

UmweltBank AG*1,4,5a,6a,7,11

Q1 2025: Profit distribution through intra-group transaction ensures positive result, price target and rating confirmed

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

Employees: 336 (31/03/2025)
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 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.

in € million	FY 23	FY 24*	FY 25e	FY 26e	FY 27e
Net interest income	41.11	44.95	60.32	73.74	85.35
Financial result	-2.64	12.98	14.20	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%	90.1%	82.3%	76.6%

*preliminary figures

Investment Case

- According to Q1 figures, net interest income rose significantly to €13.66 million (previous year: €7.73 million) due to higher customer deposits. In private customer business, customer deposits increased further by €140 million to €3.6 billion.
- The financial result climbed particularly strongly to €12.38 million (previous year: €3.67 million), significantly exceeding our expectations. Here, UmweltBank AG benefited from profit distributions from a subsidiary that sold real estate in line with its corporate strategy.
- Due to the extraordinary income in the financial result, earnings before taxes improved to €10.28 million (previous year: €-0.13 million).
- UmweltBank management confirms its forecast of a pre-tax result of €5 million to €10 million for the current 2025 financial year. Expected risk provisions of €10 million to €15 million will be recognised in subsequent quarters, reducing earnings.
- We are slightly adjusting our earnings estimates for the current 2025 financial year. While we expect a higher financial result, we anticipate net interest income of €60.32 million (previously: €65.92 million). After taking risk provisions into account, we expect pre-tax earnings to remain unchanged at €8.37 million.
- The target price (€10.40) and rating (BUY) remain unchanged.

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

Share and master data



Closing price (05/05/25)	EUR 5.16
Stock exchange	XETRA
ISIN	DE0005570808
WKN	557080
Number of shares (in m)	35.66
MCap (in EUR million)	184.01
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

31.07.25	Half-year figures 2025
27.08.25	Annual General Meeting
28.08.25	Hamburg Investor Days
30.10.25	Q3 figures 2025

Analysts

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Last GBC Research

Date: Publication / Target price in EUR / Rating
07/04/2025: RS / 10.40/ BUY
27/01/2024: RS / 10.00/ BUY
15/11/2024: RS / 10.00/ BUY
12/08/2024: RS / 9.63 / BUY
The research studies listed above can be viewed at www.gbc-ag.de

Completion: 06.05.2025 (08:26 am)
First publication: 06.05.2025 (10:00 am)

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

* Catalogue of possible conflicts of interest on p5

DEVELOPMENT OF Q1 FIGURES FOR 2025

in € million	Q1 2024	Q1 2025
Net interest income	7.73	13.66
Financial result	3.67	12.38
Net commission and trading income	0.62	1.02
Earnings before taxes	-0.13	10.28
Earnings after taxes	-0.69	10.16

Sources: UmweltBank AG; GBC AG

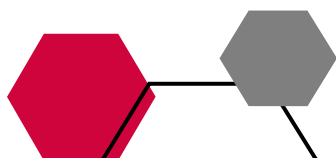
Strong growth achieved across all income and earnings levels

Following the key figures for the first quarter published for the first time on 30 April 2025, UmweltBank AG reported significant growth across all income and earnings levels compared with the previous year. While net interest income rose significantly to €13.66 million (previous year: €7.73 million) as expected on the basis of the recent increase in customer deposits, the increase in net financial income to €12.38 million (previous year: €3.67 million) was well above our expectations. This includes profit distributions from the sale of real estate by a subsidiary. The company plans to sell its entire investment business by 2026, but investment sales are inherently difficult to plan.

The strong increase in the financial result ultimately led to earnings before taxes of €10.28 million (previous year: €-0.13 million), which already exceeds the company's guidance for the full year 2025 (guidance: €5 million to €10 million) after just three months. However, as no further profit distributions are expected for the current financial year and risk provisions in a range of €10 million to €15 million are expected for the rest of the year, the other quarters of the year are expected to show a slightly negative pre-tax result on a cumulative basis, meaning that the guidance remains unchanged.

The private customer business was also characterised in the first quarter by an increase in the number of customers by 4,500 and in customer deposits by €140 million. As at 31 March 2025, private customer deposits amounted to €3.6 billion and remain on track to reach the company's target of €4.3 billion by the end of the 2025 financial year. By 2028, private customer deposits are expected to increase further to €5.9 billion. In addition to savings products and the expansion of the product range in the securities segment, the deposit business is to be driven in particular by the current account. The current account entered the Friends phase in April, before a roll-out is scheduled for mid-2025.

Although, according to the company, demand in the renewable energies and residential real estate sectors remains high in the corporate customer business, new lending started the year as expected on a subdued note at €30 million (previous year: €25 million). In addition to selective lending, the continuing equity restrictions, which will be further tightened by the implementation of CRR III, are also likely to have played a role here. For the year as a whole, the UmweltBank Board of Management continues to expect new lending of €250 million to €350 million, representing a sideways movement in lending volume.



Revenue forecasts slightly adjusted, earnings forecasts remain unchanged

in € million	FY 24	FY 25e (alt)	FY 25e (neu)	FY 26e	FY 27e
Net interest income	44.95	65.92	60.32	73.74	85.35
Financial result	12.98	5.20	14.20	5.72	5.80
Net commission, trading income	5.54	9.45	9.45	10.86	11.24
Earnings before taxes	-8.52	8.37	8.37	16.12	24.19
Earnings after taxes	0.73	5.69	5.69	10.96	16.45

Sources: UmweltBank AG; GBC AG

In line with the company's guidance, we are sticking to our earnings estimates. We have only made minor adjustments on the income side, where we are now taking the profit distribution of the subsidiary into account in the financial result. At the same time, we have reduced net interest income to €60.32 million (previously: €65.92 million), which is in line with the company's forecast of €60 million to €65 million. Previously, we had assumed a steady increase in retail deposits over the course of the year. In our updated estimates, we have postponed the increase in private customer deposits following the introduction of the current account to the second half of the year, which will result in a lower average volume of private customer deposits in the current 2025 financial year.

However, as we are maintaining our earnings forecasts unchanged, we also confirm the share price target of €10.40 derived from the residual income model. The rating remains BUY.

ANNEX

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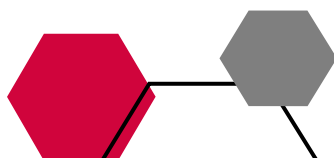
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below with reference to the expected return. Temporary price deviations outside these ranges do not automatically lead to a change in the rating, but do give rise to a revision of the original recommendation.

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BUY	The expected return, based on the determined price target, including dividend payment within the corresponding time horizon is $\geq + 10\%$.
HOLD	The expected return, based on the determined price target, including dividend payment within the corresponding time horizon is $> - 10\%$ and $< + 10\%$.
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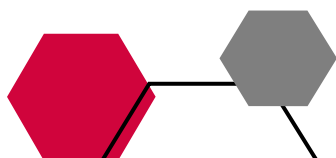
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