to a significant decrease in administrative expenses from 2025 onwards. We expect administrative expenses to increase again in subsequent years due to rising marketing expenses and higher IT expenses.

As part of this study, we have refined our forecasts for the current and coming financial year and, for the first time, formulated a forecast for the 2027 financial year. We are assuming a gradual, significant increase in total income, which will be offset by a disproportionately low increase in costs. According to our estimates, the cost-income ratio will fall below the 100% threshold in the 2025 financial year at 89.7% and fall significantly to 76.6% by the 2027 financial year.



## Valuation

We used a residual income model for the valuation of UmweltBank AG, whereby the difference between the return on equity and the cost of equity is used to determine the return on surplus for the estimation periods. We have formulated specific expectations regarding the annual surpluses and the resulting changes in equity for the estimation periods of the three financial years 2025e to 2027e. The expected return on equity can be derived from this. The residual income for the financial year can be derived from the surplus return generated in a period. The expected residual income is then discounted to the valuation date using the cost of equity. To determine the terminal value, we apply a premium to the current carrying amount.

$$\text{fair company value} = EK_0 + \sum_{t=1}^T \frac{(ROE_t - r)EK_{t-1}}{(1+r)^t} + \frac{P_T - EK_T}{(1+r)^T}$$

EK = equity

P = premium on the carrying amount

t= estimation period

ROE = return on equity

r = cost of equity

T= last estimation period

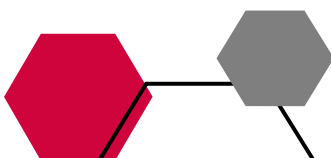
### Determination of the cost of capital

The relevant discount rate for use in the residual income model is the cost of equity. To determine the cost of equity, the market risk premium, the company-specific beta and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the IDW's Technical Committee for Business Valuations and Business Administration (FAUB). This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method. To smooth out short-term market fluctuations, the average yields of the previous three months are used and the result is rounded to 0.25 basis points. The risk-free interest rate currently used is 2.50 % (previously: 2.50 %).

We use the historical market risk premium of 5.50 % as a reasonable expectation of a market risk premium. This is supported by historical analyses of equity market returns. The market premium reflects the percentage by which the equity market is expected to yield better than low-risk government bonds.

The beta calculation was based on the historical share price data of UmweltBank AG (monthly share price performance over the past four years). We used the STOXX® Europe 600 Banks share price index as the benchmark index and averaged it over a period of five years in the regression analysis. On this basis, we calculated a beta of 0.52 (previously: 0.52), which we also adjusted and smoothed in accordance with Blume's work. Using the assumptions made, we calculated a cost of equity of 5.35% (previously: 5.35%) (beta multiplied by risk premium plus risk-free interest rate).



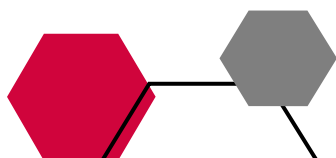
in € million	31.12.23	31.12.24	31.12.25e	31.12.26e	31.12.27e	Final value
Equity capital	390.77	385.02	390.71	397.28	407.15	
Net income for the year	-3.80	-5.75	5.69	10.96	16.45	
ROE (after taxes)		-1.48%	1.47%	2.78%	4.09%	11.01%
Cost of equity		5.34%	5.34%	5.34%	5.34%	5.34%
Excess return		-6.82%	-3.87%	-2.56%	-1.25%	5.67%
Book value factor		-0.28	0.27	0.52	0.77	2.06
Residual income		-26.66	-14.91	-9.99	-4.97	441.87

According to our valuation model, UmweltBank AG should be able to achieve a sustainable return on equity (after tax) of 11.01% in relation to the equity shown in the balance sheet. Assuming a cost of equity of 5.34%, a sustainable excess return of 5.67% or a book value factor of 2.06 should be generated in the terminal value. To determine the terminal value, we have therefore recognised a premium over the carrying amount of 2.06.

#### Determination of fair enterprise value

Present value of residual income 2025 - 2027	-€ 27.41 million
Present value Terminal value	€ 398.21 million
Sum of present values	€ 370.80 million
Outstanding shares	35.66 million
<b>Fair enterprise value per share</b>	<b>€ 10.40</b>

The sum of the discounted residual earnings results in a value of € 370.80 million. With 35.66 million shares outstanding, this results in a fair enterprise value per share of € 10.40 (previously: € 10.00), which corresponds to a slight increase in the target price. This is due in particular to the first-time inclusion of the estimates for the 2027 financial year, which provides a higher basis for calculating the terminal value than the 2026 financial year. Based on the current share price, we continue to assign a BUY rating.



## ANNEX

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### I.

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or
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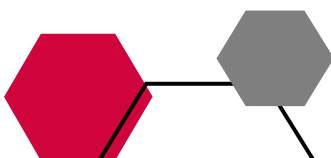
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BUY	The expected return, based on the determined price target, including dividend payment within the corresponding time horizon is $\geq + 10\%$ .
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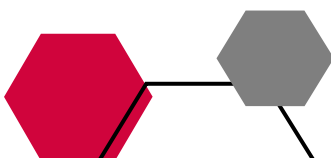
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**The analysts responsible for this analysis are:**

Cosmin Filker, Dipl. Betriebswirt (FH), Deputy Chief Analyst

Marcel Goldmann, M.Sc., Financial Analyst

**Other persons involved in the preparation of the study:**

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