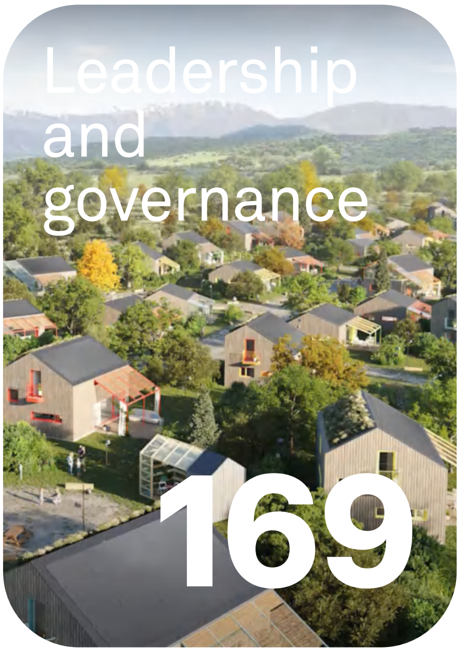
Annual Report 2023

Making positive impact.

Triodos Bank

Content



Leadership and governance

169

Consolidated Financial Statements

205

Appendices

437

About this report

Triodos Bank's reporting reflects our commitment to transparency and creating positive impact on society.

Our approach to integrated reporting

Triodos Bank reports financial and non-financial information in one integrated annual report because we are, and always have been, an integrated sustainable business. In this report, you will find information about the bank, our operating environment, our performance and our impact along with the dilemmas, opportunities and risks the bank is facing.

We last published an Integrated Annual Report on 16 March 2023 covering the year 2022. This report, covering the year ending 31 December 2023, is published on 14 March 2024.

Unless otherwise stated, all references to 'Triodos Bank', the 'bank', the 'Group', 'we', 'us' and 'our' refer to Triodos Bank N.V. and its consolidated subsidiaries.

The following chapters comprise the Executive Board report; 'Triodos Bank in 2023', 'Our impact', 'ESG reporting', 'Risk management' and 'Leadership and Governance', excluding the Supervisory Board report and the Remuneration report.

The Integrated Annual Report was compiled with input from specialist co-workers, reviewed by senior managers, and reviewed, discussed and approved by members of the Executive Board. Final approval was given by the Supervisory Board.

Report structure

This year we have made considerable changes to how the report is structured and how information is presented. These changes were made to improve the report's readability and navigability, while maintaining our commitment to transparency and meeting the requirements of the relevant legislation and reporting standards mentioned below.

We have also decided to no longer publish translations of Triodos Bank's Integrated Annual Report. This decision was taken to ensure equal access to information and accuracy. The press release with the full year results, including key financial and impact information, will be published in the languages of the bank's operating countries.

The Stichting Administratiekantoor Aandelen Triodos Bank (SAAT) [Foundation for the Administration of Triodos Bank Shares] has decided to publish its annual report separately to Triodos Bank's. Their 2023 Annual Report can be found on their website: www.saatfoundation.com.

Reporting guidelines

The content of the Integrated Annual Report reflects the perspectives of Triodos Bank and our stakeholders on our most crucial topics. The report is prepared in line with the Global Reporting Initiative (GRI) standards, which we have followed since its introduction in 2001. Information in this report aims to provide accurate and balanced information about Triodos Bank's economic, social and environmental performance. More information on GRI and the other frameworks we use for sustainability reporting, including the United Nations Sustainable Development Goals (UN SDGs) and the Partnership for Carbon Accounting Financials (PCAF) can be found in the Our Impact and ESG reporting chapters.

The report is also prepared in accordance with the European Union (EU) Non-Financial Reporting Directive on the disclosure of non-financial and diversity information. The majority of disclosures appear in the Annual Report. Additional required disclosures are published on our corporate websites: www.triodos.com and www.annual-report-triodos.com.

The consolidated financial statements in the Annual Report have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and the relevant articles of the Dutch Civil Code.

Reporting on the 2023 financial year is based on the same principles as the 2022 report. Any changes to methodologies are explained in the text.

Assurance

The consolidated financial statements have been audited to the level of reasonable assurance. The chapters 'Triodos Bank in 2023', 'Impact', 'ESG reporting', 'Risk management' and appendices 'Global Alliance for Banking on Values (GABV) Scorecard' and the 'EU Taxonomy table' are in scope of the sustainability information limited assurance engagement. The scope of entities is the same for the sustainability and financial audits.

PricewaterhouseCoopers Accountants N.V. completes both engagements. See the combined independent auditor's and assurance report for further details.

Cover photo: havesting apples at a Herenboeren community farm. Read more in the Herenboeren customer story.

Over 8,000 people came together at Triodos Bank's office at De Reehorst for the Triodos Festival.

Triodos Bank in 2023

Message from the CEO

At the inaugural Triodos Bank Festival, we celebrated the multitude of ways to create positive impact and the unwavering commitment of the Triodos Bank community. It was an unforgettable event, and I was inspired to see over 8,000 customers, like-minded entrepreneurs, investors, co-workers and their families gather at our head office at De Reehorst. The festival highlighted the important role Triodos Bank continues to play more than 40 years since its inception.

Triodos Bank's dedication to positive change was reiterated in 2023 with our support for the Fossil Fuel Non-Proliferation Treaty. As the first bank globally to do so, we built a broad international coalition of like-minded organisations and individuals calling on European governments to commit to a treaty to phase out fossil fuels. We also made an activist statement with the launch of our 'Save fossil free' campaign for retail banking customers in the Netherlands.

I am proud to see our frontrunner role acknowledged with multiple awards this year. These included being named most active clean energy lead arranger globally, ranking third in the global 2023 Sustainable Banking League Table and receiving the Charities' Bank of the Year award in the UK.

In a year in which we witnessed multiple climate-related disasters and watched with horror the escalating violence in several countries, Triodos Bank's pursuit to create positive impact remained as relevant as ever. We continued to be a frontrunner in sustainable banking by realising our mission to make money work for positive change in society. Organisationally, the bank made good progress on its three transitions: capital transition, operating model transition and leadership transition. And financially, the bank achieved its best result ever.

In 2023, we recorded strong financial results, supported by the changing interest rate environment. We raised interest rates on all our savings accounts and enhanced our term deposit offering, actively balancing our funds entrusted with our funding needs. This enables us to remain an attractive financial partner for our core customers: retail customers and small and medium-sized social entrepreneurs. Financing these change makers is essential for realising positive impact within our five transition themes: Energy, Food, Resource, Societal and Wellbeing Transitions.

In 2023 we made good progress on our five transition themes and achieved our best financial results ever.

To strengthen the unique position of Triodos Bank, we continued to execute three significant transitions.

As part of our capital transition, tradability in Depository Receipts (DRs) was restored through their listing on a multilateral trading facility (MTF). This historic moment marked the end of a prolonged period of suspension, a situation that has caused serious impact on many DR Holders. At the 2023 AGM, on behalf of Triodos Bank, I expressed our regret that we had not been able to prevent this situation and offered our sincere and heartfelt apologies.

With the listing of our DRs on the MTF with Captin, DR Holders can now trade on a weekly basis against variable market prices. In addition, with this listing DR Holders gained the right to request voting rights on their DRs at General Meetings. DR Holders can exercise their voting rights for the first time at the upcoming Annual General Meeting on 17 May 2024.

Whilst we restored tradability successfully, we do acknowledge that many DR Holders are not yet satisfied with the liquidity and price development of the DRs on the MTF. We will continue to support adequate trading liquidity and fair price development as far as possible within the boundaries of applicable rules and regulations. We launched an evaluation of the MTF performance to better understand which aspects require improvement and how this can be achieved. In addition, our relentless focus remains on making positive impact and delivering a solid financial performance, enabling fair dividends and ongoing investments in our bank's sustainable future. We will also continue to intensify engagement with our investor community. We trust these combined steps will support us to enhance the attractiveness of investing in our DRs.

We made significant progress in aligning, harmonising and integrating the bank's activities by redesigning our operating model, a transition that will be fully implemented in 2024. As part of our leadership transition, Kees van Kalveen was appointed as Chief Financial Officer in January 2023, completing the Executive Board. In October 2023, we announced that our Chief Risk Officer (CRO) Carla van der Weerdt will not return due to health issues. We are grateful for her contribution to the bank and wish her a good recovery and all the best for the next phase of her professional life. I am very pleased that Marjolein Landheer is willing to extend her assignment as CRO and will be nominated by the Supervisory Board at the upcoming AGM.

In addition to these three transitions, we made good progress in enhancing our banking operations. Specifically, I would like to highlight the improvements to our Know Your Customer and Customer Due Diligence activities in the Netherlands. The improvements we accomplished allowed the Dutch Central Bank to close the instruction they had given Triodos Bank in 2019 on these topics. I am proud of all co-workers who achieved this remediation, especially given the challenging circumstances of the COVID-19 pandemic.

As we move forward in 2024, our focus will be on enhancing our impact and financial results within the boundaries of our modest risk appetite, simplifying our banking operations and increasing the tradability of our DRs to the best extent possible. Ongoing dialogue with all our stakeholders remains an essential priority for us.

Finally, I would like to express my sincere gratitude to all our customers, co-workers and investors for their ongoing commitment to Triodos Bank and our mission of creating positive change for society.

On behalf of the Executive Board,

Jeroen Rijpkema

2023 at a glance

Highlights

#1

Ranked #1 globally for most active clean energy lead arranger by total number of deals

1st

First bank globally to join the global campaign for a proposed Fossil Fuel Non-Proliferation Treaty

Tradability

Tradability in Triodos Bank Depository Receipts restored on a multilateral trading facility platform

Impact

640

640 renewable energy projects were financed avoiding 996 ktonne CO_2e emissions

45,200

45,200 people were residents at 617 care homes for older people financed by Triodos Bank

252

252 ktonne CO_2e net emissions from outstanding loans and investments

Financials

77.2m

EUR 77.2 million net profit

6.1%

6.1% return on equity

73%

73% cost income ratio

People

746,479

746,479 customers

1,851

1,851 co-workers, of whom 50% are women

4.9

4.9 ratio highest paid co-worker to median salary

Our purpose: the conscious use of money

Triodos Bank believes in the transformative power of money. Through our activities as a financial institution, we make money work for positive change and promote the conscious use of money. By doing so, we aim to contribute to social renewal based on the principle that every human being can develop themselves in **freedom**, that they each have **equal rights**, and all bear **responsibility** for the consequences of their actions on other people and the Earth.

Our mission

Triodos Bank makes money work for positive change in society.
We are in business to help create a society that promotes the quality of life of all its members on a thriving planet, with human dignity at its core.

Our core values

→ Freedom
→ Equity
→ Responsibility

Our business principles

→ Respect
→ Integrity
→ Professionalism
→ Inclusivity
→ Transparency
→ Ownership
→ Entrepreneurship

More on our mission, vision, core values and business principles can be found on www.triodos.com/about-us.

Key figures

amounts in millions of EUR (unless stated otherwise)	2023	2022	2021	2020	2019
Equity	1,289	1,252	1,250	1,208	1,201
Deposits from customers	13,759	13,816	13,285	11,747	10,694
Loans and advances to customers	11,080	10,620	10,168	9,157	8,209
Balance sheet total	16,176	15,800	16,504	13,888	12,082
Funds under management[1]	7,066	6,793	7,695	6,362	5,671
Total assets under management	**23,242**	**22,593**	**24,199**	**20,250**	**17,753**
Total income	466.3	375.1	341.9	305.1	292.2
Operating expenses	-339.0	-300.1	-275.2	-245.4	-234.4
Impairment result on financial instruments	-21.3	-8.1	0.4	-24.2	-3.7
Operating result before taxation	106.0	66.9	67.1	35.5	54.1
Taxation on operating result	-28.8	-17.1	-16.4	-8.3	-15.1
Net profit[2]	**77.2**	**49.8**	**50.8**	**27.2**	**39.0**
Return on equity	6.1%	4.0%	4.1%	2.3%	3.4%
Return on assets	0.5%	0.3%	0.3%	0.2%	0.3%
Operating expenses/total income	73%	80%	80%	80%	80%
Total Capital Ratio	20.4%	21.0%	21.3%	18.8%	17.9%
Minimum requirement Total Capital Ratio[3]	15.5%	13.7%	14.2%	13.6%	13.8%
(Common) Equity Tier 1 Ratio	16.7%	17.3%	17.5%	18.7%	17.9%
Minimum requirement Equity Tier 1 Ratio[3]	12.4%	10.9%	11.6%	11.1%	11.8%
Leverage Ratio	6.9%	6.9%[4]	8.1%	8.8%	8.5%
Minimum requirement Leverage Ratio	3.0%	3.0%	3.5%	3.0%	3.0%
Return on Risk Weighted Assets	1.1%	0.7%	0.8%	0.5%	0.6%

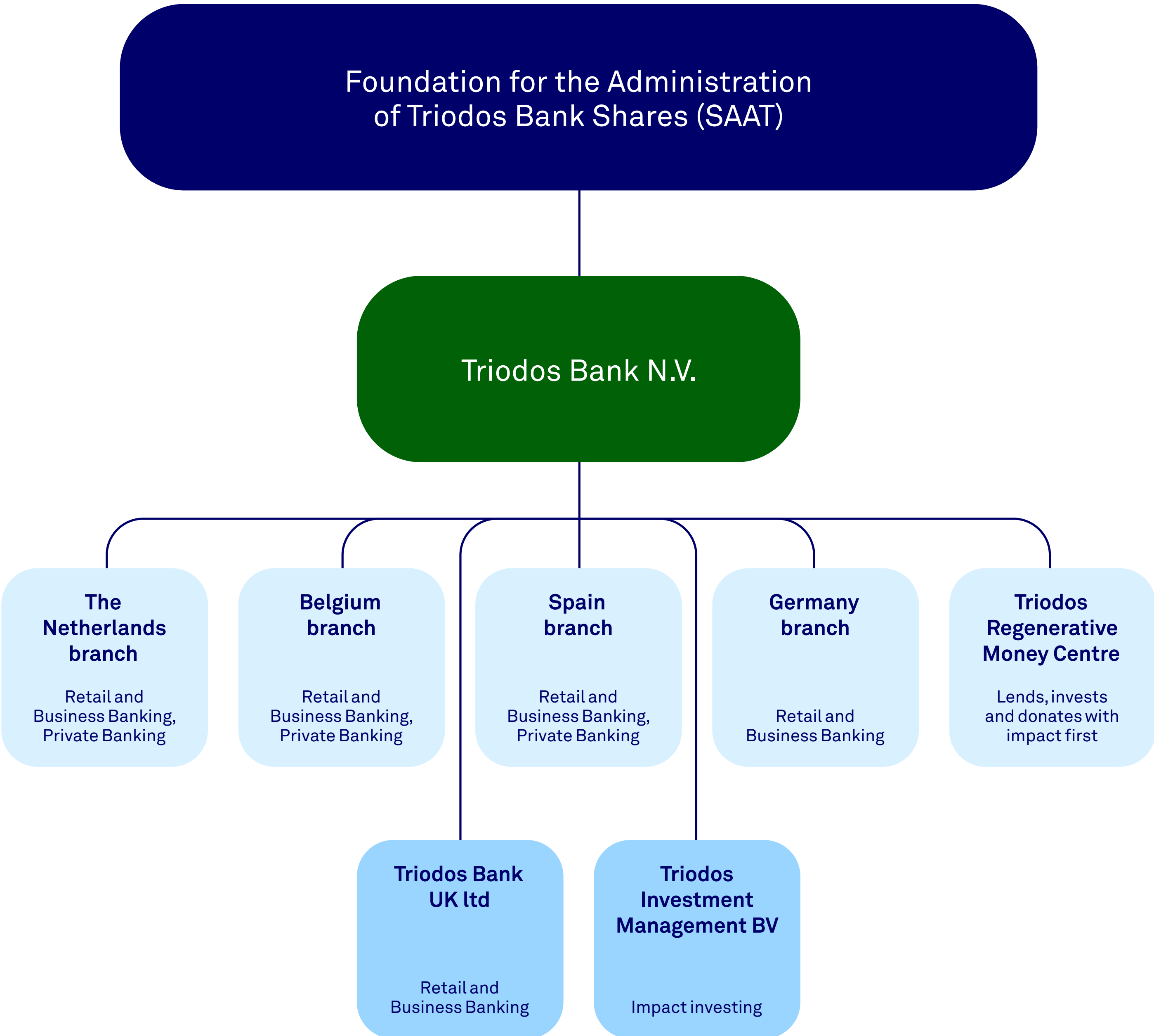
1 Funds under Management mainly consists of funds managed by Triodos Investment Management and Private Banking.
2 Net profit is subject to rounding difference.
3 These are the minimum requirements based on the overall capital requirements which excludes guidance. The comparative figures are adjusted accordingly.
4 The decrease of the leverage ratio 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.

amounts in millions of EUR (unless stated otherwise)	2023	2022	2021	2020	2019
Real economy assets/Balance sheet total[1]	77%	77%	70%	75%	76%
Triple bottom line assets/Balance sheet total[2]	82%	77%	70%	74%	75%
Number of Depository Receipt Holders	42,724	43,545[3]	43,521	43,614	44,401
Net asset value at year-end (per share in EUR)[4]	91	89	88	85	83
Net profit (per share in EUR)[5]	5.43	3.50	3.57	1.91	2.80
Dividend (per share in EUR)[6]	4.07	3.12	1.80	0.65	-
Number of accounts - deposits from customers	911,785	884,607	880,374	867,377	830,816
Number of accounts - loans and advances to customers	80,878	82,931	84,386	81,726	77,984
Number of customers	746,479	744,477	747,413	728,056	721,039
Social					
Number of co-workers at year-end	1,851	1,815	1,715	1,592	1,493
Number of FTE at year-end	1,718	1,679	1,584	1,463	1,370
Co-worker turnover	10%	11%	10%	8%	10%
Women as percentage of management team	39%[7]	43%	39%	39%	44%
Ratio of highest to median salary[8]	4.9	5.1	5.2	5.4	5.6
Environment (in ktonne CO_2e)					
Triodos Bank's own emissions, 100% compensated	1.4	1.3	0.9	1.2	2.9
Net emissions in outstanding loans and investments[9]	252	299	330	320	293
Avoided emissions in renewable energy loans and investments[10]	996	1,048	851	933	963

1 Assets are classified as 'real economy' (as opposed to financial economy) if they are directly linked to a real economy asset or activity. This means that the asset or exposure is aimed at directly supporting the production of goods and services, as opposed to focusing primarily on buying and selling in the financial markets.
2 Triple Bottom Line assets refer to assets not only focused on economic benefits, but also on positive social and environmental benefits. We believe this figure provides the best indication of a bank's commitment to sustainability.
3 The number of Depository Receipt Holders increased due to transactions among depository receipt holders, without the involvement of Triodos Bank.
4 The net asset value per share is the total equity divided by the total shares outstanding. Since 2021, the net asset value per share has not been the trading price.
5 The figure of net profit per share is calculated based on the average number of issued shares in circulation during the reporting period.
6 The dividend over 2023 amounts to EUR 4.07 per Depository Receipt (DR) (2022: EUR 2.11 excluding the extraordinary dividend of EUR 1.01 per DR). This includes the earlier paid interim dividend of EUR 1.23 (2022: EUR 0.35) and a final dividend amount of EUR 2.84 (2022: 1.76) per DR that Triodos Bank will propose at the Annual General Meeting in May 2024.
7 The management team consists of the Executive Board, their direct reports and the direct reports of Managing Directors of all Operating Units. The implementation of the new target operating model in 2023 resulted in less direct reports of Managing Directors which group consisted of relatively more women.
8 The ratio of highest to median salary (excluding highest salary) follows the GRI criteria and is considered best practice. All salaries are calculated on a full-time basis compiled at 31 December of the reporting year.
9 The PCAF Standard is used to assess and report on the financed scope 1 and 2 GHG emissions of 100% of our loans and investments. The net emissions in our outstanding loans and investments for the years 2020-2022 have been restated in line with the current reporting approach.
10 The Partnership for Carbon Accounting Financials (PCAF) methodology is used for reporting. Triodos Bank assesses the financed scope 1 and 2 GHG emissions of 100% of our loans and investments by using the Global PCAF Standard (2019-2021 covered 100% of customer loans and funds' investments).

About Triodos Bank

Our group structure



Through these entities, we perform the following activities:

Retail banking

Through our European network, our goal is to offer our customers products with a purpose including savings, payments, lending, private banking and investments.

Business banking

We lend money to organisations working to bring about positive change. Our lending focuses on five transition themes: the Energy, Food, Resource, Societal and Wellbeing Transitions.

Private banking

We advise customers on employing their capital to stimulate sustainable development. Our key service is sustainable discretionary asset management.

Investment management

Triodos Investment Management manages 20 funds with a range of risk-return profiles. Impact private debt and equity funds invest in Europe and emerging markets through a range of financial instruments. Impact equities and bonds funds invest globally in listed equities and bonds.

Triodos Regenerative Money Centre

Triodos Regenerative Money Centre lends, invests and donates money with an innovative and impact-first approach through the Triodos Sustainable Finance Foundation, Triodos Ventures B.V., Triodos Renewable Energy for Development Fund and Triodos Foundation.

Our governance structure

Executive Board

The Executive Board is responsible for the management and strategic development of Triodos Bank. The Executive Board is appointed by the Supervisory Board.

Supervisory Board

The Supervisory Board supervises the activities and the decisions of the Executive Board and the general affairs of the company and its affiliated enterprises.

New members of the Supervisory Board are appointed by the Annual General Meeting, based on recommendations from the Supervisory Board. One-third of the Supervisory Board members are persons recommended by the Dutch Works Council

More information about Triodos Bank's Boards can be found in the Leadership and Governance chapter .

Stichting Administratiekantoor Aandelen Triodos Bank (SAAT)

To ensure the protection of the mission and identity of Triodos Bank, all shares in the capital of Triodos Bank are held for administration purposes by Stichting Administratiekantoor Aandelen Triodos Bank (SAAT) [Foundation for the Administration of Triodos Bank Shares]. SAAT is the legal owner of the shares, and has issued Depository Receipts (DRs), which represent these shares. More information on DRs can be found in the Our investors section.

The world around us

Over the past year, the flaws in the current global order became increasingly evident.

We witnessed several climate-related disasters worldwide, affecting millions of people. Wars being fought on multiple continents have displaced millions of people and disrupted the lives of millions more. The economic, social and geopolitical consequences will be felt for years to come.

Advanced economies are feeling the effects of the strong interest rate hike cycle and are likely to experience economic setbacks in the coming year. Persistent inflation hit lower income groups hard and the impending economic stagnation suggests more difficulties ahead. Meanwhile urgent humanitarian crises often overshadow the necessary long-term transitions.

To achieve genuine sustainable prosperity, we need a holistic transformation from the current extractive, economic growth-dependent system to an inclusive one centred on regeneration, resilience and sufficiency. This has been the core focus of Triodos Bank since 1980.

Ecological crisis

The year 2023 was characterised by extreme weather across the globe. It marks the first time on record that every day within a year has exceeded 1°C above the 1850-1900 pre-industrial level. We remained concerned about the role of the financial sector towards fossil fuels and social inequality.

As part of our finance change agenda, to highlight the alternative Triodos Bank offers, we launched a commercial initiative on fossil free savings accounts and developed our propositions around bio-based construction. In addition, we made progress on our AsOneToZero commitment towards operating at net-zero by 2035. This included reaching new insights on carbon reduction with loan customers and developing new nature-based solutions to sequester CO_2 from the atmosphere. As a holistic sustainable bank, we choose to lend to and invest in solutions that not only focus on carbon sequestration but also improve biodiversity and promote a just society. Meanwhile, as part of our change finance agenda we supported the campaign for the Fossil Fuel Non-Proliferation Treaty and advocated for improved EU regulation.

Other financial institutions are increasingly raising environmental concerns and setting climate goals. We welcome the much-needed progress in the financial sector and feel encouraged to further enhance our distinctiveness. As a frontrunner in sustainable banking, with other banks catching up, Triodos Bank will take the next step towards changing the economic system.

Geopolitical conflict

The Russian war in Ukraine continued throughout 2023, and new violent conflicts erupted in Sudan and the Middle East. Death and destruction clearly contrast with our mission to support thriving economies for people and nature. Wars lead to human tragedies, shortages, and negative economic effects globally. In 2023 this also became apparent in high and unpredictable energy supply. Small and medium-sized enterprises struggled with this, and the banking sector experienced a lower demand for business loans. Our response involved staying in close contact with our loan customers and the sectors they operate in and support them as best we can.

Despite ongoing conflict, financial markets showed signs of recovery in 2023, as the global economy proved more resilient than expected. This led to a more positive investment appetite among investors. This was mostly the case for the listed investments. Investor sentiment for direct investments in sustainable companies and projects remained on the cautious side. In this context, Triodos Investment Management remained focused on strategy execution, more specifically on implementing its strategic goal to be the asset manager of choice for investors seeking solutions for building impact investment portfolios.

Inflation and cost of living

The cost of living in the five countries where Triodos Bank has banking activities has risen considerably since the beginning of 2022. High levels of inflation continued in 2023 before declining by the end of the year.

The cost of our business lending activities rose. The number of defaults rose compared to earlier years but was within the longer terms risk appetite. Still the costs for the bank are increasing, and arrears are increasing, requiring specific attention. Where needed, we intensified the dialogue with our loan customers and investees to pursue solutions together.

High interest rates

The year 2023 was volatile in respect to interest rates across the world. In this interest rate environment, we were able to enhance our interest rate margins.

High interest rates have put certain pressures on financial markets, enhancing attractiveness of fixed income investments versus many equity investments. For investments it has been a challenging year, as overall the market saw outflows. We managed to keep our funds entrusted stable at 13.8 billion.

Artificial Intelligence (AI) and other technology

The combination of digital transformation and open banking could lead to a further fragmentation in the value chain. As a bank, we are continuously aware of changes within value chains. Our strategies involve assessing to which part of the chain we can and should add the most value and how we can optimally allocate our core capabilities.

In 2023, we witnessed the development of new AI technologies, such as Chat GPT (launched 30 November 2022). This digital technology shows how vast amounts of data can be turned into meaningful information or even conversations between human and machine. The full effect of this fast-developing artificial intelligence on the banking sector is not yet clear. In 2023, the banking sector started experimenting with cases relating to customer services, Know Your Customer and anti-money laundering.

We strive for the optimal use of technology in the interest of customers, while being very strict and monitoring that we mitigate the downsides and closely monitor the developments.

Our strategy and progress

Triodos Bank's mission is to make money work for positive change in society. We are in business to help create a society that promotes the quality of life of all its members on a thriving planet, and that has human dignity at its core. This is what sets us apart and defines our position in the financial sector.

Our strategy and resulting objectives are rooted in this mission and are informed by the perspectives of our internal community and external stakeholders. All this supports us in our goal to finance change and change finance.

In 2023, Triodos Bank pursued objectives in line with our three strategic themes. Through **One Bank**, we worked towards implementing a more efficient organisation, with the aim to structurally improve our ability to serve our customers. **Unlocking our Purpose** focused on creating a more community-oriented approach through our purpose-driven products and services. With **Frontrunner in Responsible Finance**, we further developed our position as a thought leader in changing finance and financing change as well as our ability to enhance the impact we create by identifying new areas and ways to finance impact.

Our efforts in 2023 led to improved capital allocation, listing our Depository Receipts (DRs) on a multilateral trading facility (MTF), and further defining the areas we want to focus on within our five transition themes. All of this will support the realisation of our vision for 2030: to be a leading catalyst for a sustainable world, by using money as a tool for system change. More information on our impact strategy and results can be found in the 'Our Impact' chapter.

Our strategic themes in 2023

1. One Bank

Redesigned, responsive and robust.

We strive to improve our operating model to become a more integrated and aligned bank with an efficient operating model to meet our impact-risk-return objectives. We are committed to streamlining digital and other processes to better serve customer needs and improve their experience. In addition, we strive to improve efficiency in our organisation and strengthen our compliance and risk management capacities.

2. Unlocking our Purpose

Enabling customer engagement; activating our communities.

We work hard to align our customer propositions with the impact we aim to achieve in the world. Our goal is to empower customers and communities to take action to create impact and for the bank to become a sustainable finance reference platform that provides products with a purpose and impact investment solutions.

3. Frontrunner in Responsible Finance

Leading by example; innovating finance for impact.

We aim to become a frontrunner in the transition of the financial system. To do this, we are committed to transforming finance by advocating for sustainability and human dignity in the financial sector. And we strive to address major sustainability challenges by financing initiatives that create positive change.

Our progress in 2023

Objectives for 2023	What we achieved in 2023	More information
One Bank		
1.Profitable business lending	Despite subdued loan demand in some of our markets, we continued to originate new impact loans, and improved loan margins on our business lending portfolio. Strict pricing discipline resulted in solid average returns on new production above 6%, which contributed to our strong net profit in 2023.	Our financial performance
2. Profitable funds under management growth	Due to a challenging market for investment management, investment appetite was low, resulting in limited client inflow. Therefore, we have recalibrated our ambition to reflect a more realistic development of funds under management. Furthermore, we are actively investigating business opportunities for the mid to long term.	Our financial performance
3. Profitable mortgage growth	Mortgage margins were lower in the first half of the year following severe competition and a challenging mortgage market in 2023 (notably in the Netherlands). However, in the second half of the year, we prioritised good returns through pricing discipline and accepting lower volumes for new loans. Despite lower volume, the mortgage portfolio contributes materially to Triodos Bank's net profit due to our interest rate risk management activities.	Our financial performance
4. Effectively manage cost and revenues	Expenses increased in 2023 due to increased personnel expenses related to inflation and modest growth in FTE for compliance and anti-money laundering activities, as well as costs associated with the MTF listing and DR litigation. While these cost drivers impact the bank's short-term ability to improve expense levels, we expect to reap the benefits of operating model changes in 2024 and beyond by realising cost synergies facilitated by integrated company-wide functions. This will partly offset rising costs due to, amongst others, inflation.	Our financial performance
5. Implementation of Triodos Operating Model	We made good progress implementing foreseen changes to our operating model, and we are well on our way towards creating an organisational structure with reduced complexity, delivering on our mission effectively and efficiently. The operational designs were completed and the last co-worker consultations are in finalising stages. The new design will be fully implemented in 2024.	Our co-workers
6. Restore DR tradability via multilateral trading facility platform	In July 2023, we restored tradability of our DRs via listing on an MTF, reaching a critical milestone for Triodos Bank and DR Holders. Since the first trading round, there have been trades every week. We are committed to pursuing further enhancement of tradability to the best extent possible within the boundaries of applicable rules and regulations.	Our investors

7. Realise further step-up in compliance	As a result of our efforts in 2023, we realised important step-ups in our control environment through implementation of supporting processes, technology, and investments in our co-workers. We largely remained on track with our Know Your Customer (KYC) initiatives and financial crime maturity improvement plan. The improvements we made enabled the Dutch Central Bank (DNB) to close the instruction they had given Triodos Bank in 2019 on these topics. We worked diligently on risk management by embedding governance and risk control tools. Overall, we made good progress, but we are committed to taking additional steps to reach a more proactive maturity level for compliance management.	Risk management
Unlocking Our Purpose		
1. Strong co-worker community	Triodos Bank strives to create a healthy, resilient, committed, diverse and inclusive co-worker community, to deliver sustainable high performance and impact. In 2023, we finalised our Equity, Diversity and Inclusion (EDI) policy, and recalibrated our approach when it comes to talent acquisition, development and retention.	Our co-workers
2. Enhanced customer satisfaction	We made strong efforts to improve customer satisfaction, by taking measures to close feature gaps for our customers. In addition, we identified and are currently investigating long-term actions to further deliver on client expectations.	Our customers
Frontrunner in responsible finance		
1. Decrease the GHG emission intensity of our lending and investment portfolio (Scope 3 - category 15)	We successfully completed validation of our near-term emissions reduction targets as science based (SBTI) and defined targets to guide our journey towards net-zero emissions (AsOneToZero) in the coming years. Furthermore, we have created and rolled out engagement plans to engage with the 250 highest emitters in our portfolios.	Our climate and environmental impact
2. Increase the GHG sequestration or absorbance of CO_2 of our lending and investment portfolio	Next to our ambitions in terms of carbon reduction, we made progress in our strategic approach towards financing nature-based solutions, mapping opportunities and identifying innovative ways to finance such projects. To guide our approach, we have developed a theory of change to support our future endeavours.	Our climate and environmental impact

Looking forward

Triodos Bank's business model, aligned with our purpose, is to attract money through savings, investments or gift money and deploy it for positive change in the form of investments, loans, patient capital or donations. We finance, invest in, or donate to the real economy, in line with our five chosen transition themes. Triodos Bank remains committed to making positive impact as its first priority, and in the coming years, we will continue to pursue this ambition.

The events of the recent years have shown that the world is in a polycrisis. This makes Triodos Bank's mission more urgent than ever. Incremental changes will not be enough to tackle the challenges we see. Our goal is to create even more system change by 2030 and be a leading catalyst for a more sustainable world using money as a tool. To achieve this ambition, we will continue to focus on financing positive and transformative impact in line with our five transition themes.

In the coming years, we will continue to pursue this ambition, supported by the following objectives in line with our evolving strategic focus:

1. **We finance transformation** through carbon reduction, financing transformative initiatives across our five transition themes, and through a new focus on nature-based solutions.
2. **We advocate system change and engage those who are eager to act** by articulating a clear position on our five transition themes and change finance. Through this, we will activate our community and attract new customers.
3. **We visibly demonstrate impact** by finding innovative ways to illustrate and communicate the impact we create, supported by high-quality data management. Compliance with important regulations such as the Corporate Sustainability Reporting Directive (CSRD) will enable us to showcase the impact we create and strengthen our ability to become even more effective in changing finance, financing change and activating our community.

The strong increases in interest and savings rates starting in mid-2022 and continuing during 2023 which underpinned Triodos Bank's exceptional 2023 results are not anticipated to have the same effect in 2024, albeit the interest rate environment is expected to remain positive which is supportive to Triodos Bank's operating model.

To realise our strategy to enhance impact and financial results within the boundaries of our modest risk appetite, we will strive 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.

Our co-workers

Triodos Bank strives to be an international, values-led employer of choice, bringing our mission to life every day. As an inclusive and highly engaged community of co-workers, we enable each other to be our best at work. Our commitment to learning and personal development, ensures that we lead change, advance our movement and deliver impact for our customers.

Building a more effective and efficient Triodos Bank

The redesign of Triodos Bank's operating model was one of three internal transitions to ensure we remain a frontrunner in sustainable banking. The redesign began in May 2022 and the new Triodos Operating Model (TOM) will be fully implemented in 2024. The model was intentionally chosen to create a more effective and efficient organisation operating across five countries.

The goal is to create 'One Bank, One Team, One Mission' through a more integrated and agile structure. This will better leverage our scale across the five countries, enabling us, amongst others, to consistently achieve our cost income ratio (CIR) and return on equity (RoE) targets. With the new structure, we can achieve greater efficiency, make the best use of our resources and the expertise of all co-workers, and create a more collaborative way of working. This will be essential for shaping our future activities and ensuring their success.

We drew on industry best practices when redesigning and implementing the new structure, ensuring that the transition aligns with Triodos Bank's values and prioritises people. This resulted in a phased approach to creating and implementing new structures for two important reasons. Firstly, to ensure a feasible pace of change that is effective and comprehensive without being too disruptive to everyday activities. Secondly, to ensure Requests for Advice (RfA), in which the outline and design of the proposed structure and related job impacts are shared with the co-worker representative bodies in all countries, in a phased way to allow time for review.

There has been a thorough consultation approach in each functional area including local engagement and reviews in every country, by senior leaders and all Co-Worker Representative Bodies.

All co-workers have been supported throughout the change in a variety of ways: by the operating model programme team both centrally and in functional areas, by local and Group Human Resources (HR), local management, and through the local co-worker representative bodies. Managers have had access to bespoke online training, as well as resources to support them while supporting others through the change. Training has been provided to strengthen and develop change management capabilities, to ensure that individuals and teams are supported to work in new ways, with new colleagues and in many cases with people from different cultures.

The ultimate outcome of the redesign is that Triodos Bank will have and will continue to develop, a more effective and efficient organisation with a commitment to continuous improvement. Although we are still in the transition, we already see our vision for 'one bank, one team, one mission' becoming a reality with more results to be seen after the implementation is complete. Some early examples include:

- **'One HR' –** Triodos Bank Human Resources was one of the first teams to go through the transition. This provided HR co-workers with useful experience as 'pioneers' of the process, enabling them to better support other departments going through the transition. The HR department started to harmonised group-wide HR processes, paving the way for other departments to follow. This includes the creation of the HR Centre of Expertise providing all business units access to specialist support such as Learning and Development, Talent Management, Co-Worker Experience and Equity, Diversity and Inclusion.

- **Enhanced customer experience –** changes within the structure of Customer Services have focused on ensuring consistency of the customer experience across the group while retaining and enhancing country-specific needs. Single ownership of all customer channels gives us greater strategic oversight into necessary innovations to continue to provide the excellent customer service with the human touch we are renowned for.

- **A robust Know Your Customer (KYC) and Financial Crime (FC) function –** the new structure provides a more consistent, connected, and 'in control' approach for the functional area with operational capabilities organised in-country to prioritise the needs of both customers and co-workers.

Triodos Bank set a target saving of between 130 and 150 positions to be achieved by the end of 2024 through the creation of a new operating model. As intended, this figure will be achieved through a combination of natural attrition, redeployment and redundancies. Projections indicate we will reach the lower end of our FTE savings within the target range, this reduction is partially offset by investing in areas like compliance and anti-money laundering where we hired additional co-workers. These savings contribute to the latest RoE and CIR objectives, which can be found in the Our Financial Performance section.

To ensure an effective and efficient organisation across five countries, the bank must also be able to consider additional investments in capacity at any time. This includes investing in functional areas where maturity is needed, and the redesigned operating model allows to do this in a more flexible way.

A word from our Chief Operation Officer, Nico Kronemeijer

"I would like to thank all our co-workers for their support, collabora-tion, engagement and patience throughout this transition. What we see emerging gives the Executive Board a real sense of achievement and pride in what we have created together. These changes will not only help us to achieve our business and strategic goals but enhance how it feels to work for Triodos Bank as we evolve as a more integrated and connected international organisation."

Talent management

The development of Triodos Bank as an 'employer of choice' continues to be a significant priority.

This year, the Talent Acquisition team has focused on the fundamentals required to create a consistent and professional candidate experience. Development of our employer brand is ongoing to ensure that mission-aligned, diverse candidates know about Triodos Bank and choose to join.

Simply aligning to the purpose and mission is not enough to retain and engage co-workers. By focusing on the 'co-worker experience', opportunities for development, career progression, and inclusiveness become a priority.

As a result of the redesigned Triodos Operating Model, the majority of new Group leadership positions were filled by the beginning of 2023 with individuals already in senior positions at Triodos Bank. Supporting co-workers to succeed in these positions has been a significant focus of attention this year through development assessments, talent conversations and development plans. In 2023 the current talent and succession overview for all Executive Board members and their direct reports was also compiled.

The Executive Board received 360-degree feedback, supporting the creation of development plans and enhancing discussions around key performance indicators (KPIs) and targets for 2023. At the end of 2023, the same process was started for the direct reports of the Executive Board, with plans to agree development plans and KPIs in the first quarter of 2024. This differentiated framework ensured a consistent, inclusive and structured approach to talent. The same approach can now be applied deeper into the organisation.

A Talent Board continued to meet bi-annually during 2023 to review succession plans and the progress and development of each senior co-worker.

Creating a consistent and inclusive way to identify emerging talent is a priority for Triodos Bank. A pilot approach to measure and develop emerging talent is under development in one business unit, to be rolled out across the Group next year.

Thematic outcomes of the leadership development assessments and talent board discussions have facilitated the ongoing team development for the leadership teams of each Executive Board member, supported by external leadership consultants and coaches.

Triodos behaviours

The Triodos behaviours are a set of core behavioural competencies, developed to guide co-workers in how to conduct themselves. The behaviours have been introduced to all co-workers across Triodos Bank, and work is underway to integrate Triodos behaviours into FLOW dialogues throughout the organisation. FLOW dialogues are regular performance and wellbeing dialogues between manager and co-worker, which take place throughout the year. Training courses were provided for co-workers to prepare for their FLOW dialogues, as well as other complementary learning sessions in areas such as 'Asking for feedback', 'Receiving feedback', 'Managing own career', 'Setting objectives' and 'Enhancing personal wellbeing'.

Equity, Diversity and Inclusion Initiatives (EDI)

At Triodos Bank, we are committed to role modelling the equitable society we want to be part of, to being a diverse organisation reflecting the communities and customers we serve, and to being transparent about our journey. We seek to be fully inclusive for all current and future co-workers, customers and partners and we know that we must work hard to achieve this.

As a society we are learning and changing. We know that injustices, inequalities and mistakes are embedded in the current systems that we are a part of, benefitting some of us and putting others at a disadvantage. As an organisation, we need to address past and present issues, challenge ourselves and act now and in the future to ensure that people are not directly or indirectly discriminated against. We place value on our differences, and we create fair access and advancement for all co-workers. This is essential to ensuring that Triodos Bank provides a safe place for all co-workers and an environment in which we all thrive. An ongoing focus on EDI is crucial to realising our mission.

A key step forward in 2023 was the development of the Triodos Bank Group Equity, Diversity, and Inclusion policy (EDI policy) which was published internally for all co-workers.

There are four core goals within the EDI policy, which are interwoven throughout the policy and related policies and procedures. These are: to achieve a fair gender balance in the composition of top-level management and for the workforce as a whole; to build and nurture an inclusive Triodos culture; to become a more diverse organisation, reflective of the communities in which we operate; and to further develop capabilities of inclusive leadership and decision-making.

Additionally, the Group EDI strategy identified objectives and brought together progress and ideas from across the bank to achieve the goals of the policy. These focus on moving towards an aligned Triodos Bank approach in which we share a coherent understanding of EDI and the expectations we have of every co-worker.

The broad plan by which Triodos Bank works to achieve these goals include adopting gender targets for the Supervisory Board, the Executive Board, and senior management (and developing and delivering on an associated action plan); creation of awareness around equity, diversity, and inclusion topics; integration into learning programmes and behavioural competencies; equal pay policy; inclusive approach to recruitment and selection, and appointment, succession, and promotion; support of co-worker communities such as inclusion forums; and including questions about the inclusivity of Triodos culture in the cycle of co-worker engagement surveys throughout the year.

We are working on adding additional questions on EDI into the co-worker engagement survey in 2024 to provide greater insight into our progress and position EDI as a distinct theme in our overall approach to co-worker feedback.

Examples of EDI results and progress in 2023 include:

- Appointment of an Executive Board sponsor.
- Talent Acquisition team strengthening policy and processes.
- Strong focus of Executive Board and HR talent management on ensuring more diversity in senior management.
- Gender pay gap analysis conducted by external organisation Highberg[1] for 2023; also communicated outcomes of pay gap analysis 2022 with co-workers.
- Improvements made to internal capabilities to analyse available gender diversity data.
- New content on inclusion incorporated into Management Development Programme and Values Ambassador Training.
- Work continues to support co-worker communities, including two ‘Triodos Talks’ on equity, diversity and inclusion; identifying best practices from existing inclusion forums; and seeking feedback from internal ambassadors on the implementation of the equity, diversity, and inclusion strategy.
- Virtual team launched with representatives from HR community across Group to help better embed the policy, and strategy, in all locations.

1 Formerly known as AnalitiQs.

In 2023, we worked to create a structure that EDI was the shared responsibility of all co-workers. Co-workers from across the bank became active ambassadors or members of Triodos Inclusion Forums. We also opened applications for Triodos' first mutual mentoring initiative. These forums and co-worker engagement opportunities help us as an organisation to consistently listen to our co-workers and improve inclusivity of under-represented communities.

EDI targets, data, analysis and reporting

In 2023, Triodos Bank submitted a gender diversity report and associated action plan over 2022, in line with legal requirements, to the diversity portal of the Sociaal-Economische Raad (SER).

Throughout the year, there was a greater focus on EDI data. We continued to work on our aim to increase female representation across all levels of the bank. This included setting and reporting on targets for diversity of senior management, internal talent initiatives and process developments to widen the talent pool.

The Executive Board and Supervisory Board has set the following gender targets as explained in the table below.

In 2023, new targets were set by the Executive Board, and approved by the Supervisory Board, for senior management as from 2024. The re-organisation of the Triodos Operating Model and the restructuring of the top structure of Triodos Bank leads to a change in definition of senior management. A smaller set of positions are defined as senior management as from 2024, resulting in new ambitious targets based on the gender balance of this population. The targets set for 2024-2026 enable Triodos to improve gender balance in our organisation, supported by a comprehensive plan of approach.

At the end of 2023, the gender composition of the Executive Board, the Supervisory Board, and senior management was (female - male):

1. 50%-50% Supervisory Board
2. 20%-80% Executive Board
3. 40%-60% senior management

Gender pay gap reporting is an important measure of EDI progress within an organisation and in line with our core values, Triodos Bank supports the principles of equal pay for work of equal value. The Triodos Bank remuneration policy is neutral for all co-workers, regardless gender, ethnic background, age, sexual orientation or distance to the labour market.

Triodos Bank engaged an external party, Highberg, to carry out an in-depth gender pay gap analysis resulting in an unadjusted pay gap[1] for the full group and for each country. The unadjusted pay gap for Triodos Bank can mainly be attributed to a higher proportion of female co-workers in lower-level positions and in lower salary

Target figures	2023	2024	2025	2026
Gender balance Triodos Group				
Supervisory Board	At least 33% under-represented gender	At least 33% under-represented gender	At least 33% under-represented gender	50/50
Executive Board	80/20	80/20	At least 33% under-represented gender	At least 33% under-represented gender
Senior Management	60/40	At least 30%under-represented gender	At least 35% under-represented gender	At least 40% under-represented gender

[1] The unadjusted gender pay gap refers to the difference in average salary between all men and all women at Triodos Bank, regardless of the work a co-worker performs. It is calculated as the difference in annual income (corrected to 1 FTE) between men and women, expressed as a percentage of men's income.

countries. On a group level we were able to correct the unadjusted pay gap with additional variables such as correction for pay gaps that are caused by differences in age, job level, job family, contract type, service years and full-time and part-time. This allows calculation of a gender pay gap which cannot be explained by other factors ('adjusted pay gap'). The adjusted pay gap in 2023 indicates there is equal pay for work of equal value within Triodos Bank. The outcomes of the gender pay gap analysis therefore led to the conclusion that an overall correction of salaries of female co-workers compared to male co-workers is currently not necessary. Where we identify an unexplainable gap, we will adjust this if needed as part of our regular compensation process. Triodos Bank will focus on data governance and job valuation to advance the gender pay analysis in years to come.

Learning organisation

Co-workers at Triodos Bank are encouraged to continually develop themselves, with many opportunities provided to support this. All co-workers are encouraged to develop so that they feel empowered to deal with changes and challenges they may face.

In response to co-worker feedback, we improved and simplified learning interventions in 2023, making them more accessible.

The ongoing TOM programme has resulted in a need to strengthen our change capabilities across the bank. A skills and capability learning portfolio was developed for managers and co-workers called the 'Transformation Journey'. The flagship, mandatory programme of this portfolio was called 'Make Change Work', created to specifically support teams emerging from the redesign of TOM. To date, more than 400 co-workers have attended the workshops with significantly more programmes planned in 2024. The programme combines the social and emotional development needed to effectively navigate change, incorporating the Insights Discovery® methodology to create a common language and shared understanding of one another. Additionally, it introduces the Lean tool Obeya to new teams. The Obeya model supports the conversion of strategy to execution in an inclusive and non-hierarchical way.

Triodos Bank's approach to learning encourages co-workers to take ownership of their own development. An online learning platform is provided for all co-workers to access a wide range of programmes. From group programmes delivered over a number of hours or days to smaller, individual 'bite-sized' online learnings, we cater for a wide range of needs. The online platform includes internally developed programmes, such as 'FLOW' and Triodos behaviours, as well as external training, such as regulatory and compliance training.

Triodos Bank ensures that co-workers receive regular performance and development reviews. We monitor and publish the percentage of co-workers receiving performance and development reviews using the FLOW methodology. During 2023, 82.4% of co-workers eligible for a performance review received an end of year performance and development review (a 'FLOW wrap-up'), representing a 6.4% improvement upon 2022 completion rates. All internal co-workers in service for at least six months prior to the start of 2023 were eligible. All co-workers without demonstrable evidence of having a performance review are counted in the 17.6% that did not receive a review. This includes co-workers on leave or long-term absent (sick leave, maternity/paternity leave, vitality leave).

Triodos Bank takes its responsibility to our regulators seriously and we continuously ensure all co-workers meet the required expectations. A new compliance awareness package called 'Speak Up!' was introduced this year, to ensure that co-workers maintain their understanding and awareness. Completion rates of the learning module of this package were 89.3%, demonstrating a commitment of all co-workers to this regulatory requirement.

The bank's mission and purpose are a source of pride at Triodos Bank. Five Values Ambassador training programmes were completed in 2023, bringing the total number of Values Ambassadors to a community of approximately 120 co-workers. Ambassador Alumni events were held in the Netherlands and Spain in 2023, building on previous years and updating values alignment for all ambassadors. A UK version is planned for early 2024. Values seminars are scheduled throughout the year to ensure newer co-workers have the opportunity to engage fully with the mission and impact of Triodos Bank.

Continuous listening

Triodos Bank seriously values the opinions of its co-workers and is constantly looking for ways to encourage and incorporate feedback into our future plans. In 2023, a pulse survey was added to the regular co-worker survey. Pulse surveys are intended to track progress more frequently and encourage renewed listening and focus throughout the year.

Co-worker engagement survey results

- 78% response rate to the full annual employee engagement survey (financial services benchmark 67%)
- 83.5% of respondents state that they are proud of Triodos Bank's mission
- Co-worker engagement score across Triodos Bank has remained unchanged at 7.4 out of 10. This is a significant achievement given the amount of change that Triodos Bank has been through since January 2022.
- Continuous improvement in the scores for team leadership (7.4 in 2023), indicates strong leadership skills among immediate managers.
- Other thematic areas that have stayed the same or improved since January 2022 include Resilience (6.7), Inclusion (7.9), and Team productivity (7.4)

Teams are encouraged to explore and discuss survey results, and to formulate action plans and suggestions. These sessions are intended to strengthen what is working well in the team, as well as to determine where more capabilities are needed. The Executive Board also explored and discussed the survey results, identifying areas they planned to focus on improving.

The co-worker surveys highlighted the need to improve communications in relation to organisational change. As such, commitments were made to communicate about change from the perspective of the co-worker, to put a greater emphasis on meetings in person, to connect with each other and to provide more training on successfully navigating change.

Efficiency was also a theme in this year's co-worker survey, having been a focus for a number of years. Although significant improvements have been made, the Executive Board selected it as an important theme to focus on in 2023. We continued to implement agile working and lean tools, which are essential in times of fast and sometimes unforeseen changes. To lead by example, the Executive Board began working with Obeya providing insights which enable timely adjustments and clarity about objectives, helping to improve efficiency across the bank. Applying this approach throughout the organisation, creates a common language, sense of purpose and commitment for all co-workers.

Wellbeing

Across Triodos Bank, co-worker sickness rates have remained almost stable, averaging 4.8% in 2023 versus 4.6% 2022. Sickness rates break down into 1.4% short and medium-term sickness and 3.4% long-term sickness (defined as 43 days or more) across the group. The main causes of long-term sickness are a combination of long COVID and psychological illnesses.

Efforts to reduce sickness absences across the bank include a wide range of preventative interventions, such as access to gym memberships, meditation, yoga and resilience coaching, counselling and therapy sessions, vitality leave, a growing community of internally trained 'Mental Health First Aiders' and many other examples. Additionally, the introduction of the 'FLOW dialogue' in which co-workers and managers are required to have regular discussions to support the overall needs of co-workers with their manager, is also designed to support the overall wellbeing of co-workers. The FLOW approach encourages co-workers to seek and provide feedback, to agree and continuously monitor objectives, to actively discuss learning needs and to ensure time is given to wellbeing discussions, if and when needed. Additionally, the ongoing expectation of co-workers and managers to have 'FLOW dialogues' throughout the year, ensures that regular discussions between the co-worker and their manager take place, and co-worker wellbeing can be discussed and supported.

Corporate culture

An inclusive and adaptive culture is essential to activating Triodos Bank's mission. An ongoing focus on organisational culture through people leader development is considered essential to make this reality.

"Working for an organisation that is mission-driven that I personally also support is very pleasant to work for. I'm proud of that." - Triodos Bank co-worker

To successfully create the aspired culture requires improvements in dialogues and communication, making explicit what has typically been implicit in the culture of Triodos Bank. To activate the mission, co-workers and managers are encouraged to only focus on what they can influence. Harnessing the power of the whole of Triodos Bank requires focus on integration, connection and collaboration. In this changing and competitive world, a reconciliation between business results and mission ('mission drives results, results affirm mission') is essential.

Key elements of the HR strategy 2024-2026 will contribute to the overall culture of Triodos Bank. The objectives of this strategy will contribute to the positive development of an organisational culture that is sustainable and resilient to the challenges we will undoubtedly face in the years ahead.

Priorities for 2024

A people manager development programme will be launched in 2024, with plans to reach approximately 300 people managers throughout the year. The talent review process will be further incorporated in the annual HR cycle and rolled out to different levels of co-worker across the organisation.

Triodos behaviours will be more integrated into more activities, supporting greater familiarisation with the behaviours, defining future skill sets and adapting the development available for everyone.

We will continue to develop inclusive leadership skills across the bank, supporting managers and co-workers to strengthen their understanding and capabilities in these, as well as enhancing trust and open communication across Triodos Bank.

Strengthening change management capabilities for all co-workers is a significant priority going forward with more detail provided in the 'Learning Organisation' section of the report.

In 2024, we plan to develop greater understanding of equity, diversity and inclusion across Triodos Bank, including the expectations of every co-worker, at every level of the organisation in relation to EDI. Improving gender equity and female representation across more senior positions the bank continues to be a priority with plans to create a 'funnel model' to increase female representation across the bank. Deeper EDI questions are to be incorporated into the annual co-worker survey cycle, from which improvement priorities can be identified. Other initiatives such as annual mandatory EDI training for all co-workers will also be developed and a mutual mentoring programme, due to launch in early 2024 will be piloted.

In 2024, greater attention will be given to embedding the FLOW approach more deeply into the organisation. Ongoing development programmes will be provided to enhance the skills and capabilities of managers and co-workers' needs. The wellbeing offer for all co-workers across the group will be enhanced.

Our financial performance

Triodos Bank recorded its highest ever net profit in 2023, contributing to the achievement of our medium term return on equity and cost income ratio targets.

Our positive performance benefited from the interest rate tailwinds experienced since the summer of 2022, which compensated for the inflation effects on our cost levels. Our capital and liquidity levels remain robust and are well surpassing our risk appetite levels.

Profit and loss account

For 2023, we achieved a net profit of EUR 77.2 million after tax, which is EUR 27.4 million higher than the previous year (EUR 49.8 million). This was driven by the effect of a favourable interest environment on a relatively stable balance sheet.

Based on the expected benefits from the optimisation of our operating model and the return to positive interest rates, we increased our medium-term return on equity (RoE) target from 4-6% to 5-7%. For 2023, we achieved a RoE of 6.1% (2022: 4.0%).

The strong results over 2023 and the solid financial position enable Triodos Bank to propose a final dividend of EUR 2.84 per DR. Including the interim dividend of

Amounts in millions of EUR	2023	2022
Net interest income	356.2	252.9
Net fees and commission income	112.3	120.9
Other income	-2.2	1.3
Total income	**466.3**	**375.1**
Personnel expenses	183.2	166.8
Other operating expenses	155.8	133.3
Operating expenses	**339.0**	**300.1**
Impairment result on financial instruments	21.3	8.1
Total expenses	**360.3**	**308.2**
Operating result before taxation	**106.0**	**66.9**
Taxation on operating result	-28.8	-17.1
Net profit	**77.2**	**49.8**

EUR 1.23 per share, the total dividend paid in relation to 2023 amounts to EUR 4.07 per share. This represents a payout ratio of 75% of the 2023 net profit. We recognise that DR Holders have been impacted by the transition to the new trading system more than our other stakeholders, and this has been taken into consideration in determining the higher payout ratio that we have proposed for the dividend 2023, which is above our standard payout ratio.

Triodos Bank is considering additional options to further optimise its capital base and create value for its DR Holders. Currently, no decisions have been made in this respect.

Our total income increased to EUR 466.3 million in 2023 (2022: EUR 375.1 million), which was mostly driven by improved interest margins and by modest lending growth in sustainable economic sectors in Europe. Lending which is driving progress towards our ambitious net-zero by 2035 target. The interest result underlying the total income increased by EUR 103.3 million to EUR 356.2 million in 2023 (2022: EUR 252.9 million).

The bank's net fee and commission result declined by 7.1% to EUR 112.3 million in 2023 (2022: EUR 120.9 million). This was due to the removal of the monthly customer fee on savings accounts, less management fees, and less fees from payment transactions.

The bank's total operating expenses (excluding loan impairments) increased by EUR 38.9 million to EUR 339.0 million (2022: EUR 300.1 million). This was mainly due to an increase of EUR 16.4 million in personnel expenses resulting from upward pressure on wages related to inflation and modest growth in FTE related to compliance and anti-money laundering activities. The increase in operating expenses was also due in part to EUR 6.5 million costs associated with the MTF listing process and EUR 8.4 million legal adviser costs in relation to DR litigation. More information on legal proceedings involving Triodos Bank can be found on page 303. These expense drivers have an impact on our short-term ability to improve our cost income ratio (CIR). During 2023 we began implementing the optimisation of our operating model to enhance our efficacy and financial performance, enabling us to increase our positive impact. These factors result in CIR of 73% for 2023 (2022: 80%). We will continue to focus on realising cost synergies while coping with regulatory cost increases.

Our loan business remains resilient. The expenses for the expected credit losses (ECL) increased to EUR 21.3 million in 2023 compared to EUR 8.1 million in 2022. This increase is driven by two specific defaulted exposures in the United Kingdom (UK). Besides these two exposures in the UK, the high credit quality in the loan portfolio remains robust and focused on balancing impact, risk and return for each single loan engagement.

A word from our Chief Financial Officer, Kees van Kalveen

"The strong profit Triodos Bank achieved in 2023 shows that directing funds from savers and investors towards positive impact using strict minimum standards can result in a solid financial performance."

Balance sheet

We recorded an increase of sustainable loans by EUR 460 million in 2023 to EUR 11.1 billion (2022: EUR 10.6 billion). The cash position decreased by EUR 440 million, which is mainly due to converting cash into debt securities. The customer loans-to-deposits ratio has increased to 80.5% (2022: EUR 76.9%) due to growth of our sustainable loan portfolio. Our deposits from customers remained stable at EUR 13.8 billion despite increased competition on savings in 2023.

The bank's equity position increased by EUR 37 million to EUR 1,289 million (2022: EUR 1,252 million). This is the result of the net profit of 2023 minus dividend payouts in May and September 2023.

Triodos Bank's total assets under management increased by EUR 649 million in 2023 to EUR 23.2 billion, driven by an increase of the total balance sheet by EUR 376 million to EUR 16.2 billion (2022: 15.8 billion). This was mainly due to the growth of our mortgage portfolio in the Netherlands. Our funds under management increased by EUR 273 million to EUR 7.1 billion (2022: EUR 6.8 billion) due to increasing stock prices overcompensating a trend in outflow of funds.

Total liabilities rose by 2% (EUR 339 million) to EUR 14.9 billion in 2023 (2022: EUR 14.5 billion). This was due to an increase in deposits from banks as transactions for two repurchase agreements and a liquidity facility were completed in 2023 for a total of EUR 450 million.

The balance sheet provision for ECL shows a limited increase of EUR 1.8 million to EUR 54.8 million as at the end of December 2023 (2022: EUR 53.0 million). The provision of ECL stages 1 and 2 decreased in 2023 by EUR 1.9 million to EUR 11.4 million. The decrease in stages 1 and 2 was offset by an increases in stage 3. The ECL stage 3 provision increased by EUR 3.7 million to EUR 43.3 million in 2023. The bank benefited from proactive credit risk management and a geographically well diversified loan portfolio.

Amounts in millions of EUR	2023	2022
Cash and cash equivalents	2,141	2,581
Loans and advances to customers	11,080	10,620
Debt securities at amortised cost	2,188	1,690
Other assets	767	909
Total assets	**16,176**	**15,800**
Deposits from banks	670	337
Deposits from customers	13,759	13,816
Subordinated debt	260	260
Other liabilities	198	135
Total liabilities	**14,887**	**14,548**
Total equity	**1,289**	**1,252**
Total equity and liabilities	**16,176**	**15,800**

Assets committed to the triple bottom line (TBL) and the real economy

Triodos Bank is a values-based bank and applies the Global Alliance for Banking on Values (GABV) Scorecard using indicators like 'assets committed to TBL' and 'assets committed to real economy' to monitor and qualify impact. Real-economy assets in a values-based bank should be relatively high. Assets and financial exposures can be classified as 'real economy' (as opposed to financial economy) if they are directly linked to a real economy asset or activity. This means the asset is aimed at directly supporting the production of goods and services, as opposed to focusing primarily on buying and selling in the financial markets.

In 2023, Triodos Bank's real economy to total assets ratio was 77% (2022: 77%). We lend and invest in the real economy because that is where we, together with our clients, can make a positive impact on people's lives and safeguard the environment.

Triodos Bank has 82% (2022: 77%) of its total assets committed to triple bottom line. This figure provides the best indication of a bank's commitment to sustainability. TBL assets specifically refer to assets focused on social empowerment, environmental regeneration and economic resilience: people, planet and prosperity. The increase in the loans to customers and a shift from liquidities to TBL debt securities has resulted in a higher triple bottom line ratio in 2023.

For more information see the Appendix I – GABV scorecard.

Prudential capital and liquidity

The prudential capital of Triodos Bank consists of Common Equity Tier 1 (CET1) and subordinated debt capital (Tier 2). This capital was used for additional lending to our customers and therefore contributes to new impact creation. Due to growth of the lending portfolio, the bank's total capital ratio (TCR) decreased from 21.0% in December 2022 to 20.4% in December 2023. The minimum TCR for Triodos Bank in 2023 is 15.5%, based on the overall capital requirements. The CET1 capital decreased in 2023 by 0.2% to EUR 1,163 million (2022: EUR 1,165 million).

Our mid-term strategy aims for a CET1 ratio of at least 15.0% in the current regulatory context. The CET1 ratio ended at 16.7% in December 2023 (2022: 17.3%) in line with expectations and well above hurdle rates. Tier 2 capital remained stable at EUR 255 million as at 31 December 2023 (2022: EUR 255 million) and mainly consists of the subordinated Green Bond issued in November 2021. The leverage ratio of Triodos Bank as at December 2023 was 6.9% (2022: 6.9%), well above the minimum requirement of 3.0%.

The bank's overall liquidity position remains robust with an liquidity coverage ratio (LCR) of 221% as at 31 December 2023 (2022: 193%). This is more than double the regulatory minimum LCR of 100%.

Triodos Bank will continue to work on a sustainable financial return while maintaining a solid equity base, capital ratios and a substantial liquidity surplus. The bank recognises that this modest risk strategy has implications for its target return on equity.

	2023	2022
(Common) Equity Tier 1 Ratio	16.7%	17.3%
Total Capital Ratio	20.4%	21.0%
Leverage Ratio	6.9%	6.9%
Liquidity Coverage Ratio	221%	193%
Return on Equity Ratio	6.1%	4.0%

Total lending

The overall growth of the loan portfolio amounted to EUR 460 million representing a 4% increase in 2023. This includes growth of the residential mortgage portfolio by EUR 449 million representing a 10% increase in 2023. The largest relative growth in business loans was in the Environmental technology and Nature development and Forestry sectors. In absolute terms, growth was highest in the sectors Sustainable property, Environmental technology and Education. Redemptions were highest for municipality loans and in the sectors Renewable energy and Arts and culture. Overall, business loans remained stable despite increased competition and less appetite for voluntary redemptions or new origination. The total lending portfolio remains well diversified across the transition themes, geographies and durations.

Deposits from customers

By depositing and investing with Triodos Bank, our customers want to use their money consciously to deliver positive change. This reflects a wider trend in society and an increasing interest in sustainability in general and sustainable finance in particular. Deposits from customers enable Triodos Bank to finance companies and organisations that benefit people, the environment and culture. Our deposits from customers remained stable in 2023, which resulted in an overall position of EUR 13.8 billion in 2023 (2022: EUR 13.8 billion).

Due to the interest rate environment, fixed term deposits have regained attractiveness. After small outflow of deposits from customers in the first half of the year, Triodos Bank successfully recovered savings volumes in the second half of the year. In 2023, the Netherlands and United Kingdom compensated for outflows in Spain, Belgium and Germany.

Our banking entities offer a variety of sustainable financial products and services as part of our key strategic objective of offering services that allow customers to participate in sustainable finance. The continuing growth of Triodos Bank has been due in part to more efficient and customer-friendly account opening processes, and a receptive market keen to use their money more consciously.

Triodos Investment Management

Triodos Investment Management's funds under management increased by 2.8% to EUR 5.7 billion at the end of 2023.

The operating income decreased by 2.9% to EUR 51.2 million (2022: EUR 52.7 million). Expenses in 2023 increased by 5.8% to EUR 43.7 million (2022: EUR 41.3 million), primarily because of higher co-worker related costs following changes in the collective labour agreement (CLA), increasing costs for market data and costs related to complying with increased regulation and expenses related to improving its operational model.

The net result for 2023 is EUR 5.5 million, down from EUR 8.4 million in 2022. This decline in net result is primarily attributed to increased co-worker expenses from the new CLA and an exceptional extra income of EUR 2.4 million in 2022 from the release of a provision for management fees.

Our investors

Investors in Triodos Bank include Depository Receipt Holders and institutional parties who have invested in the bank's Green Subordinated Tier 2 Notes (Green Bond).

Depository Receipts

Since 1980, all shares issued by, and in, Triodos Bank N.V. have been held by the Stichting Administratiekantoor Aandelen Triodos Bank (SAAT) [Foundation for the Administration of Triodos Bank Shares]. This is done to protect the independence, identity and mission of Triodos Bank. SAAT in turn issues Depository Receipts (DRs).

Holders benefit from the economic rights associated with the shares of Triodos Bank, such as the right to dividends. Since the listing of DRs on a multilateral trading facility (MTF) in July 2023, DR Holders can now request a proxy from SAAT to exercise their voting rights at the shareholder meetings of Triodos Bank. SAAT will only vote when they receive instructions from DR Holders authorising them to do so, or if there is an exceptional situation in which SAAT is authorised by law to exercise the voting right.

Triodos Bank DRs are denominated in euros and have been issued under Dutch law with the cooperation of Triodos Bank. DRs are non-convertible and therefore cannot be converted into shares. The international securities identification number (ISIN) of the DRs is NL0010407946.

SAAT issues one DR for an ordinary share per issued ordinary share. As at 31 December 2023 SAAT had issued 14,467,056 Depository Receipts, and Triodos Bank held 254,712 Depository Receipts. One investor held more than 3% of Triodos Bank's Depository Receipts: Coöperatieve Rabobank U.A.: 4.0% (2022: 4.0%).

Key figures PER Depository Receipt

Depository Receipt (DR) price	2023
High (EUR)	50.00
Low (EUR)	20.50
Closing at 31 December 2023 (EUR)	20.50
Average weekly trading volume in DRs	9,157
Market capitalisation as at 31 December 2023 (EUR million)	291
Net asset value per share (EUR)	91
Earnings per ordinary share (EUR)	5.43
Dividend per ordinary share (EUR)	4.07
Payout ratio (%)	75%

In 2023, Triodos Bank successfully completed the project to list our DRs on a multilateral trading facility (MTF) hosted by Captin.

The listing was an important moment for our DR Holders and Triodos Bank, as it offered our DR Holders a possibility to trade again after a prolonged period of suspension. The order book was first opened on 28 June 2023 and the first trading round took place on 5 July. Since then there have been 26 trading rounds until the end of 2023.

By January 2024 about 33% of historical DR Holders, owning 36% of all DRs, had registered and opened a trading account on the MTF, allowing them to trade Triodos Bank DRs. At the same time nearly one thousand trading accounts have been opened by potential new investors.

At the time of the listing, Triodos Bank stated that we would evaluate restoring the trading of the DRs on the MTF. We began this evaluation process at the end of 2023 after almost six months of trading. The evaluation will focus on trading price formation, trading liquidity, operational performance of the MTF and accessibility to the MTF.

Different stakeholders have been invited to provide input for the evaluation. Furthermore, as part of the evaluation, all DR Holders have been invited in the second half of January 2024 to participate in an online questionnaire run by an external independent party.

Based upon the outcome of the different elements of the evaluation, the Executive Board will draft its evaluation and present the conclusions of the evaluation at the Annual General Meeting in May 2024.

The tables below provide further information about Depository Receipt Holders:

	Depository Receipt Holders	
	2023	**2022**
1 – 50	14,358	14,789
51 – 500	22,273	22,644
501 – 1,000	3,738	3,780
1,001 and more	2,355	2,332
Total	**42,724**	**43,545**

	Depository Receipts x 1,000		Depository Receipt Holders	
	2023	**2022**	**2023**	**2022**
The Netherlands	8,634	8,703	24,612	25,560
Belgium	2,779	2,798	7,361	7,408
United Kingdom	209	216	1,629	1,657
Spain	2,104	2,150	7,430	7,599
Germany	352	349	1,301	1,321
Directly onboarded with Captin	134	-	391	-
Total	**14,212**	**14,216**	**42,724**	**43,545**

Further details about the DRs can be found in the Information Memorandum published on 3 April 2023 and available at: https://www.triodos.com/binaries/content/assets/shared/saat-assets/saat/triodos-bank-information-memorandum.pdf.
Information about trading of the DRs can be found on the site of the MTF: https://captin.com/listings/triodos/

Dividend policy

Triodos Bank strives to engage DR Holders who are committed to our mission and also to give DR Holders a stable financial return on their investment. Triodos Bank remains committed to its dividend policy which aims to distribute a total dividend over a financial year of 50% of net profit, with the possibility to adjust the payout upwards, as demonstrated by the 75% payout ratio for this year, or downwards, if circumstances allow or require.

The dividend policy assumes that Triodos Bank can pay three types of dividend: 1) a regular dividend, 2) an interim dividend, and 3) an extraordinary dividend. All dividend payments are of a non-cumulative nature. Triodos Bank will only pay a regular dividend in normal circumstances. Dividend proposals take into account considerations such as expected future regulatory capital requirements, strategic (growth) opportunities, the outlook on our ability to maintain a healthy capital and any other expectations or circumstances. Dividend proposals will always have to comply with current capital requirements that apply to Triodos Bank.

Research coverage

Two sell-side analysts, from ABN AMRO – ODDO BHF and Degroof Petercam, actively cover Triodos Bank and publish equity research reports. For details, see www.triodos.com/en/investing/triodos-bank-depository-receipts#documents.

Green Bonds

We established a Green Bond Framework in June 2021 for issuing Green Bonds to finance and/ or refinance green loans on Triodos Bank's balance sheet. The Green Bond Framework sets the basis for identifying, evaluating and selecting the environmental impact of green loans that can be directly or indirectly financed or refinanced by proceeds of the Green Bonds. It also provides a management and reporting framework. The eligible loan categories are Renewable Energy, Environmentally Sustainable Management of Living Natural Resources and Land Use and Green Building.

In 2021 we issued a EUR 250 million Green subordinated Tier 2 Bond in October, with a maturity of 10.25 years and a coupon of 2.25%. The Green Bonds are listed for trading on Euronext Amsterdam. The ISIN of the Green Bonds is XS2401175927.

During 2023, we published our Green Bond Impact and Allocation Report 2022. This was in line with our stated intention to report on both the allocation of Green Bonds' net proceeds and their environmental impact on an annual basis until maturity of the Green Bonds.

Credit ratings

The creditworthiness of Triodos Bank is periodically assessed by Fitch Ratings. Triodos Bank currently has a BBB Long-Term Issuer Default Rating with a negative outlook from Fitch. The rating was unchanged in 2023 and confirms the relevance of Triodos Bank and the solidity of our capital position and funding profile.

Investor relations policy

Triodos Bank maintains an active, open and transparent dialogue with current and potential DR Holders and bondholders, rating agencies and research analysts with accurate and timely information on developments within our business. We engage in active dialogue with all our financial stakeholders, by publishing press releases, our annual and half year reports as well as Green Bond reports, and by organising meetings, roadshows and one-to-one discussions with existing and potential investors. We observe a "silent" period of four weeks prior to the publication of our annual and half-year results. No meetings are held with investors or analysts during this period.

More information

Investors and analysts with questions about Triodos Bank are welcome to contact our Investor Relations by emailing investor.relations@triodos.com.

Key dates for investors	
Annual General Meeting of Shareholders	17 May 2024
Ex-dividend date	20 May 2024
Dividend payment date	3 June 2024
Publication of Half Year Results	22 August 2024

Our customers

Triodos Bank provides values-based financial services that reach 746,479 retail and business customers in five countries in Europe, expanding the impact and scale of sustainable banking.

While our values bind customers and co-workers, there are important differences between countries. Regulations, tax incentives and government approaches to sustainability are sometimes markedly different. Local culture, within and between countries, also affects what our customers expect of their bank. We harmonise the product offers and our positioning where possible and make it applicable for all our markets.

	2023	2022
New retail banking customers	30,264	29,097
Number of newly issued mortgages	1,720	4,287
Volume of newly issued mortgages (EUR millions)	510	1,437

Retail banking

Triodos Bank's retail customers expect their money to contribute to positive change. Our customers tell us they want to make ethical choices, including with whom they bank. However, our customers are also still a 'typical' group of banking customers. They have high expectations from their bank in terms of user experience, innovation, transparency and fair pricing.

In 2023, we launched several new commercial initiatives to reach new customers. In the Netherlands, our campaign on fossil free savings, made an explicit and activist statement on the importance of not financing the fossil fuel industry. Similarly, in Spain, our Rebeldia Positiva (Positive Rebels) campaign, centred on the optimism of the hopepunk fantasy genre, also emphasised activism. In Germany, we introduced the Grüne Giro (Green Giro) campaign.

After several years low or neutral interest rates, the interest rate environment improved for the bank and our customers. Our customers with savings and deposits accounts all saw their interest rates increase.

New customer inflow was driven by customer engagement through strong commercial initiatives and supported by the right proposition.

Due to a shift in the interest rate environment, the mortgage refinancing market contracted as customers were less inclined to switch providers and focussed more on the paying off their mortgages. This trend was further exacerbated by economic factors affecting the construction industry, such as inflation and interest rate changes, resulting in fewer new buildings in 2023 and a subsequent decrease in newly issued mortgages compared to 2022. Additionally, with floating interest rates in Triodos Bank Spain we saw more early redemptions in the portfolio there. The whole loan book was also affected by reduced investment appetite due to higher interest rates.

We are continuously working to improve our customers' experience. In 2023, we introduced new debit cards in the Netherlands with OVpay and Visa functionality. This allows our customers to use their debit card to log in and out of the Dutch public transport network. We also improved the stability of our mobile banking app in the Netherlands, Belgium and the UK and enabled biometric login. And we improved the accessibility of the app to better serve customers with accessibility needs. By the end of 2023, the customer ratings for the iOS and Android apps had an average rating higher than four stars (out of five) in the app stores.

Triodos Bank has been active in the public debate about lending standards in the Dutch housing market, advocating for an integration of monthly mortgage and energy costs. Triodos Bank introduced this adjusted model itself in 2020 because the market was not responding sufficiently in the overheated market and there were insufficient financial and behavioural responses to the energy performance of buildings. A new national mortgage loan framework was implemented as of January 2024. The mortgage loan framework now differs on the maximum amount up to EUR 50,000, depending on the property's energy label. Separately, the extra loan amounts for sustainable measures are increased for less sustainable homes to support the necessary transition of the existing housing in the Netherlands.

Awards we received in 2023

We were grateful to receive the following awards based on successful cooperation with our customers:

- Ranked third in the global Sustainable Banking League Table
- Most active clean global energy lead arranger - Clean Energy Pipeline
- Charities Bank of the Year (UK)
- Best Ethical Provider at British Bank Awards
- Which? Eco Provider status (UK)
- Best Ethical Current Account - Moneynet (UK)
- Green Bank of the Year - Finder Green Banking Awards (UK)
- Best Customer Service hotline - Focus Money (Germany)
- Best Customer Service of all Direct Banks - Euro am Sonntag (Germany)
- Green Brand Award (Germany)
- Top Robo-Advisor for Sustainable Investing (Germany)
- Jury Prize – The supply chain is alive! (Germany)
- The most sustainable brand in the banking sector – Sustainable Brand Index (NL)
- Best middle office in the Dutch mortgage sector – Banken (NL)

Business banking

Triodos Bank has always emphasised the importance of small, sustainable initiatives. Positive change often starts with innovative entrepreneurs and engaged citizens and we are proud to finance them. Despite a difficult year for many businesses due to challenging economic circumstance and geopolitical events, Triodos Bank's portfolio has remained stable.

	2023	2022
New business banking customers	4,035	4,376
Number of newly issued business loans	771	855
Volume of newly issued business loans (EUR millions):	1,142	1,102

In 2023, business banking teams in the different countries worked together to set up this lending process in an efficient way. The result was a more automated credit approval process without losing the specific Triodos Bank relationship management approach. Once we have assessed the enquiry, customers are assigned a named relationship manager to contact directly if they need to speak to someone. The relationship manager is a partner on the topic of sustainability and will understand the organisation and the challenges the customer faces.

We also launched a new online tool called the Impact Prism for our existing business customers. This allows our customers to better analyse their positive and negative impact on people and planet. Customers can also use the online check to make a greater positive impact. The Impact Prism consists of 34 questions about their business activities to assess the extent to which they affect society. When a customer has completed the questionnaire, they receive a report with information and scores related to the 17 Sustainable Development Goals. Customers can then implement improvements. Triodos Bank's relationship managers can help to put customers in contact with each other and connect them with the wider Triodos Bank network. The tool is currently used in the Netherlands and Spain and will be available in Belgium and the United Kingdom at a later date. Read more about how we work with our customers to reduce their climate impact in Working with customers to reduce emissions (see page 91) .

Next to reducing absolute emissions, a cornerstone of Triodos Bank's strategy to achieve our net-zero targets is the funding of carbon sequestration projects, known as nature-based solutions. In 2023, we developed an integrated nature-based solutions strategy, focused financing high-quality projects that not only aid in carbon sequestration but also deliver substantial biodiversity and social benefits. Read more about the strategy in Our climate and environmental impact (see page 89).

For our business banking community in the Netherlands (Ondernemers Made for Change), we organised meetings to inspire, share knowledge and facilitate networking. We often collaborate with like-minded partners such as B Corp, MKB Nederland and Social Enterprise, and we use diverse formats ranging from keynote speakers to a nature inclusive city walk. In Spain, we organised an award to highlight companies and organisations that make positive change towards a sustainable, inclusive and prosperous society. This year's winner was the Association of Naturalists of the Southeast who are working to safeguard biodiversity in south-east Spain.

We also intensified our collaboration on arts and culture across the bank and financed our first cross-country deal within the film industry. Arts and culture initiatives contribute to a powerful imagination that allows people to reflect critically on themselves and their society. In 2023, we extended the Cultural and Creative Sectors (CCS) Guarantee Facility of 140 million from the European Investment Fund. With this guarantee we can better serve customers in the arts and culture sector. The use of the guarantee enhances Triodos Bank's collateralisation when applied. Consequently, Triodos Bank can offer better terms and conditions and enhance access to finance for customers in this sector.

Triodos Investment Management

Triodos Investment Management's mission is to make money work for positive change. As an investor, we aim to serve as a catalyst in the transition to an economy where people and planet come first, in line with the vision and mission of Triodos Bank.

We have more than 30 years' experience in investment products that deliver social, sustainable, environmental and economic change. As a result, Triodos Investment Management has become globally recognised as a frontrunner in impact investing.

In 2023, we saw continued demand from investors for credible investments that deliver real impact and not just financial results, even in challenging market circumstances. We continued to focus on growing our investor base through third-party distribution to retail investors, through other banks and Triodos Bank, high net worth individuals, family offices and semi-institutional and institutional investors.

Triodos Investment Management further expanded its long-lasting partnership with BeFrank through the launch of an investment mandate for BeFrank's Sustainable Lifecycle pension solution. This collaboration helps fulfil Triodos IM's strategic ambition to increase activities in the institutional market.

Throughout the year, we have continued to work on complying with or preparing for regulatory requirements such as the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy, MIFID II, ESMA guidelines and the Corporate Sustainability Reporting Directive (CSRD). In 2023, the European Commission initiated a revision of the SFDR through a consultation. As part of this consultation, we proposed a simple, clear and comparable categorisation system that informs all investors about the sustainability efforts of a financial product. The proposed system would enable investors, especially retail investors and their advisers, to compare all available products based on the same set of basic sustainability information and help steer investor's choices as intended by the SFDR.

Triodos Regenerative Money Centre

With Triodos Regenerative Money Centre, we support initiatives that pioneer new business models in the field of food and nature, social inclusion, money and society and the energy transition. These initiatives should be scalable or replicable, inspire others by providing insights or setting examples and contribute to systemic change. For example, by taking a new path, removing a barrier, or addressing something that businesses and the government do not have the capacity to address (or sometimes even hinder).

In 2023, we built partnerships with like-minded parties resulting in several new investments and donations. At the core of our work lies the continuous exploration of finding the appropriate financial instrument for certain initiatives. We actively look for partnerships that enable blended finance solutions and here are some examples from 2023.

We are proud of our growing community of changemakers who showed us the transformative power of money and created a great atmosphere at Triodos Festival.

Triodos Festival

On 16 September 2023, De Reehorst was transformed into a vibrant festival ground for the first edition of the Triodos Festival.

Over 8,000 people enjoyed a beautiful, inspiring and sunny day, full of green and sustainable initiatives, great meetings, creative workshops and talks from Triodos entrepreneurs, not to mention the delicious organic food and theatre and music performances.

The theme of the festival was 'for today's changemakers'. We are proud of our growing community of changemakers who showed us the transformative power of money and created a great atmosphere. We saw all kind of initiatives that we and our clients have made possible with the financing of savings, (catalytic) investments and donations .

"The aim of this festival was to show the conscious use of money and the need to change finance. To say we have succeeded is an understatement," says Triodos Bank Netherlands Managing Director Pauline Bieringa. "It was one big showcase of what we as a community have to offer to people and organisations that want to contribute to the change, and I feel proud to be part of that movement."

Over 125 Triodos entrepreneurs, from clothing, lifestyle and travel to art, organic food and drinks presented their products at the Impact Market. On the Sustainability Plaza there was inspiration about how to live and work sustainably. From building with bio-based materials, sustainable insulation, making a green roof, to the circular and healthy design of a home or business premises. With artist and cartographer Carlijn Kingma, creator of Waterworks of Money, visitors discussed the influence of big money and our monetary system on our society. There were meaningful talks, workshops and inspiration sessions, and fun activities for both adults and kids.

In the late afternoon, Triodos Bank co-workers joined the festival ground with their families and friends. The office was opened specially for the occasion so co-workers could show their families where they work.

Oxygen Conservation is committed to protecting and restoring nature. They focus on generating positive economic returns as a consequence of their work, rather than as their primary goal.

Our impact

Our approach to impact

From the beginning, Triodos Bank has championed the conscious use of money and its direct impact on the world. We have always envisioned a world in which all people have the necessary tools and resources to live fulfilling lives, and in which the economy operates in harmony with nature. We do this by enabling individuals, institutions and businesses to use money more consciously to make money work for positive social, environmental and cultural change.

Our mission is deeply rooted in all our activities and how we operate. We only finance sustainable entrepreneurs and enterprises, or those transitioning to sustainable practices, and we only use the money entrusted to us by savers and investors in the real economy. This means that our financing is aimed at directly supporting the production of sustainable goods and services, as opposed to focusing primarily on buying and selling in the financial markets.

This approach is supported by our business principles, minimum standards, and transparency. More information on these can be found in the About Triodos Bank section of this report. More information on how we work with our customers to realise impact can be found in the Our customers section.

How we manage impact

Our approach to impact management is centred on our mission and is based on our impact management cycle. This starts with establishing a clear vision of the impact we want to make as a financial institution. We then develop a strategy on how to implement this vision from a business perspective. In line with the strategy, we design our activities and products, monitor results and analyse challenges and successes. We evaluate regularly and adapt our strategy and activities based on these findings. This approach applies to our business propositions and product development, as well as to our change finance activities.

In March 2023, Triodos Bank published our vision on transformative impact. This vision charts the way forward to achieve deep, systemic transformation. It includes five transition themes to reach this societal transformation and the role of Triodos Bank in contributing to this transformation. These five transitions are the energy, food, resource, societal and wellbeing transitions. Internally, we developed a comprehensive impact strategy so that our business units share the same vision for the future and maintain sustainability at the centre of their activities.

In 2023, we also worked on understanding how Triodos Bank can better measure the environmental and societal impact we help create and how this can steer our decision-making. To achieve this, we collaborated with the Impact Institute, a social enterprise dedicated to creating a common language for impact along with the tools to measure it. A first result of this is the renewable

energy deep dive (see page 58) which demonstrates the estimated environmental impact and social impact risks of our wind and solar energy producing portfolio.

How we contribute to the UN SDGs

In 2015, the United Nations launched the 17 Sustainable Development Goals (SDGs) as part of a new sustainable development agenda. The SDGs are a universal set of targets and indicators designed to help countries end poverty, protect the planet, and ensure prosperity for all. The SDGs provide powerful language to communicate integrated sustainability goals that are now more urgent than ever. We have identified the SDG goals and targets we contribute to under each of the five transition themes. More details are included with the description of each transition theme.

A word from our Chief Commercial Officer, Jacco Minnaar

“A relentless focus on positive impact and improving the financial system is central to Triodos Bank’s distinctiveness and achieving our mission. Our challenge remains how to stay ahead of the curve. In 2023, we focused on ensuring that all our decisions are aligned with our impact vision and the transitions we want to finance. We also explored how we can best finance transformative change.

At Triodos Bank, we have made a very conscious decision to be part of the financial system. We want to demonstrate what can be achieved through values-based banking while still being subject to all the same rules, regulations and market pressures as other banks. Additionally, this gives us a platform to advocate for changes that are needed to create a society that promotes the quality of life of all its members on a thriving planet, with human dignity at its core.”

Financing change

The Triodos Bank vision for a prosperous life for people on a thriving planet, launched in March 2023, describes our vision of a world where all people have the necessary tools and resources to live fulfilling lives, while the economy operates in harmony with nature rather than against it, within planetary boundaries. This requires a fundamental change in the way our economy and society operate.

Living a thriving life means that every individual's dignity and rights are respected, that everyone's basic needs are met, and that everyone has equal opportunities and enjoys a good quality of life. Living within planetary boundaries means that we can ensure that global climate change is stabilised in line with global climate targets, and at the same time, nature is regenerated, used sustainably, and restored. This will require us to collectively rethink our relationship with nature, draw conclusions on how this should shape our economic system in the coming years and decades, and act accordingly.

A sustainable economy is possible using technologies, strategies and knowledge already available. However, we can only succeed in achieving this transformation if our economic and social systems are redesigned and reshaped to measure and prioritise sustainable outcomes. This will require adopting radically different mindsets, financial systems and governance models.

With this vision, we are not moving our sustainability beacons. Our core values remain the same as when Triodos Bank was founded more than 40 years ago. However, by making the five transitions and their links explicit, we are building the path to ensure our products and role can be most effective in accelerating transformation. Our vision guides us on our journey to make a positive difference. Our strategy focuses on understanding the role of Triodos Bank in the transitions.

Impact, risk and return

Traditionally, banks are primarily focused on servicing their customers, managing risks and achieving financial returns for their investors, whilst taking into account the interests of all stakeholders. But when an institution sees its main goal as maximising returns for shareholders, risk and return are often viewed in a short-term and limited context. This neglects the company's wider relationship with – and effect on – society and the environment. Our primary focus on creating positive impact for society within planetary boundaries, whilst managing risks and financial return simultaneously, reflects a positive, holistic approach with a long-term horizon to pursue our mission.

Five transition themes

We have identified five interlinked transition themes to reach positive transformation: the Energy, Food, Resource, Societal and Wellbeing transitions. Our mission as a financial institution is to enable and accelerate these vital transitions. This chapter contains five customer stories - one for each transition theme - to illustrate how customers we finance contribute to these transition themes.

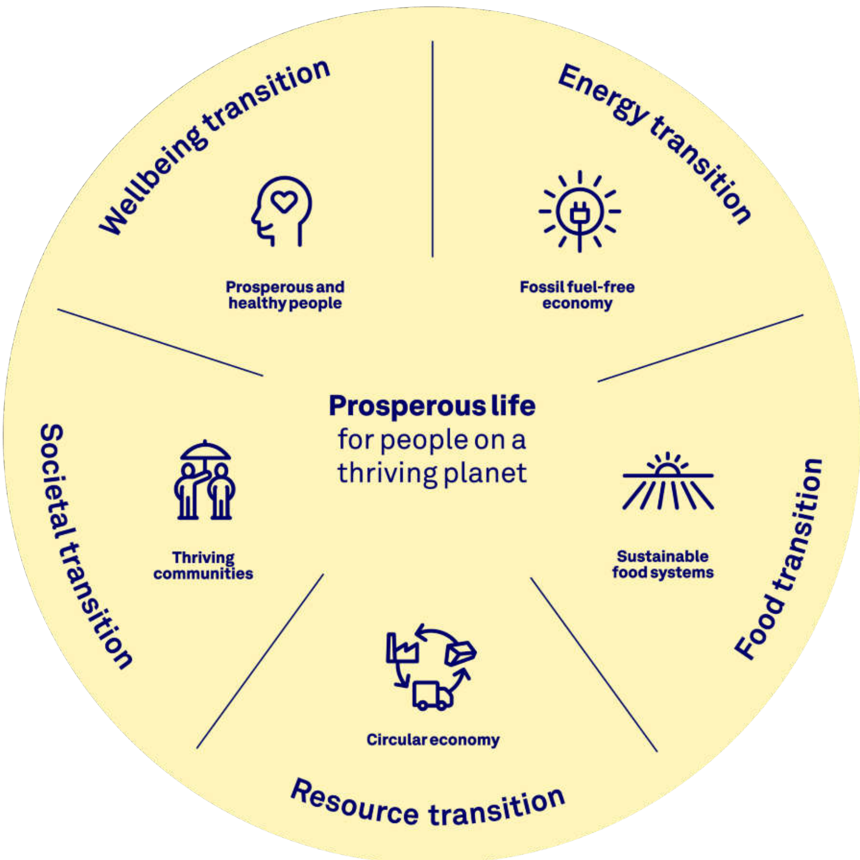
Triodos Bank's role in these transitions

Financial institutions are not just spectators of transitions and change in society, they are highly active participants. Because of the key role played by the banking and financial system in channelling funds, it is essential that the right mechanisms and incentives are in place to ensure that the way the financial sector operates and directs funds is aligned with the goals of society at large.

Triodos Bank takes a transformative approach by consciously channelling funds to drive a sustainable transformation of our economy. We apply strict minimum standards to ensure overall progress does not undermine fundamental rights and principles. In various instances, financed organisations can contribute to multiple transition themes.

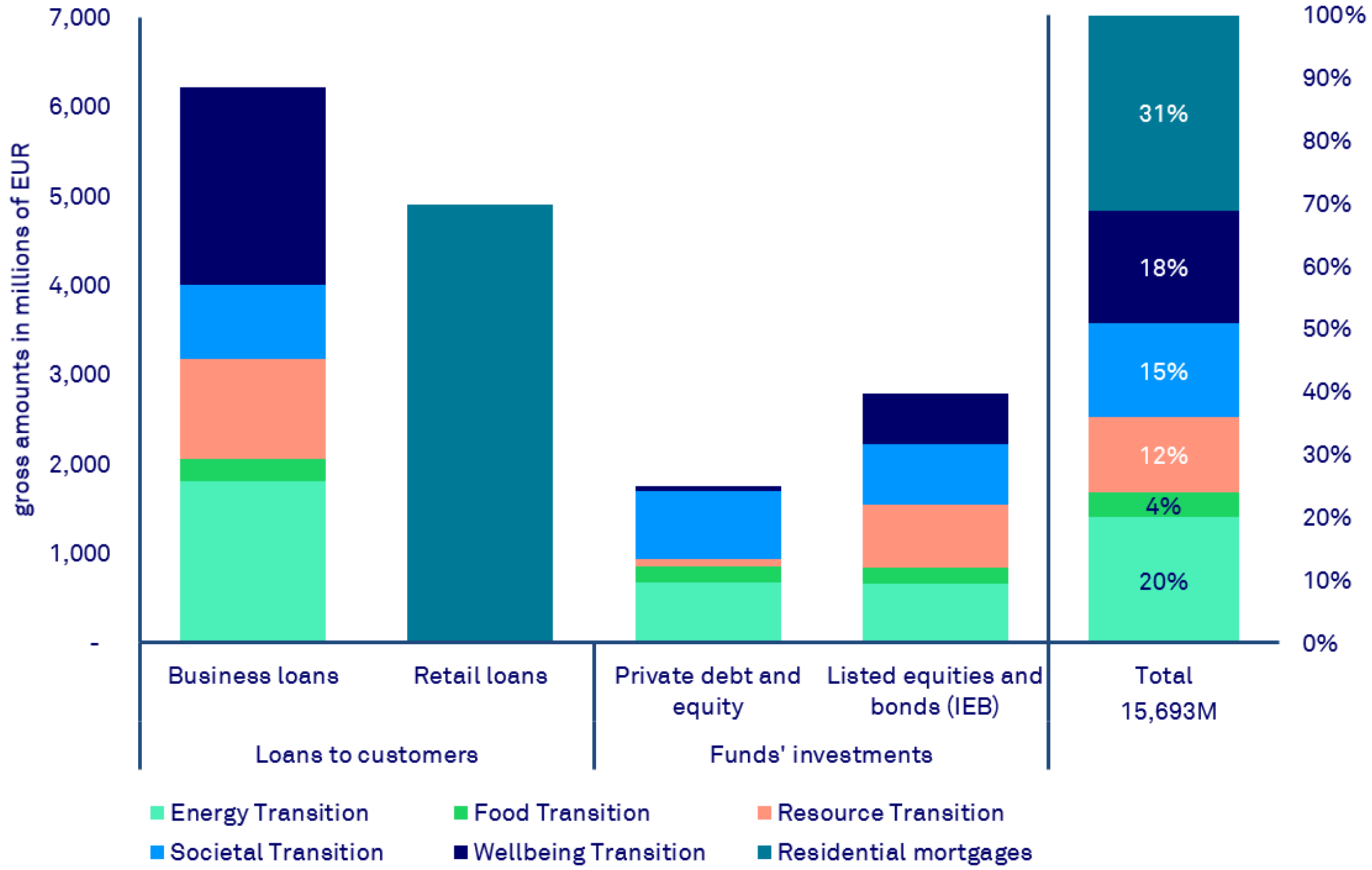
In 2023, we identified focus areas to ensure Triodos Bank's diverse activities and products are most effective within each transition theme, by understanding the challenges that block progress, and by setting the agenda to push forward for positive change. They are related to either Triodos Bank's commercial or advocacy activities. These are strategic areas within a transition but not necessarily material for Triodos as a whole due to their limited scope.

In 2024, Triodos Bank will continue to work together across business units and countries to align our vision and strategies. To track our progress on contributing to the transitions, we will improve the way we measure impact and better integrate it into decision-making processes. Furthermore, we will continue to communicate and collaborate with Triodos Bank customers and external stakeholders to better understand what role Triodos Bank can have in accelerating transitions.



Loans and funds' investments by transition theme

Loans to customers and funds' investments by transition theme



What is financed under each transition theme?

Energy Transition 20% (2022: 22%)
The Energy Transition theme includes renewable energy projects – such as wind and solar power, hydroelectric, heat and cold storage – and energy-saving and storage projects. It also includes environmental technology projects, for instance through recycling companies and optical fibre projects.

Food Transition 4% (2022: 4%)
The Food Transition theme includes agriculture that is organic or in conversion to organic and includes projects across the entire agricultural value chain in Europe and emerging markets – from farms, processors, wholesale companies and sustainable trade to natural-food shops. We choose to finance organics because it avoids the use of pesticides and chemical fertilisers, has high animal welfare standards and helps revitalise the earth.

Resource Transition 12% (2022: 10%)
The Resource Transition theme includes the sustainable property sector where we finance new buildings and renovation projects to reach high sustainability standards, the nature development and forestry sector which is important to remove greenhouse gases from the atmosphere, and the retail, production and professional services sectors that contribute to reduced resource waste or stimulate circular production and consumption and circularity-related services.

Societal Transition 15% (2022: 17%)
The Societal Transition theme contains loans and funds' investments to businesses and (non-profit) organisations with clear social objectives, such as social housing, community and social-inclusion projects. It also covers the inclusive finance and fair trade businesses sector and municipality loans without a specific sector classification.

Wellbeing Transition 18% (2022: 18%)
The Wellbeing Transition theme covers loans and investments to organisations working in education, childcare, retreat centres, religious groups, recreation, cultural centres and organisations, and artists. It also covers the health and elderly care sector.

Residential mortgages 31% (2022: 29%)
Although not included under specific transition themes in the chart, the residential mortgage portfolio contributes to the Resource Transition (by innovating new forms of mortgages such as the bio-based mortgage), to the Energy Transition (by taking energy certificates into account for the interest rate of mortgage products), and to the Societal Transition (by advocating and enabling co-housing and social housing).

How we measure impact under these transition themes

Impact information is mostly collected through the interaction of relationship and investment managers with their lending customers and companies with private debt and equity investments.

Our main guidelines for measuring impact by transition theme:

- Our calculations only measure the impact of activities that we finance or invest in, unless stated otherwise.
- For the impact indicators in the 'What we financed in 2023' sections, we use the contribution approach, unless otherwise stated. This means that we include 100% of the impact when we co-finance a project or company, except when this represents the results unfairly.
- We apply the attribution approach when calculating our financed emissions. This means that we calculate the emissions as they relate to our share in the total financing of a project or company.
- If it is not possible to record 100% of the data required, we use conservative estimates.
- Because most impact numbers are based on manually collected data from our lending customers and investees, and despite strict definitions, this data can be subject to different interpretations. To enhance the reliability and accuracy of impact data, we have implemented internal control measures in the reporting process.
- The impact data included in the Triodos Bank in 2023' chapter is also in scope of the review procedures performed by the independent external auditor. Subjecting the impact performance to the audit process (limited assurance) is a logical step for a business with sustainability at the core of its financial activity.

For more detailed information on the measurements per theme, see www.triodos.com/en/impact-vision.

Energy Transition Theme

Globally, the use and production of energy for heating, electricity, transport and industry represents by far the largest source of GHG emissions. This has an immense impact on the climate.

As outlined in our vision paper, Triodos Bank's vision is for societies to move away from fossil-based energy production to clean energy generation that is accessible and affordable for everyone.

Under this transition theme, Triodos Bank aims to contribute to transitioning to clean energy sources that reach all corners of society and the economy, and on the mechanisms to ensure a just transition.

Triodos Bank has played an active role in the energy transition for a long time; from financing the first wind turbine in the Netherlands in 1986, to being ranked first globally for the financing of renewable energy projects by total number of deals in 2022. We finance traditional renewables such as onshore wind, solar and hydro, alongside electric vehicle charging, battery storage and energy efficiency projects. Triodos Bank takes a proactive stance in seeking out energy solutions in technologies that are relatively new, at times combining different financial instruments to make this possible.

Additionally, Triodos Bank takes a holistic approach by funding small and medium-sized projects that are often community-based. Such projects are needed to create resilient and balanced energy systems that are accessible and affordable for everyone.

To contribute to the Energy Transition, Triodos Bank:

- Finances energy generating and energy efficiency projects while focusing on minimising resource use and waste.
- Makes energy supply more efficient to meet demand and to decrease the carbon dioxide equivalent (CO_2e) footprint.
- Improves the reliability of the renewable energy system by investing in solutions that make the system more stable and robust such as grid connections.
- Increases the awareness and involvement of the public to make a systemic mindset shift about how energy is owned and used to ensure a just energy transition.

What we financed in 2023

In 2023, Triodos Bank and its climate and energy investment funds financed 640 projects (2022: 611) in the energy sector. These included:

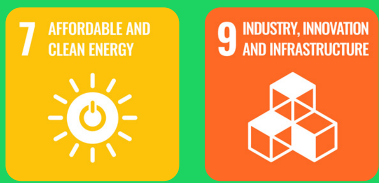
- 534 (2022: 522) sustainable power-generating projects related to wind (189), solar (307), hydro (37), or biopower (1).
- 49 (2022: 43) sustainable power projects in a construction phase.
- 57 (2022: 46) energy-efficiency projects including 29 heat and cold storage projects, 10 battery storage projects, 1 greenhouse gas-neutral biomass heating project and a diverse range of other energy efficiency initiatives.

Through our share in these renewable energy projects, over 0.9 million tonnes of CO_2e emissions were avoided (2022: 1.0 million tonnes). This is equal to the avoidance of emissions of approximately 6.8 billion kilometres travelled by 570,000 cars.

The total capacity of the power-generating projects was 10,300 MW (2022: 9,100 MW), producing the equivalent of annual electricity needs of 9.5 million households worldwide, or approximately 834,000 based on our share in the total financing of these projects (2022: 865,000).

Triodos Bank and Triodos Investment Management also finance the development of large electricity storage systems. The total storage capacity of these super batteries we financed exceeded 250 MW. By storing excess generated sustainable electricity in a battery and selling it when needed, demand and supply are better aligned. This not only prevents waste but also keeps the market and grid voltage in balance, thereby reducing reliance on power from fossil fuel sources.

Contributing to the UN SDGs



Our Energy Transition theme contributes to the following UN SDG Targets:

- Universal access to affordable, reliable and modern energy services (Target 7.1)
- Increasing renewable energy in the global energy mix (Target 7.2)
- Improving energy efficiency (Target 7.3)
- Developing sustainable energy services for all in developing countries (Target 7.b)
- Upgrading infrastructure and retrofitting industries to make them sustainable (Target 9.4)

Working collectively to make the Dutch village of Terheijden energy neutral.

Customer story: Traais Energie Collectief

No more gas by 2032, without the help of big energy companies. That is the goal of the Traais Energies Collectief, working hard to make the Dutch village of Terheijden energy neutral. The collective has already installed a sustainable heat network and a wind turbine alongside a nearby motorway. A solar park with 27,000 solar panels is planned too.

To make the village (6,000 residents) energy neutral, three puzzles had to be solved in Terheijden, explained Pim de Ridder, developer of sustainable energy projects and initiator of the Traais Energie Collectief (TEC). A technical puzzle, a financial puzzle and a social puzzle. The technical one seemed straightforward: a heat grid fed by a wind turbine along the nearby A16 motorway and surface heat from the river Mark. A solar park just outside the village would supply the power.

Funding from Triodos Bank

The financial puzzle was easy to solve too, thanks to a generous grant from the national programme Proeftuin Aardgasvrije Wijken (Experimental Garden of Natural Gas-Free Neighbourhoods) and financing from Triodos Bank. Residents of Terheijden can become members of the energy collective for 15 euros, if they want to be involved. An operating company, the Traaise Energie Maatschappij, was created to generate and supply sustainable energy, which bears the financial risks and in which TEC members can invest by buying 'building blocks' (bonds).

Inspiring residents

The third (and most important) puzzle was how to win the trust of village residents. De Ridder: "You go to someone's front door, and you have to convince them to get rid of their boiler. This is already asking a lot." TEC board member Lambert de Haas adds: "Twenty percent of people said yes immediately. Ten percent would prefer energy from a nuclear power plant, not from a village initiative. The other 70 percent wanted to wait and see. You have to address this with a strategy. You have to be able to generate sympathy and really listen to their wishes and doubts."

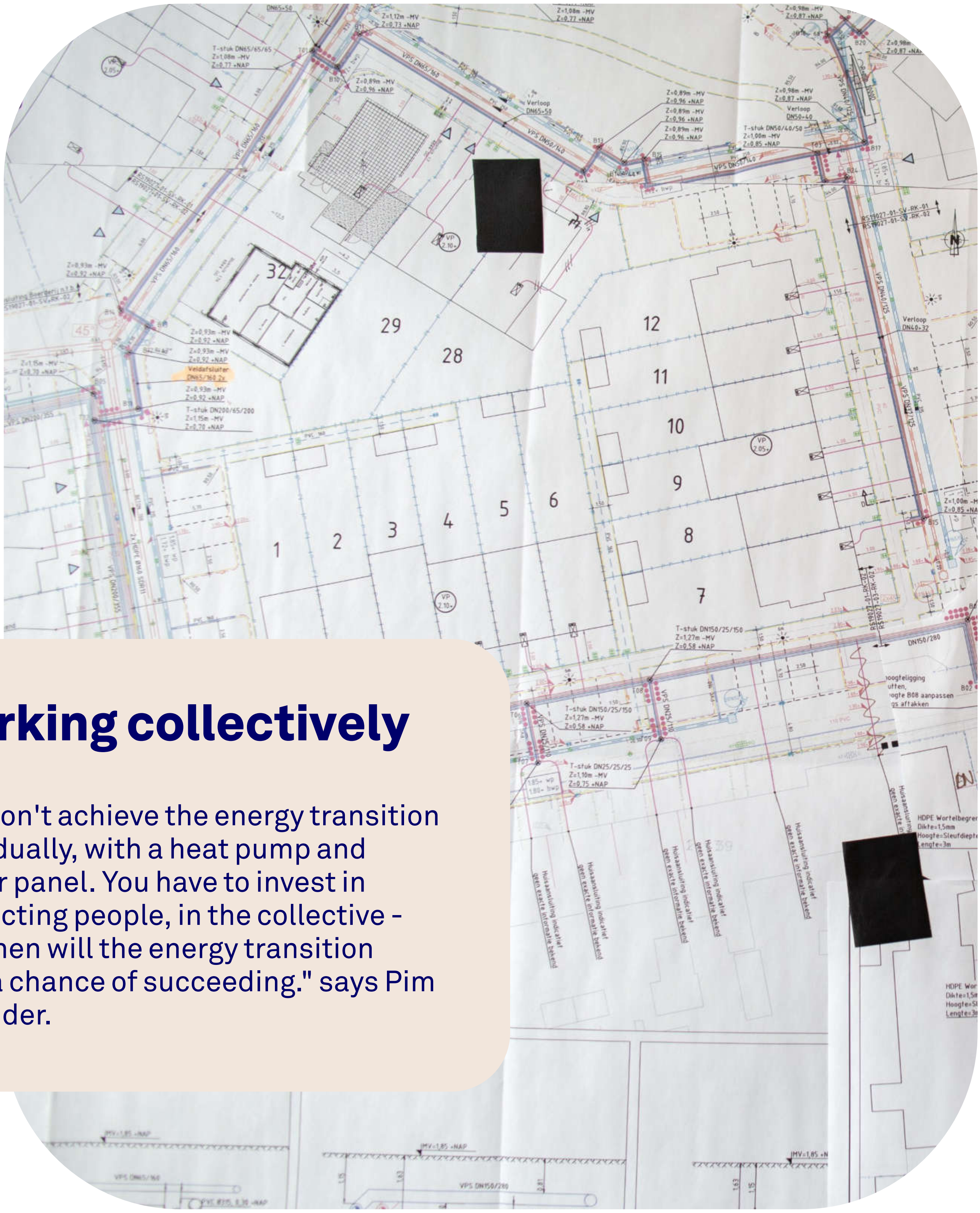
Despite some setbacks and delays, TEC is now well on its way to transforming Terheijden into an energy neutral 'energy-free state'. And just as the initiators suspected from the start, it could not have

been done without the residents of the village. De Ridder: "We won't achieve the energy transition individually, with a heat pump and a solar panel. You have to invest in connecting people, in the collective - only then will the energy transition have a chance of succeeding. Some towns may already be too big to create the necessary sense of belonging. But Terheijden is a close-knit community, where social cohesion has always been preserved."

Smart links between power and heat

According to Harold Hofenk, team manager Energy and Climate at Triodos Bank, the Terheijden project is interesting for the energy transition for several reasons. "On the technical side, in Terheijden, they are making a smart link between power and heat by storing the electricity generated from the wind turbine into heat. We see a model like the one in Terheijden as a long-term solution towards a fossil-free society."

The Terheijden approach also answers another bottleneck in the energy transition: the danger of energy poverty. "With a heat network like the one in Terheijden, you get a much fairer distribution of the benefits of the energy transition and the costs remain predictable," says Hofenk.



Working collectively

"We won't achieve the energy transition individually, with a heat pump and a solar panel. You have to invest in connecting people, in the collective - only then will the energy transition have a chance of succeeding." says Pim de Ridder.

Deep dive on renewable energy impact

A better understanding of Triodos Bank's impact can help us make decisions aimed at increasing our positive impact and minimising our negative impact. In 2023, we performed a deep dive into one area of our financing – the power generation projects in wind and solar – to better understand our potential impact.

We collaborated with the Impact Institute to study the negative environmental and social impact that could occur in the life cycle of wind and solar energy projects financed by Triodos Bank. The environmental impacts were calculated by using quantitative life cycle assessment databases specific to the value chains of wind and solar energy projects. The risk of social impacts was approximated by using estimates gathered from global databases containing country information and research reports. The results are presented in monetary values to enable quantification and comparison.[1]

The results show that throughout the value chain there is negative environmental impact and potential social impact. However, this negative environmental impact is lower compared to non-renewable power generating projects.

With the insights gained from these types of studies, we continue to engage with our customers and investees aiming to mitigate or prevent any adverse impacts.

Environmental impact

In 2023, Triodos Bank financed over EUR 2 billion in wind and solar power-generating projects through its bank loans and climate and energy investment funds. These projects help in decarbonising the economy, and, as shown below, have less negative environmental impact than non-renewable power projects.

How the environmental impact is estimated
The entire upstream value chain was considered in calculating the annualised environmental impact of these renewable energy projects. This includes impact caused during the mining of minerals, component manufacturing, installation and use of the wind turbines and solar panels. The data that is used comes from external sources such as EcoInvent, a lifecycle inventory database, and from life cycle studies to determine the air pollution, contribution to climate change, land use, material use, water pollution and water use per kilowatt hour of produced electricity per country.

The Environmental Impact Model of the Impact Institute measured environmental damage using multiple indicators such as particulate matter formation, global warming and land use. Effects were converted into euros representing the remediation costs of the damages. A detailed explanation of the methodology, assumptions and sources can be found at www.annual-report-triodos.com.

Comparing estimated environmental impact
To understand the positive contribution of renewable energy, the estimated environmental impact of the wind and solar projects is compared to the electricity grid mix per country (the 'reference scenario'). The comparison shows that more negative impact is avoided from wind and solar projects located in countries with more fossil-fuel generated power in their grid mix.

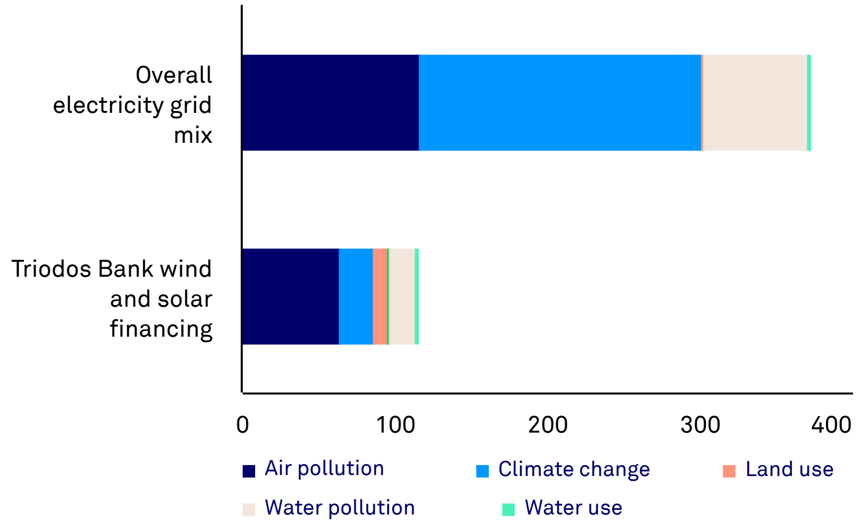
1 The impact indicators related to this deep dive on renewable energy impact fall in scope of limited assurance of our external auditor. Limited assurance is giving on the application of the methodology and did not include testing the model parameters based on assumptions.

The negative attributed environmental impact of Triodos Bank financed wind and solar projects is estimated at EUR 116 million. The negative environmental impact of the reference scenario is estimated at EUR 374 million.

Triodos Bank's portfolio of solar and wind generating projects therefore support in avoiding an estimated EUR 258 million compared to the current electricity grid mixes in the countries in which we are active.

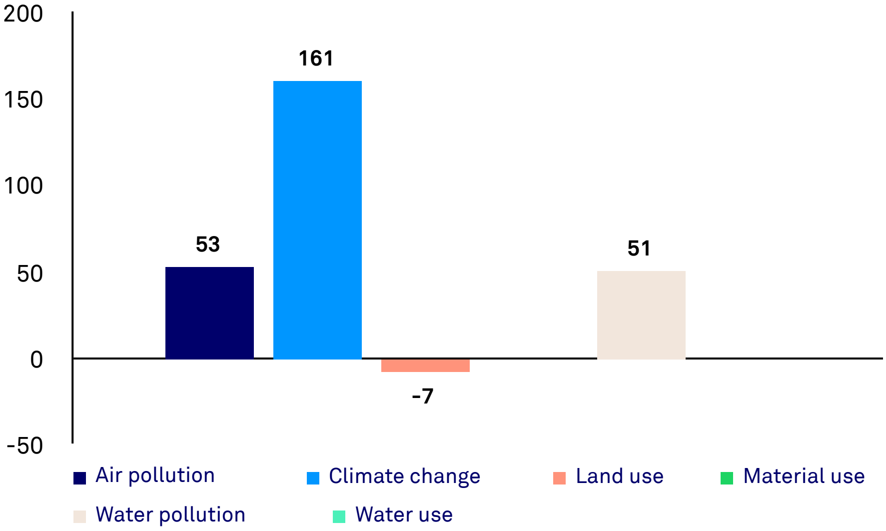
Negative environmental impact of Triodos Bank's wind and solar financing in 2023

Environmental impact of attributed kWh generated (in € million)



Avoided negative environmental impact of Triodos Bank's wind and solar financing in 2023

Avoided negative environmental impact of attributed kWh (in € million)

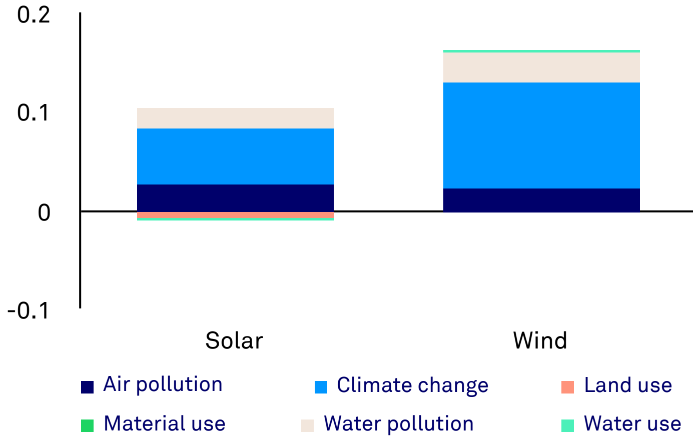


Triodos Bank will continue to work with the industry to rethink parts of the renewable energy value chain. Together we can work to minimise negative environmental impacts by minimising pollution and waste, and re-using or recycling resources.

The avoided negative impact can also be expressed per euro invested. The graph below shows that for every euro invested in solar and wind projects, 10 cents and 16 cents of negative impact are avoided respectively.

Avoided negative impact per euro invested of Triodos Bank's wind and solar financing in 2023

Avoided negative impact per euro invested (in €)



Social impact risks

While wind and solar power-generation projects avoid the high negative environmental impacts associated with conventional energy production, there are also potential negative social impacts in their value chains. These types of energy production have complex value chains that include the mining of minerals, production of materials and manufacturing processes. These processes occur in countries where there is a significant risk of human rights violations. Consequently, there is risk that adverse social impacts are generated in the upstream value chains of Triodos Bank's financed wind and solar projects. Data related to human rights violations is either limited or only discloses the prevalence of violations at country level. Therefore, estimates and proxies are often required to estimate the adverse social impacts. Due to these data challenges and difficulties in benchmarking, we only demonstrate the risk of adverse social impact in the value chain of our financing.

How the social impact risks is estimated

The analysis focused on the most abundant and impact intensive metals/metalloids in the production of wind turbines and solar panels. These are steel, copper, aluminium, and silicon.

We analysed five social impact risks: forced labour, child labour, underpayment, worker health and safety incidents, and gender discrimination. Assuming a typical value chain for the wind and solar projects financed, the social impact risks were estimated using statistical data from public sources such as WalkFree.org, an international human rights organisation, and the International Labour Organization. The impacts are converted into euros representing the potential costs to remediate damage done. Remediation costs are based on academic studies, more information can be found within the True Price methodology.

A detailed explanation of the methodology, assumptions, and sources can be found at www.annual-report-triodos.com.

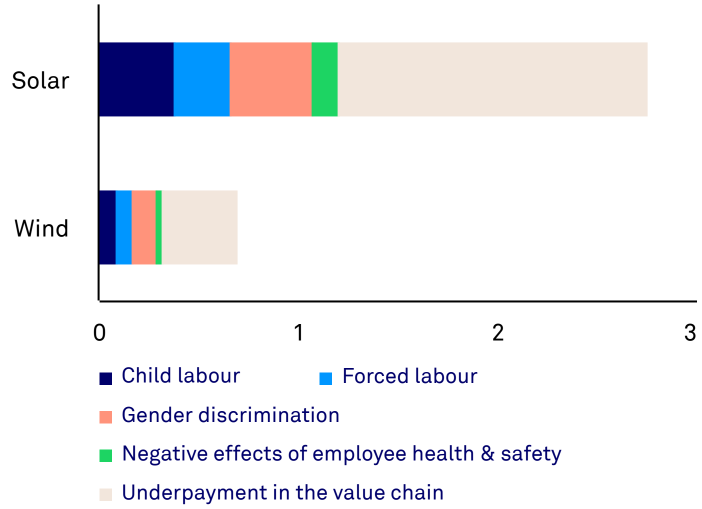
Social impact risk

The annualised social impact risk of Triodos Bank financed wind and solar projects in 2023 equates to approximately EUR 3.4 million. Per megawatt capacity, the social impact risk of solar is more negative than wind, mostly due to the mining of silicon, the production of polysilicon, and the higher labour intensity of producing solar panels.

Climate change mitigation should not come at the expense of human rights. The bank is taking multiple actions to mitigate potential negative social impact. This includes applying an extensive due diligence process to assess whether suppliers of solar panels sufficiently identify, prevent, mitigate and account for supply chain risks. Triodos Bank also engaged suppliers active in solar photovoltaics value chain to confirm they have a strong commitment to human rights. Those who cannot make this commitment, are not supported by Triodos Bank. The bank also monitors controversies relating to human rights violations in the value chain of wind and solar power generation. Triodos Bank has raised this topic with sector organisations, which has contributed to industry standards and due diligence procedures in the supply chain.

Social impact risk of Triodos Bank's wind and solar financing in 2023

Social impact risk of attributed kWh(in € million)



Food Transition Theme

The preservation of ecosystems and the future wellbeing of the human population are dependent on a structural transformation of the food system.

The current food system can produce immense quantities of low-priced food, enabling considerable food security. However, the current system is untenable as it exceeds multiple planetary boundaries, causes severe health issues and reinforces inequality. As outlined in our vision paper,Triodos Bank believes that a successful food transition is characterised by balanced ecosystems, inclusive prosperity and a healthy society.

To contribute to the food transition, Triodos Bank:

- Empowers a transition to resilient farming practices that avoid pollution and have a positive impact on biodiversity and resource use by providing financial services to actors across the food system.
- Encourages a transition to diverse, local and seasonal diets that are largely plant-based with modest amounts of animal protein, by providing financial services to producers and retailers, as well as engaging with our client base.
- Encourages true pricing in food value chains by increasing transparency of financed organisations to expose environmental and social externalities in the food system and provide equitable wages and conditions for workers.
- Supports initiatives that educate consumers and reconnect them with food producers.

What we financed in 2023

Organic farming

Triodos Bank and Triodos Investment Management financed 338 farms in 2023 that together managed approximately 29,800 hectares of organic farmland across Europe, equating to 44,000 football pitches.

Using the Ecological Footprint method developed by the Global Footprint Network and the World Wide Fund for Nature (WWF), an estimate is made of the total number of people who could be supplied with organic food from the farmland financed. For 2023, this is approximately 24,000 people (2022: 27,000). Multiplying this number by the number of days in a year and 3 meals per day results in approximately 26.5 million organic meals that could be produced from the farms' products.

Sustainable trade

In 2023, approximately 30,200 smallholder farmers (2022: 42,800) in seven emerging market countries worldwide were paid directly and fairly upon delivery of their harvests, a contributing result of the trade finance that Hivos-Triodos Fund provides to farmers’ cooperatives and agribusiness. The decline in the number of farmers is due to lower number of disbursements in 2023.

The farmers had 16,900 hectares of certified organic farmland under cultivation in 2023 (2022: 57,100). An additional approximately 5,100 (2022: 6,000) hectares were in conversion. The farmers' harvests brought seven different fair trade and organic products to international markets, including coffee, cocoa, rice, fruit juice and sesame.

Contributing to the UN SDGs

Our Food Transition theme contributes to the following UN SDG Targets:

- Ensuring sustainable food production (Target 2.4)
- Reducing the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination (Target 3.9)
- Reducing global food waste and losses (Target 12.3)
- Halting the loss of biodiversity (Target 15.5)

Bringing people in direct contact with their food production.

Customer story: Herenboeren

The inspiration for Herenboeren came from the realisation that many consumers know very little about their food. The Herenboeren concept brings people in direct contact with their food production.

At the same time, with their nature-driven mixed community farms, Herenboeren are working every day to increase biodiversity, restore the health of their farmland and preserve nature for generations to come. Herenboeren see that the current agricultural crisis is also linked to the biodiversity crisis, water challenges in the Netherlands, environmental and climate issues and even our health crisis. “We need to work together to tackle this holistically. We believe this literally starts at the bottom: the soil.” says Geert van der Veer, founder and board member of Herenboeren NL.

A community farm according to the concept Herenboeren, is a mixed farm owned by a cooperative of 200 to 270 households. These households are the direct consumers of the produce and, through the cooperative, jointly employ a farmer, who runs the farm as an agricultural foreman. This foreman often works alongside a part-time supporting farmer and with the necessary voluntary work of active cooperative members.

Since 2013, 18 Herenboeren community farms have been developed all over the Netherlands. In addition to these farms, more than 35 citizens' initiative groups around the country are already starting their own community farms. Herenboeren farmers are therefore owners, entrepreneurs, producers, and consumers rolled into one.

Herenboeren is a growing group within the relatively small niche of green and Community Supported Agriculture farmers. Herenboeren is actively engaged in building an ecosystem of partner organisations to accelerate the transition of the Dutch food chain. Together with its partner initiatives, the organisation initiates and conducts research, trains farmers and proposes amendments to laws and regulations. Herenboeren also actively engages with the Dutch Ministry of Agriculture, Nature, and Food Quality

about the sustainable transition of the food system. It is important to stress that Herenboeren does not do this alone but works together with numerous partners.

Herenboeren celebrated their 10th anniversary in 2023. In those 10 years, a lot has been achieved by thousands of people who share the same ambitions and drive. Building a close-knit community is an essential part of the Herenboeren concept. The 9,000 members do not live on the farm, but they do visit it at least once a week to collect their share of the harvest and they help on the farm in various ways. The farm also has the explicit goal of connecting with other local communities.

Joining a local Herenboeren community farm ensures that citizens become more aware of food production. Members participate actively in decisions affecting the farm and see with their own eyes how closely our food production is connected with beforementioned topics such as biodiversity, water, the environment, climate and health.

Herenboeren has noticed that - after joining a Herenboeren farm -some members even started looking for different jobs work because they wanted to make an even greater contribution to these issues. People are also learning about and experimenting with cooking seasonal farm produce at home, with recipes shared on many Herenboeren community farms. Lastly, people meet each other on the farms during workshops, festivities, excursions, and children's activities, creating new connections and friendships based on shared ideals and motivations.

There is a strong match between the mission of Herenboeren and Triodos Regenerative Money Centre. We want to encourage responsible use of agricultural land and bring farmers and communities closer together to reconnect with our food and a healthy earth.

Triodos Regenerative Money Centre

Together with Herenboeren, we want to encourage responsible use of agricultural land and bring farmers and communities closer together to reconnect with our food and a healthy earth.

Resource Transition Theme

Resources and materials are essential building blocks of our global economy and core components of all the goods and manufactured structures people use.

The Resource Transition requires a transformation from the current model and extract-use-dispose (linear) resource use. The way resources are used and discarded can negatively impact a variety of environmental and social conditions, such as labour conditions, pollution, climate change, land use and natural ecosystems. Under this transition theme, Triodos Bank aims to contribute to a transition from a wasteful linear paradigm to an economy where resources are truly valued and used prudently along the whole value chain. Social renewal to promote quality of life needs to include an explicit focus on circularity, conserving nature and resources, as well as better management of waste.

To contribute to the Resource Transition, Triodos Bank:

- Encourages ecosystem preservation and nature regeneration in order to sustain and restore nature. As well as, reducing overconsumption of raw materials and minimising the mining of finite raw resources.
- Finances organisations that extend the life of materials and goods by integrating circular value chains into the design and manufacturing of products and exploring alternative business models, as well as engaging with consumers to keep goods in circulation.
- Prevents waste and downcycling in all parts of the value chain by financing innovative organisations and engaging with existing clients to encourage end-of-life materials flow back into the production of new products - where possible at their highest value.

What we financed in 2023

Sustainable property and residential mortgages

Triodos Bank finances new building developments and renovation projects for properties to reach high sustainability standards and offers green mortgages that incentivise households to reduce their carbon footprint.

In 2023, Triodos Bank financed 19,300 houses and apartments via a residential mortgage loan, and (co-)financed the construction or renovation of 7,400 houses via the sector Sustainable property. Together, 26,700 homes are in scope for the resource transition (2022: 24,800), an increase of 7% due to growth in both portfolios. Of the properties in the residential mortgage portfolio, about 58% have an energy label of A or higher (2022: 56%), 27% have an energy label between B and G, and the energy label of 15% has not yet been reported.

We also financed the construction and improvement of 502 commercial property buildings (2022: 470), comprising approximately 893,000 m^2 for offices and other commercial use (2022: 871,000 m^2).

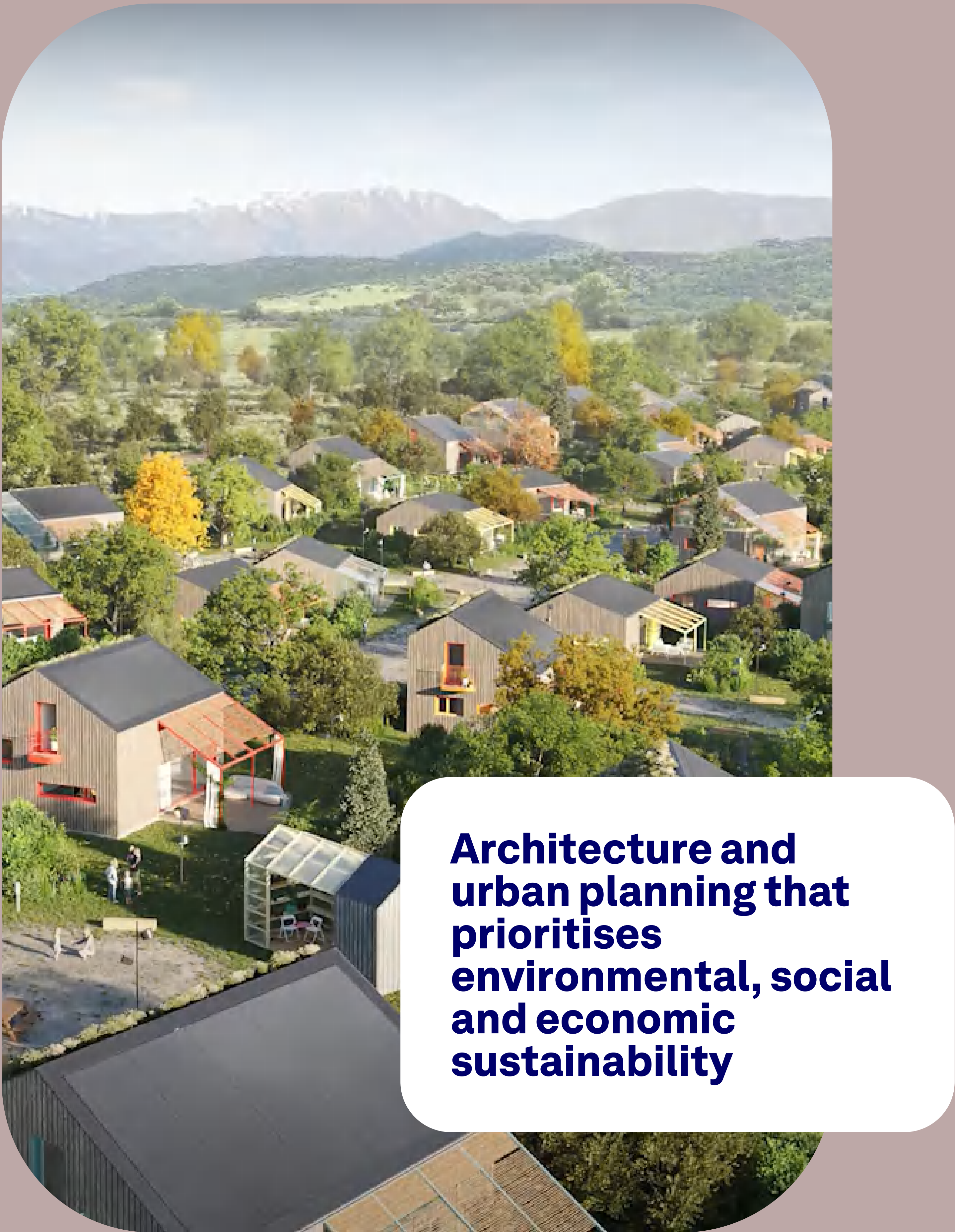
Nature development

In 2023, we financed or co-financed 30 projects with approximately 42,900 hectares of nature and conservation land and sustainable forestry (2022: 33,900 hectares). This land is important for the sequestration or absorption of CO_2 from the atmosphere. In 2023, our financed share in these nature-based solutions projects resulted in the sequestration of approximately 19 ktonne CO_2 (2022: 10 ktonne CO_2), equal to at least 714,000 mature trees.

Contributing to the UN SDGs

Our Resource Transition theme contributes to the following UN SDG Targets:

- Upgrading infrastructure and retrofitting industries to make them sustainable (Target 9.4)
- Protecting and safeguarding the world's cultural heritage (Target 11.4)
- Providing universal access to safe, inclusive and accessible, green and public spaces (Target 11.7)
- Sustainable management of natural resources (Target 12.2)
- Reducing waste generation (Target 12.5)
- Encouraging companies to adopt sustainable practices (Target 12.6)
- Ensuring the conservation, restoration and sustainable use of freshwater ecosystems (Target 15.1)
- Halting the loss of biodiversity (Target 15.5)



Architecture and urban planning that prioritises environmental, social and economic sustainability

Customer story: sAtt Architectura

sAtt Architectura was founded in 2002 with the vision of combining ecological, poetic and functional architecture. Their approach to research, design and construction is based on the belief that architecture and urban planning should prioritise environmental, social and economic sustainability.

sAtt Arquitectura are the first architecture and construction company in Spain to be certified as a B Corporation. They aim to contribute to addressing the environmental challenges posed by the inefficient use of land, resources and energy in the building sector. They address economic and social challenges through access to housing and shared community spaces, this is why sAtt say they do not build homes - they create communities.

Their collaborative, regenerative and green building projects aim to be carbon neutral, with unavoidable emissions offset, and produce energy through their own self-consumption photovoltaic installation. Their buildings are based on a triple bottom line approach: they reconstruct the relationship of architecture with the environment, with the economy and with people.

For the economic and environmental aspects of this approach, sAtt Architecture incorporate the circular economy throughout the life cycle of their projects. In the initial construction phase they re-use materials that come from other demolitions, thereby reducing the carbon footprint in this part of the building lifecycle. This is key because almost 50% of a building's carbon footprint is embedded in the construction phase. In the demolition phase, sAtt identify which of the materials from their own buildings can be reintegrated back into the market, thereby retaining their highest value and contributing to a circular economy.

In addition, sAtt Architectura extends the lifetime of buildings and materials by focusing on bio-based materials, sustainable water management and flexible uses of buildings, such as shared housing or office spaces. A prime example of a frequently used bio-based material in sAtt's projects is sustainably sourced wood. When it is sustainably sourced, wood is much more sustainable building material than traditional alternatives, like steel and concrete. This is because it is renewable, stores carbon across its lifecycle, provides natural thermal insulation (thereby contributing to energy efficiency), can easily be disassembled and re-used, and finally – it is biodegradable at the end of its lifecycle.

For the community aspects of the triple bottom line approach, sAtt Architecture creates designs that are unique to each building or community space, because each design is inspired by the surrounding environment and its users. The spaces are designed to generate greater well-being through their use of colour, texture and light; as well as to create opportunities for individuals to interact in the space, build human relationships and strengthen communities.

More and more people are demanding a different way of living, and this requires a change in the housing paradigm. This new model is proposed as a real alternative for the fight against climate change, providing a solution to unchosen loneliness as well as living in a healthier environment. The key lies in living in a conscious and more connected way between people and with the environment that surrounds us, according to their vision.

Triodos Bank Spain has actively supported the vision and initiatives of sAtt Arquitectura through bank loans. This financial support aligns with Triodos Bank's commitment to support sustainable and socially responsible projects. By offering financial assistance, Triodos Bank has enabled sAtt Arquitectura to expand its impact and continue its mission to promote architecture and urbanism based on environmental, social and economic sustainability.

Thanks to sAtt's relationship with Triodos Bank it has been possible to materialise the first right-to-use collaborative housing development in the city of Madrid, Entrepatios Las Carolinas. In addition, during 2023, the bank has also financed two new developments for this studio, the Pirita Distrito Natural and Villaverde Plaza building with Passive House certification.

Designs using sustainable wood

When wood is sustainably sourced, it is much more sustainable building material than traditional alternatives, like steel and concrete.

Societal Transition Theme

Despite reduced global inequality, increasing wealth disparity within countries poses challenges, leading to less stable and inclusive societies. As outlined in our social inclusion paper, three courses of action are needed: empowering people, building inclusive societies and challenging dominant values and structures.

A sustainable economy is an economy that works for all, leaving no one behind at the margins of society, valuing collaboration and fostering cohesion among groups and individuals. The holistic approach we advocate matches this reality. Respecting ecological boundaries requires a strong social foundation, and without respect for ecological boundaries even a strong social foundation can be eroded.

Societal structures are diverse and unique to local contexts. To embrace this diversity, we focus on pillars that guide our actions in activities included in the Societal Transition theme:

- Ensure basic needs are met to guarantee human dignity.
- Support equitable design to ensure equal opportunities to access spaces, services and markets, paying special attention to children as well as vulnerable and marginalised groups.
- Empower people to find themselves reflected in their communities and network, creating a strong sense of involvement with and connection to those around them.

What we financed in 2023

Social housing

In 2023, Triodos Bank financed 217 social housing projects, which directly and indirectly, through housing associations and credit institutions, provide accommodation for approximately 20,300 people (2022: 22,000).

Financial inclusion

At year-end 2023, Triodos Investment Management's financial inclusion funds financed 105 financial service providers (2022: 113) in 44 countries. These values-based institutions offer access to a range of fair and transparent financial services for people and small businesses. Together, these financial service providers reached approximately 20.4 million individuals in 2023, who can now save for unexpected expenses and their future (2022: 19.9 million).

Some 18.2 million borrowers, two-thirds of whom live in rural areas were reached who used the funding to start or expand their business, generate income and better manage their daily lives (2022: 20.3 million). The portfolio experienced significant growth in India, Peru, and Uganda. Concurrently, the exit of high-impact clients in India and Ghana contributed to an overall decrease in the total number of borrowers compared to 2022.

Of the loan clients, 78% are female. Giving women the freedom to manage their income and to support their families empowers their position and has been shown to have a greater economic impact overall. Furthermore, we engage with organisations and industry associations to encourage fair working conditions through our participation in the Living Wage Platform.

Contributing to the UN SDGs

Our Societal Transition theme contributes to the following UN SDG Targets:

- Building the resilience of the poor and those in vulnerable situations to economic, social and environmental shocks (Target 1.5)
- Ending all forms of discrimination against women (Target 5.1)
- Encouraging the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services (Target 8.3)
- Empowering and promoting the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status (Target 10.3)
- Access for all to (affordable) housing (Target 11.1)

Promoting financial inclusion and providing opportunities for those at risk of exclusion

Customer Story: UNI2 Microcredito

UNI2 Microcredito is a microfinance institution in Colombia that aims to reduce inequalities and poverty by providing financial services to people on low incomes.

UNI2 Microcredito was founded in 2015 by two local entrepreneurs from Cali: Felipe Mariño and Santiago Molina, both with a background in finance. They witnessed the inequalities in the financial sector and recognised the huge banking gap at the base of the pyramid: a large part of the population has no or very limited access to finance.

Since the beginning, UNI2 has focused on underserved areas and populations, differentiating itself in the Colombian financial sector by operating in post-conflict regions and providing financial services where they are needed most. The instution has a particularly strong presence in Nariño and Cauca, two regions that are most affected by Colombia's internal conflict. After the peace agreements in 2016 these regions became a priority for UNI2 as their presence proved to be instrumental in promoting social development.

UNI2 started by financing motorcycles and small trucks used for business purposes and has diversified its offer with working capital loans and with agricultural loans for smallholder farmers, addressing specific needs in these communities. Additionally, their commitment to financial inclusion is evident in serving many first-time borrowers (about 40% of their clients do not have any previous credit experience), with an average loan size of USD 1,500.

By targeting areas with high poverty rates and limited access to financial services, the organisation has become a crucial resource. They have a wide reach - operating in over 200 municipalities, supporting approximately 45,000 microentrepreneurs.

UNI2 provides more than micro-loans to its clients. As part of their financial literacy programmes, they make use of a digital education platform designed to strengthen the managerial, financial and digital capacities of microentrepreneurs. Also, with the support of USAID, they run a programme for their agricultural clients to promote sustainable improvements in food security and agricultural production, processing and marketing. Furthermore, UNI2 has developed a climate adaptation credit product to its agri-clients that is aimed at reducing their vulnerability to extreme climate events.

Triodos Microfinance Fund and Triodos Fair Share Fund provided a USD 3 million debt facility to UNI2 Microcrédito. This financial support aligns with Triodos Bank's commitment to ethical and socially responsible principles. By facilitating this debt facility, Triodos Bank actively supports UNI2's vision of promoting financial inclusion and providing opportunities for those at risk of exclusion. Furthermore, it will enable the microfinance institution to increase its outreach and its network of branches. The partnership emphasises Triodos Bank's dedication to fostering community development and addressing social challenges through responsible financial support.

Financial inclusion

The partnership with UNI2 emphasises Triodos Bank's dedication to fostering community development and addressing social challenges through responsible financial support.

Wellbeing Transition Theme

Central to Triodos Bank's vision, the pursuit of wellbeing is fundamental to the human experience, as individual wellbeing is crucial for fostering healthy societal relations. Epidemics and health issues, both physical and mental inflict harm at individual and collective levels. This intensifies social inequalities and perpetuates cycles of poverty while exacerbating disparities in education, employment and healthcare outcomes.

As outlined in our impact vision, Triodos Bank believes individual wellbeing needs to be deeply valued and nurtured, allowing all to live healthy, happy and self-determined lives.

A transition is needed from the narrow focus on material satisfaction to an economy that deeply values and nurtures individual wellbeing, creating the conditions for healthy and fulfilling lifestyles for all, with a focus on individuals.

Under this transition theme, Triodos Bank focuses on activities that foster individuals' physical and mental health, as well as self-development, self-expression and healthy relationships with others.

The Wellbeing Transition is one that is highly personal and unique to local contexts. To embrace this uniqueness, we focus on pillars that guide our activities:

- Ensuring human and individual rights are respected to empower people in shaping their own lives.
- Endorsing a positive, holistic view on health, which underlies society and the formal healthcare system.
- Promoting arts and culture and spiritual centres, to help people experience a sense of meaning in and awareness of the world.

To contribute to wellbeing, Triodos Bank provides loans and funds' investments to organisations working in education, childcare, retreat centres, religious groups, recreation, cultural centres and organisations, and artists. It also covers the health and older people care sector.

What we financed in 2023

Healthcare

As a result of Triodos Bank's finance across Europe, around 45,200 individuals (2022: 45,600) were residents at 617 care homes for older people financed by Triodos Bank and Triodos Investment Management in 2023.

Arts and culture

In 2023, Triodos Bank financed 1,484 projects in the cultural sector (2022: 1,513), from individual artists to large cultural institutions. Approximately 26% of the portfolio relates to cultural centres and approximately 45% relates to the financing of film and media projects, mostly in Spain.

Contributing to the UN SDGs

Our Wellbeing Transition theme contributes to the following UN SDG Targets:

- Building the resilience of the poor and those in vulnerable situations economic, social and environmental shocks (Target 1.5)
- Preventing and treating substance abuse (Target 3.5)
- Access to quality essential healthcare services and access to safe, effective, quality, and affordable essential medicines and vaccines for all (Target 3.8)
- Increasing the number of young people and adults who have relevant skills for employment, decent jobs and entrepreneurship (Target 4.4)
- Promoting sustainable tourism that creates jobs and promotes local culture and products (Target 8.9)
- Empowering and promoting the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status (Target 10.3)

Communicating the importance of environmental conservation, sustainable living and the interdependence of all living beings.

Customer story: Sauvages! film

Sauvages! is an animated film that is about ecology and the environment and celebrates the plant and animal world. It's a modern tale that aims to promote environmental awareness and sustainable practices among preadolescents, particularly those disconnected from nature and their cultural roots.

The story takes place in Borneo, in the Indonesian rainforest and follows the journey of Kéria, a rebellious preadolescent as she rediscovers her connection to the environment through a fortuitous encounter with Oshi, a small orangutan, found in the palm oil plantation where his father works. At the same time, Selaï, his young cousin, comes to stay with them to escape the conflict between his nomadic family and the logging companies.

The ancestral forest is under threat more than ever. Together, Keria, Selaï and the baby monkey Oshi will brave every obstacle to fight against the planned destruction.

Claude Barras, the film's Swiss-born director, travelled to Borneo in 2018 to be inspired on location, in the region where since the 1980s, under the guise of developing the hinterland, the primary forest has been converted into palm oil plantations, to the disdain of its inhabitants. His aim in telling this story is simply to raise awareness among children and their parents of the enormous impact our consumption patterns are having on the wilderness in other parts of the world. "Choosing what we consume has become more radical and impactful than voting," he says. Six years on, the film is almost ready for public release.

The film serves as a powerful tool to communicate the importance of environmental conservation, sustainable living and the interdependence of all living beings. The use of animation in combination with its universal appeal, engages and captivates the target audience of 7 to 12-year-olds and their families, fostering an emotional connection to the narrative and its underlying environmental message. The film will be released in cinemas in Belgium, France and Switzerland in October 2024.

By delivering a compelling story that transcends cultural and geographical boundaries, Sauvages! aims to raise awareness about the global significance of environmental issues. The film prompts reflection on cohabitation with nature, echoing values shared by communities

worldwide, including those of Kéria's tribe. In an original way, it combines the realism of a serious and profound social issue with a simple and colourful visual universe to give the film its poetic form.

The launch of the film will be supported by a responsible communications campaign with a minimal carbon footprint, maximising the use of recycled materials and sustainable transport. A carbon audit will be carried out after the film's release to measure its carbon impact.

Triodos Bank, with its commitment to sustainable banking and supporting initiatives aligned with environmental and social responsibility, has been a crucial ally in bringing this vision to life. The bank's support goes beyond financial assistance; it reflects a shared commitment to fostering a more sustainable and environmentally conscious society. Triodos Bank's values resonate with the core message of the film project, emphasizing the interconnectedness of environmental, social and economic aspects in building a more sustainable future and promoting environmental consciousness within our target audience and beyond.

Film financing

The bank's support for the Suavages! Film goes beyond financial assistance; it reflects a shared commitment to fostering a more sustainable and environmentally conscious society.

Impact equities and bonds

Triodos Investment Management directs its investment activities toward private debt and equity, whose impact is disclosed in the preceding transition theme paragraphs, and in listed equities and bonds, which is reported here.

Contributing to the transition themes

The Triodos Impact Equities and Bonds funds (IEB) invest and engage for positive change in global listed equities and investment-grade corporate, sovereign and sub-sovereign bonds. The objective of these funds is to maximise positive impact by investing exclusively in companies and bond issuers that contribute to one or more of our five transition themes.

Minimise adverse impact

To ensure the funds' investments do not cause any significant harm, the funds continuously monitor alignment with the strict Triodos minimum standards, perform screening based on the EU Sustainable Finance Disclosure Regulation (SFDR) Principal Adverse Impacts (PAIs), potential controversies and relevant sector-specific standards.

Furthermore, the funds footprints are compared against the market. These footprint and benchmark figures, received from independent external data providers, give an indication of the funds' relative sustainability performance as an outcome of the funds' strict impact selection and exclusion criteria.

In 2023, the footprint benchmark[1] results for the Triodos' Impact Equities and Bonds funds were on average:

- GHG emissions: 53% lower footprint compared to the benchmark (2022: 52% lower)
- Water use: 77% lower footprint compared to the benchmark (2022: 82% lower)
- Landfill waste production: 8% higher footprint compared to the benchmark (2022: 2% higher)

The GHG and water footprints of the IEB funds showed lower environmental impacts of the portfolio companies' activities compared to those of the benchmark. The higher than benchmark landfill, or non-recyclable, waste footprint is mainly related to the investment in a number of paper (packaging) companies promoting the Resource Transition from plastic to paper packaging. Since landfill waste is defined as all waste eligible to be disposed of via landfills, it includes paper and plastic packaging, which in many instances can be recycled so they do not end up in landfill. We consciously accept that a handful of investments with positive overall impact results in the funds have a larger waste footprint than the reference index. However, we firmly believe these companies deliver a solution to problems such as plastic pollution in our oceans.

For more details on these footprints, see the impact reports of our IEB funds online: www.triodos-im.com.

Engage to drive progress

To accelerate transitions and promote sustainable long-term value creation for all our stakeholders, the funds actively exercise their voting rights and frequently engage on environmental and social topics that are relevant to each investee's business models, as well as on general corporate governance issues.

As part of our AsOneToZero ambition, one of the topics on the IEB funds' formal engagement agenda in 2023 focused on climate change and the efforts of listed companies to reduce their greenhouse gas emissions. Triodos Bank has set specific targets on reducing the emission intensity of the IEB funds and committed that 82% of its listed equities and corporate bonds portfolio will have set science-based targets by 2035.
The progress on this target is monitored by using data retrieved from the Science Based Target initiative (SBTi)'s public database of aligned and committed companies.

At the end of 2023, 52% of the IEB total funds' portfolio by net asset value, were aligned with or committed to science-based targets (2022: 45%).

[1] The benchmark with which the IEB funds compare differs per fund and type of footprint. These are: MSCI World, MSCI World Small & Mid Cap Index, MSCI World Impact ESG Select Children's Rights Index, and cutomised benchmarks for the Triodos Impact Mixed funds and the Triodos Bond Impact funds.

Changing finance

Triodos Bank aims to influence the financial sector and the shape of the economic system at a national and global level to help deliver our mission. We believe that the more sustainable, diverse and transparent our financial sector is, the more money will be used consciously. This is a cornerstone of a regenerative and inclusive economy that enables people and communities to thrive within planetary boundaries.

We strive to change finance in different ways. We conduct research, publish vision papers, write opinions and join or initiate calls for action. We share our knowledge and expertise on sustainable finance with policymakers, politicians and supervisors in meetings or through feedback in public consultations. We encourage other financial institutions to make different choices and commit to sustainable finance. We work together with like-minded organisations and create formal and informal partnerships to strengthen each other. This is done locally in the countries in which we operate as Triodos Bank, but also at European and international levels.

Sustainable finance regulation advocacy

The European Union (EU) is a crucial institution for changing finance. Most of the financial regulation for EU countries is created on a European level, and the EU is a pioneer in establishing sustainable finance regulation worldwide. Therefore, Triodos Bank focuses on influencing legislative processes in the EU.

In 2023, we actively contributed to the consultation of the EU's Sustainable Finance Disclosure Regulation (SFDR) and drafted a proposal for a comprehensive and easier to understand categorisation system. Furthermore, Triodos Bank published a position on the EU's Retail Investment Strategy as we believe that the package should include the impact of investments into the concept of value for money and not only focus on costs and return. We also joined a group of European organisations urging the European Commission to create a social investment framework to boost the financing of social initiatives.

In addition, we signed an international petition to include directors' duty of care in the draft Corporate Sustainability Due Diligence Directive (CSDDD) and called upon the EU legislators in the ongoing trilogues to agree on a CSDDD that includes the financial sector. We were disappointed with the European Council's position on the CSDDD, which does not include an obligation for all EU financial institutions to perform due diligence on the activities and value chains of their clients.

We also provided feedback on the European Sustainability Reporting Standards (ESRS) of the Corporate Sustainability Reporting Directive (CSRD), which resulted in a disappointing step backwards from a robust, mandatory and consistent sustainability reporting requirement. We sought to influence the revision of the Alternative Investment Fund Managers Directive (AIFMD) to be able to keep distributing open-ended loan-origination funds. Furthermore, we contributed to three consultations by ESMA on greenwashing, fund names, and the Principal Adverse Impact Indicators of the SFDR. We also provided feedback on the proposed delegated act on biodiversity of the EU Taxonomy Regulation.

Climate and biodiversity advocacy

Climate change and biodiversity loss continue to be complex crises that need urgent solving through collaboration between governments, businesses and the finance sector. In 2023, Triodos Bank initiated different initiatives to push for more climate and biodiversity action. In February 2023, we published our statement about what we expect from the Net-Zero Banking Alliance. We contributed to the process of revising the guidelines, together with other GABV banks. Furthermore, we contributed to the consultation of SBTi on the framework for long-term targets for the financial sector.

To push for the phase-out of fossil fuels, we were the first bank to join the global campaign calling for a fossil fuel non-proliferation treaty. We asked climate ministers across Europe in an open letter, backed by other organisations and individuals, to advocate for this phase-out at the yearly gathering of the Conference of the Parties (COP) 28 in Dubai. The climate summit resulted in an outcome without a firm agreement on phasing out the use of fossil fuels, the main cause of the global climate crisis. With global leaders falling short in reaching a meaningful agreement, the financial sector should now step up.

However, we were relieved with the adoption of the Nature Restoration Law by the European Parliament. In the run-up to the voting, Triodos Bank signed two open letters together with many other businesses, one initiated by Business for Nature and the other by WWF, calling on European policy leaders to adopt the proposed regulation on nature restoration. Yet, we were very disappointed in the European decision to prolong the licence of glyphosate. We called for a ban on this ingredient in weedkillers as itcontributes to loss of biodiversity and negatively effects human health.

National level advocacy

Triodos Bank is not only active in European and international debates but also works at a national level to change finance. We want to contribute to national discussions and initiatives to steer debates and policymaking, together with national coalitions.

Triodos Bank Belgium launched the Triodos Energy Impact loan, a proposition aimed at business customers seeking specific financing for energy efficiency investments and received a delegation from the Flemish green party Groen to discuss policy improvements to support the financing of a more circular economy.

In the UK, formal responses have been submitted to consultations by the regulator on issues such as banker remuneration and Sustainability Disclosure Requirements (SDR). Triodos Bank UK collaborated on national campaigns that engaged industry, the public and politicians with the role that finance plays in the climate and nature crises - such as the 'Save our Wild Isles' business films with WWF, National Trust and RSPB and the 'Queue for Climate and Nature' campaign with Business Declares.

After the abrupt collapse of the Dutch cabinet, Triodos Bank Netherlands made 18 recommendations to the political parties preparing for the election on how to achieve a healthy, sustainable food system, and had conversations with ministers, politicians and policymakers about these recommendations. We continued to collaborate with and support the coalition behind the 'Groenboerenplan', a group of farming organisations that advocates for sustainable agriculture.

We organised multiple events and workshops in the Netherlands around the artwork 'Waterworks of Money', which illustrates the impact of the financial system on our economy and society. We organised these together with the artist of the artwork, Carlijn Kingma, and Martijn van der Linden and Thomas Bollen, contributors the artwork.

The Managing Director of Triodos Bank Germany Georg Schürmann is a member of the sustainable finance council of the German government. He represents other sustainable banks in Germany and leads the working group ESG Scala that works on more transparency of financial products. He spoke to the EU Commission and several European regulatory authorities and participated as speaker at the Sustainable Finance Summit.

In the second half of 2023, Spain took over the presidency of the Council of the EU. This supported Triodos Bank Spain to actively advocate for our CSDDD positions in Spain. Triodos Bank Spain also participated in different events at the Bank of Spain and the ESG Summit, and represented Triodos Bank at the European UNEP FI Regional Roundtable in Madrid. Triodos Bank Spain also collaborated on two reports with the Chair in Sustainable Finance of the UPF Barcelona School of Management.

To support the public discussion on a post-growth economy, Triodos Investment Management invited international thought leaders in their podcast Inside Impact Investing. Also, Triodos Investment Management was active to steer the debate for the review of SFDR by participating in webinars, panels and podcasts, and in conversation with policymakers, supervisors and different financial industry associations.

These are all specific examples of how we try to change finance in the broadest sense. In all our public appearances, opinion pieces, publications or interviews, we highlight the transformational power of money and the role of the financial sector in society.

Our climate and environmental impact

Our climate ambition: AsOneToZero

The climate on our planet is rapidly changing and the devastating effects are felt more every day. 2023 was marked by record temperatures, wildfires, heat waves, floods and other extreme weather events at a higher rate and intensity.

Humanity now risks triggering certain tipping points, of which some can be reached already at 1.5°C temperature rise. Current plans from government are insufficient, the world is currently heading for a 2.5 - 2.9°C temperature rise scenario. The outcome of COP28 to the United Nations Framework Convention on Climate Change also felt short on turning the tide as there was no firm agreement on phasing out the use of fossil fuels.

This means the role of citizens, financial institutions and other businesses is increasingly important. Decisive climate action is needed to reduce global greenhouse gas emissions (GHG). Triodos Bank stands behind the Paris Agreement target and the Glasgow Climate Pact on limiting global temperature rise to 1.5 °C degrees above pre-industrial levels and supports the sustainable and inclusive transition of our economies and society.

The main cause of the global climate crisis is the burning of fossil fuels. Therefore, it is essential that the production and use of fossil fuels is phased out. Triodos Bank does not finance fossil fuel industries. This makes our current carbon footprint relatively low compared to the average in the financial sector. However, Triodos Bank is striving for a fossil free economy. This means we need to work closely together with our clients, investees, co-workers and other stakeholders to reduce emissions.

Our ambition is that the sum of all greenhouse gas emissions and emission removals of Triodos Bank's operations, loans and investments will reach net-zero by 2035. The remaining gross emissions will be balanced by investing significantly in nature-based solutions that protect and strengthen natural carbon sinks and remove GHG from the atmosphere. Our 'AsOneToZero' target was communicated at COP26 in November 2021.

Science-based targets

Triodos Bank has committed itself to the Science Based Targets initiative (SBTi), a partnership organisation established in 2015 to help companies set science-based emission reduction targets. In March 2023, the SBTi validated Triodos Bank's near-term emission reduction targets as science based. The emission reduction targets apply to a large part of Triodos Bank's portfolio of loans and investments and Triodos Bank's own operations.

Science-based targets provide a clearly defined path for companies to reduce GHG emissions, helping prevent the worst impacts of climate change and future-proofing business growth. Targets are considered science based if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement: limiting global warming to 1.5°C.

Scope 1 and 2
Triodos Bank commits to reduce absolute scope 1 and 2 GHG emissions by 63% by 2035 from a 2020 base year. Triodos Bank commits to increase annual sourcing of renewable electricity from 98.6% in 2020 to 100% by 2030.

Scope 3 category 1-14
Triodos Bank commits to reduce absolute scope 3 categories 1-14 GHG emissions by 63% by 2035 from a 2020 base year.

Scope 3 portfolio targets
Triodos Bank's portfolio targets cover 43% of its total investment and lending by total assets under management as of 2020. As of 2020, required activities made up 38% of Triodos Bank's total investment and lending while optional activities made up 31% and out of scope activities made up 31%.

These targets and coverage percentages do not include third-party asset management activities. Third-party asset management activities made up 4% of total investment, lending, and asset management activities by total assets under management.

Scope 3 asset class level targets
- Electricity generation project finance (Sectoral Decarbonization Approach (SDA) method): Triodos

Bank commits to continue only financing renewable electricity projects through 2030.

- Commercial real estate (SDA method): Triodos Bank commits to reduce its scope 3 GHG emissions from commercial real estate within its private debt and equity portfolio by 70% per square metre by 2035 from a 2020 base year.
- Corporate loans (Portfolio Coverage method): Triodos Bank commits to 27% of all other corporate lending, by gross carrying amount, setting SBTi validated targets by 2025, and 82% by 2035.
- Listed equity, private equity and corporate bonds (SDA and Portfolio Coverage method):
  - Triodos Bank commits to reduce its scope 3 GHG emissions from the pulp and paper sector within its listed equity and corporate bond portfolio by 45% per ton paper and board produced by 2035 from a 2020 base year.
  - Triodos Bank commits to reduce its scope 3 GHG emissions from the transport - vehicle manufacturing (PLDV) sector within its listed equity and corporate bond portfolio by 44% per vehicle km by 2035 from a 2020 base year.
  - For all other sectors, Triodos Bank commits to 51% of its listed equity, private equity and corporate bond portfolio by net asset value, setting SBTi validated targets by 2025, and 82% by 2035.

As signatory of the Net-Zero Banking Alliance, we have also set an intermediate target for 2030 to reduce net emissions across our entire loans and investments portfolios with 32% from a 2020 base year. The focus is mostly on our financed emissions, as the majority of Triodos Bank's emissions come from the loans we provide and the investments we make (see Climate impact of our loans and investments). For example, when we finance a medical centre, they might use gas to heat the building. This causes GHG emissions for which a part is attributed to Triodos Bank.

Our strategy to reduce our climate impact

To contribute meaningfully to a net-zero economy, strong action is needed by Triodos Bank. Our AsOnetoZero climate strategy has three pillars of action to achieve our ambition. The first pillar focusses on investing in the energy transition, so we move away from fossil-based energy systems. The second pillar on reducing emissions together with our customers, this is key for reaching our net-zero target. And the third pillar focuses on investing in nature, which contributes to both carbon removal and storage, and biodiversity. For more information see our climate action plan.

AsOneToZero pillar	Difference we make
I. Investing in renewable energy	• Investments that drive the energy transition and replace fossil fuel energy • Signal to financial sector the bank-ability of innovative solutions
II. Real emission reduction of our portfolio	• Emission reduction of Triodos Bank's portfolio • Drive customer transitions and inspire change in the sector
III. Investing in nature	• Nature-focused finance and regenerative agriculture that contribute to biodiversity and sequesters carbon • Signal to financial sector the holistic net-zero approach and bank-ability of innovative solutions

Information on our investments in the energy transistion can be found under the Energy Transition Theme.

Working with customers to reduce emissions

Our customers play an important role in achieving our climate ambition. Ultimately, we will have to succeed together to reduce GHG emissions. We will continue to engage with our customers, helping them to realise a reduction in emissions. In the first half of the year, we worked to identify the largest emitters and begin a conversation on what challenges they face in reducing their GHG emissions. During 2023, we engaged with 172 top-emitting business banking customers and agreed on follow-up plans with 86 of them. The insights will be used in 2024 to improve our engagement on emission reduction with our customers. We will also streamline the governance to steer on engagement and improve the engagement toolkit.

Financing nature-based solutions

In 2023, Triodos Bank launched an integrated strategy for high-quality nature-based solutions, aligning with our strategy to meet our climate targets while embracing a more holistic approach. This strategy focuses on the commercial financing of nature-based solutions projects that not only provide reliable and effective carbon removal and storage, but also deliver substantial biodiversity and social benefits. The formulation of this strategy benefited from the wealth of experience within Triodos Bank Group and collaboration with aligned partners within the Triodos Bank network.

In 2023, Triodos Bank successfully financed a series of nature-based solutions projects, mainly in the UK, positively impacting climate, communities and biodiversity. Highlights included a significant EUR 24 million financing package for Oxygen Conservation and a collaborative project with Heal Rewilding.

The Triodos Bank Corporate Advisory team played an important role in evolving new business models together with environmental organisations, fostering investment in nature-based solutions and participating in innovative projects across diverse ecosystems. For example, in 2023 our advisory team helped, for example, NGOs to develop a sound financial business model making use of new market developments in the UK.

Further, we implemented a comprehensive nature-based solutions strategy. This strategic direction is supported by dedicated resources, including recruiting a nature-based solutions expert, assigning specific responsibilities to business units, creating flexible financing terms for key projects, and setting targets for each business unit. A significant aspect of this initiative is to develop the Triodos Bank approach to nature-based solutions and the voluntary carbon market, coupled with establishing initial criteria for nature-based solutions projects and partners that align with our strategic objectives.

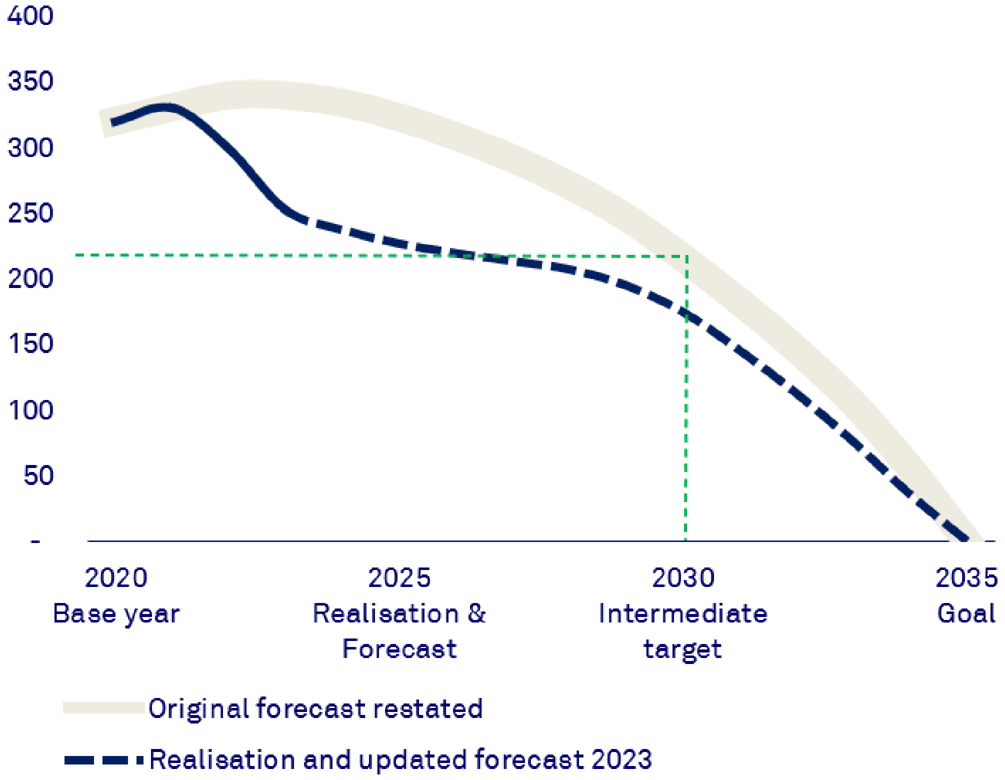
Our progress in 2023

Our progress in absolute emissions

Each year we monitor and report our progress on our AsOneToZero climate ambition. The graph below illustrates our progress on our absolute intermediate target[1] and forecasted emissions. We expected the net absolute emissions to be relatively stable until 2025 and to start declining from then onwards as a result of our investments in nature-based solutions and the reduction efforts diminishing the emission intensity of our portfolios.

The intermediate target was set at -32% from the base year 2020. The actual figures however, show a significant decrease as of the year 2021. As will further be explained in the section Our financed emissions, this reduction can be attributed to an accelerated use of renewable energy sources in the market and to improved insight in the emissions of our financed customers and businesses.

Net emissions forecast
in ktonne CO_2e



[1] The original forecast has been restated in line with the current reporting approach.

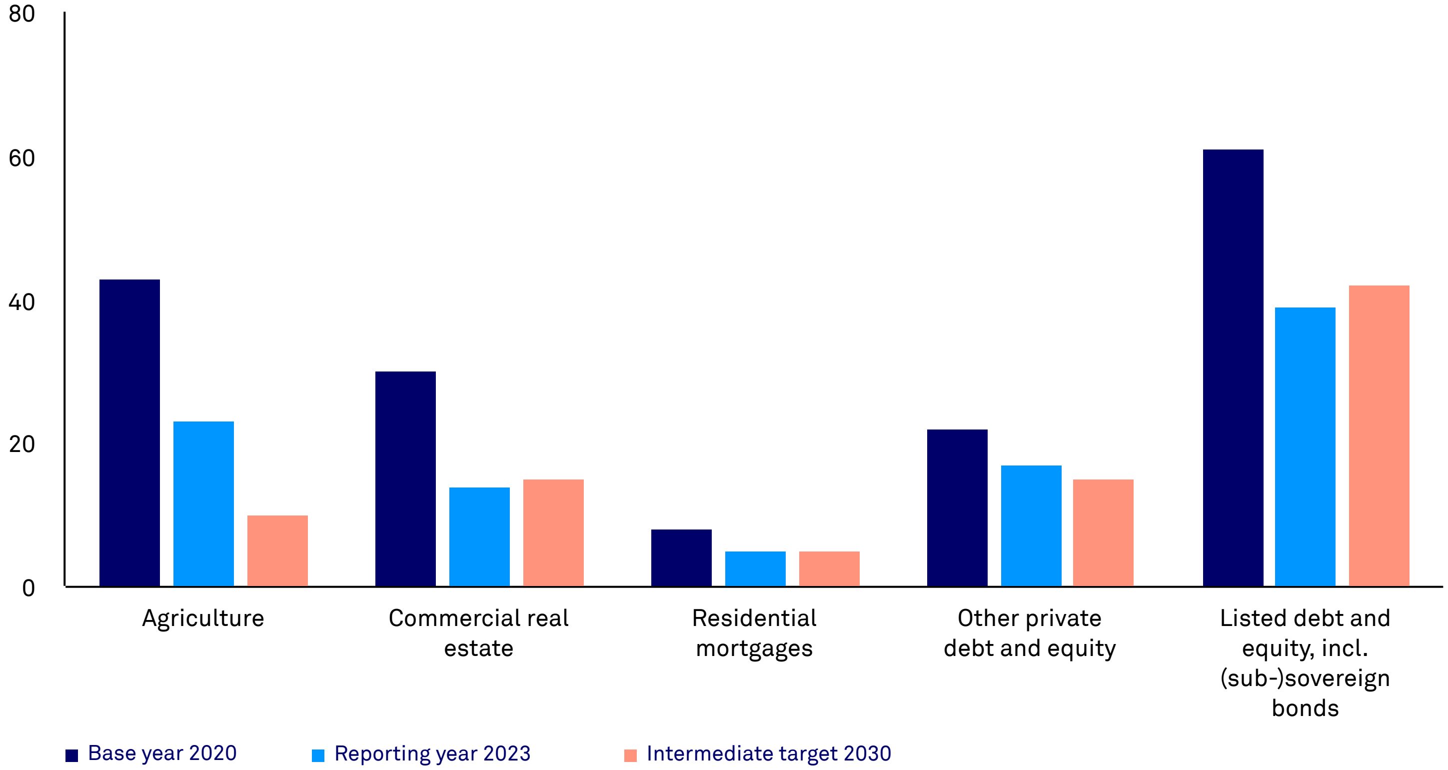
Our progress in emission intensity

The following graphs illustrate our progress on the emission intensity targets per asset class as defined in our climate action plan. The scenarios per asset class that are used in our target setting is reported in the section Science-based targets.

In 2023, the GHG emission intensity per billion EUR financed is below the 2030 intermediate target for commercial and residential real estate as well as for listed debt and equity. The emission intensity for agriculture and for all other private debt and equity is steadily progressing towards their intermediate targets.

Intermediate emission intensity targets per asset class

ktonne CO_2e/billion EUR financed



A holistic approach to reducing energy costs and CO_2 emissions

Customer story: Kessler-Handorn

Founded in 1928, the Kessler-Handorn clinic has evolved into a residential and nursing home, embodying a commitment to humanistic care throughout its 95-year history.

The care service provider Kessler-Handorn is a family-run business based in Kaiserslautern, Germany, with facilities for over 200 older people. The clinic's guiding principle is 'Our highest duty is to serve the wellbeing of people who are sick', and this shapes their focus on care and high-quality service.

Kessler-Handorn provides comprehensive services for older adults, including outpatient, inpatient and day care across four facilities in Kaiserslautern. Specialised offerings range from dementia care to assisted living, promoting dignity and the highest possible quality of life. One unique concept is the 'Pflege-Insel', which loosely translates as a 'Care island'. It is a communal space designed to enhance the lives of individuals who are less mobile.

In addition to fostering a holistic approach to ageing with dignity, employee satisfaction is paramount. At Kessler-Handorn, the emphasis is on collective growth, offering flexible schedules, childcare considerations, modern occupational health management, diverse training opportunities and financial support for public transportation or company bikes.

Kessler-Handorn takes its responsibility regarding sustainability very seriously and is committed to an ecologically and socially sustainable future in many areas. Energy efficiency plays a major role in this.

As a result of joint conversations, Kessler-Handorn developed a holistic approach to reducing its energy costs and CO_2 emissions. An 80kWp photovoltaic system was installed at its headquarters. The energy produced by the new system is used to provide some of the building's electricity and power the fleet of cars for the outpatient care service, which will be fully converted to electric vehicles.

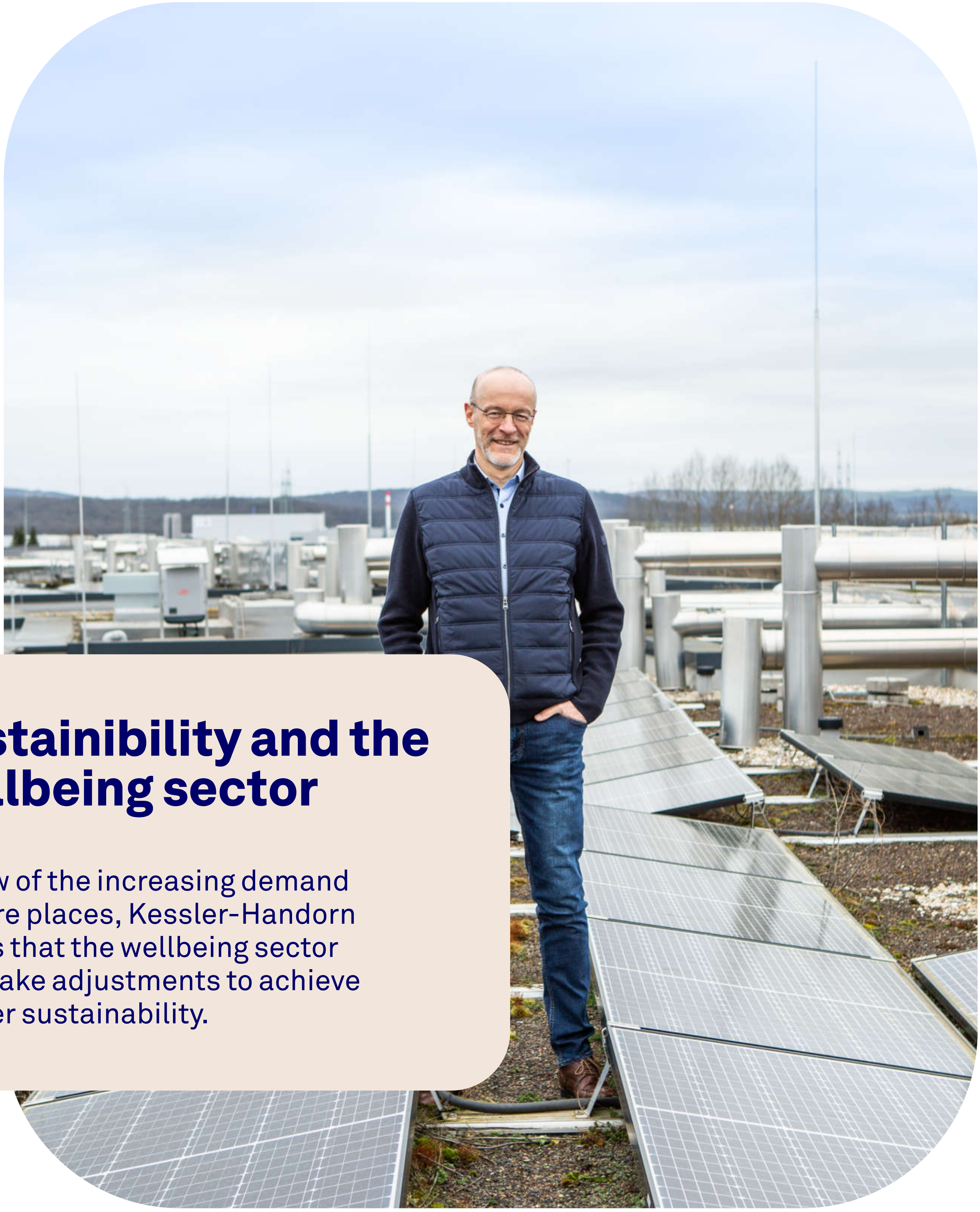
Kessler- Handorn is one of the largest clients in Triodos Bank's healthcare portfolio in Germany. Triodos Bank has been the group's principal bank since 2017.

For this loan, Triodos Bank made use of the recently established InvestEU Fund guarantee, as part of a guarantee facility from the European Investment Fund. It enables companies that make a positive social impact to receive financial support.

This example shows that Triodos Bank's holistic approach can facilitate positive change under the Wellbeing Transition theme and reduce climate impact too.

Kessler-Handorn welcomes Triodos Bank's goal to reduce the and investments and to reduce the greenhouse gas emissions of its loans and fund investments to net zero by 2035. Also, Kessler-Handorn will provide the exact electricity and heat consumption data of their properties to Triodos Bank to see how its carbon footprint improves over time. Kessler-Handorn is proud to continue to improve its sustainable operations and further expand its care and support.

In view of the increasing demand for care places, Kessler-Handorn sets a good example and shows that the wellbeing sector can make many adjustments to achieve greater sustainability. At Triodos Bank, we support clients to tackle the biggest challenges of our time. As well as supporting various projects, we encourage our clients to continue developing even after the initial financing. By doing so, we can make sure that our mission to create a society that protects and promotes quality of life and human dignity for all continues.



Sustainibility and the wellbeing sector

In view of the increasing demand for care places, Kessler-Handorn shows that the wellbeing sector can make adjustments to achieve greater sustainability.

Climate impact of our loans and investments

At the landmark UN Climate Change Conference in Paris in 2015, Triodos Bank co-signed the Dutch Carbon Pledge to measure and disclose its greenhouse gas emissions, and to ensure these emissions remained in line with the ambitions of the Paris Agreement. The Dutch Carbon Pledge launched the Partnership for Carbon Accounting Financials (PCAF), a collaboration between Dutch financial institutions which has evolved into the Global GHG Accounting and Reporting Standard for the Financial Industry, allowing stakeholders to compare the GHG emissions of banks and other financial institutions.

The PCAF Standard in practice

As our main impact in the economy and society stems from our loans and investments, PCAF's harmonised approach focuses on measuring the carbon footprint of these asset classes. Triodos Bank implemented and reported on the PCAF methodology for the first time in 2018 and discloses the GHG emission accounting of 100% of our loans and investments. By mapping emissions per sector, we can identify current hotspots and high emitters within our portfolio.

Guided by PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry and in collaboration with the PCAF consulting team, we defined our reporting and measurement principles as follows:

- While GHG emissions include six other gases besides carbon, we use the word carbon as shorthand for GHG emissions in our reporting.
- GHG emissions are measured in tonnes CO_2 equivalent (CO_2e) and categorised as three main types:
  - Generated emissions: GHG emissions arising from various economic activities. This refers to the emission of greenhouse gasses into the atmosphere.
  - Sequestered, or absorbed, emissions: CO_2 that is removed from the atmosphere while being sequestered, or absorbed, by vegetation and then stored in carbon sinks, such as trees, plants and soils.
  - Avoided emissions: GHG emissions that are avoided from fossil fuel power generation due to renewable energy. While avoided emissions play a very positive role, they do not remove existing carbon from the atmosphere. That is why we present these avoided emissions in our graphs and tables beneath actual emissions. And it is important to note that our avoided emissions figures will, eventually, start to decline, even as the amount of energy generated by the renewable energy projects we finance increases. This is because the wider energy system is in the process of becoming less carbon intensive overall. Energy from fossil fuel sources will continue to decline while energy from renewable sources is increasing, creating a more sustainable energy system.
- The emission intensity factors that we use to calculate the GHG emissions, are where possible updated annually. These emission factors are retrieved from the PCAF database and from other sources.
- In the calculation of our financed emissions, we have applied the attribution approach. This means that we calculate the emissions as they relate to our share in the total financing of a project or company. For example, if we are responsible for half of a project's finance, we report half of the emissions generated or avoided by that project. This attribution approach is a more accurate reflection of Triodos Bank's responsibility for the GHG emissions it finances and is consistent with the PCAF methodology.
- The quantification of GHG emissions comes with a certain level of uncertainty. The PCAF Standard recognises that high-quality data can be difficult to come by when calculating financed emissions, particularly for certain asset classes. To not limit financial institutions in preparing their GHG accounting, the Standard developed a data quality scoring method per asset class, each score representing the level of (un)certainty, with score 1 being the most certain and score 5 being the least certain. In this way even proxy data with very limited support can be used in identifying emission-intensive hotspots in the portfolios, for inclusion in the total GHG reporting, and to develop strategies to improve data over time. It is important to know that even when data is classified as 'certain' (data quality score 1), there remains a degree of uncertainty inherent to the quantification process.

This year, the PCAF data quality score of our financed scope 1 and 2 emissions improved to 3.1 (2022: 3.2) on a five-point scale, with 1 being considered the highest score. The score improved in 2023 mainly due to the collection of better data to estimate the GHG emissions, especially from the higher emitting sectors, and is partly resulting from applying the updated PCAF scoring tables per asset class in our methodology. We aim to enhance the overall data quality level of our carbon footprint estimations each year, to improve our insights and better steer on targets. We do this by identifying the largest emitters or emitting sectors, and collect better data from these customers, such as energy consumption data and emission reports, and by integrating other internal and external data sources on properties, such as m2 and energy performance data.

- In relation to the above, the methodology to estimate GHG emissions per asset class can also be subject to change, for example by using new data sources, improving the sector or region mapping, or updating emission factors. To present the comparative figures in a fair manner, we have restated the following items in the 2022 table:
  - The emissions for business loans and private equity with a PCAF data quality score 5, have been restated by incorporating the emission factors from the new PCAF database.
  - The emissions for Residential mortgages have been restated incorporating actual m^2 data for the Dutch mortgage portfolio.
- Following the PCAF phased-in approach for financed scope 3 emissions, we have added a table specifically outlining the financed scope 3 sectors that are required for reporting as of 2023. These are sectors that are considered high emission intensive. With financed scope 3 emissions we take into account the value chains of the financed companies and projects. It is understandable that data availability on these value chains is limited, leading to a consequently low PCAF data quality score.
- In December 2022, PCAF launched a Standard for reporting on sovereign bonds. Under this approach, a sovereign is seen primarily as a national territory, and its direct (scope 1) GHG emissions are attributable to emissions generated within its boundaries. The scope 2 emissions are seen as emissions attributable to the import of electricity, steam, heat and cooling from outside the country territory. Triodos Bank intends to apply these methodological changes in conjunction with phasing-in scope 3 financed emissions, and continues to follow the calculation approach for public administrations, developed within PCAF Netherlands, in the current reporting.

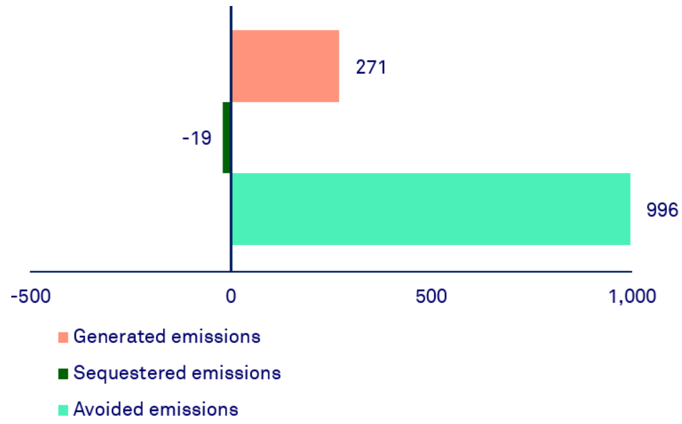
For more detailed information, a separate GHG accounting methodology report on how the PCAF Standard was applied to our portfolio and is available www.annual-report-triodos.com.

Our financed emissions

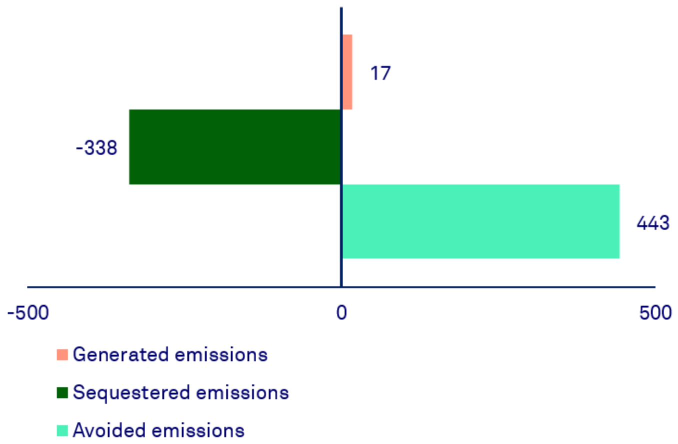
The GHG emissions that can be attributed to Triodos Bank's loans and investments in 2023 are presented in two graphs and a more detailed table in this chapter.

The first graph shows our portfolio's emissions in ktonne CO_2e. The second graph shows the intensity of Triodos Bank's GHG emissions per billion euro lent and invested. It provides stakeholders with an indication of the impact of our finance on generated, sequestered and avoided emissions that could be compared across financial institutions.

Climate impact of our loans and investments 2023 in ktonne CO_2e



Climate impact in emission intensity 2023 in ktonne CO_2e



In 2023, approximately 271 ktonne CO_2e in scope 1 and 2 emissions were generated by our loans and investments (2022: 309 ktonne CO_2e). This amount has been netted with 3 ktonne CO_2e sequestered emissions from the organic farming sector. Our absolute financed emissions declined by 12%, and despite our growing portfolio, the emission intensity decreased too. This reduction in emission intensity is influenced by various factors. Firstly, the decarbonisation of the energy market, known as passive reduction, is reflected in updated emission factors. Improved data quality in our calculations also affected the emission intensity, along with the portfolio composition and our share in the financed companies, buildings and projects. Crucially, the actions of our financed customers and businesses to reduce their GHG footprint contributed to this positive trend.

It is important to note that a significant share of the emissions reported under scope 1 and 2 in the Sustainable property and the Social housing sectors are related to leased properties to which the lessor does not have financial or operational control. Although these emissions classify as financed scope 3 emissions, we were not yet able to distinguish these figures in this Annual Report.

Triodos Bank also finances forestry and nature development projects. Our share in these projects resulted in the sequestration of approximately 19 ktonne CO_2e (2022: 10 ktonne CO_2e), equal to at least 714,000 mature trees. The increase is mainly due to financing new projects. Working on the AsOneToZero ambition, Triodos Bank is implementing opportunities for new natural capital, nature-focused finance and regenerative organic agriculture, sequestering carbon and supporting biodiversity.

Our share in the renewable energy and energy saving projects that we finance avoided over 996 ktonne of CO_2e emissions as compared to fossil fuel power generation (2022: 1,048 ktonne CO_2e). This is equal to the avoidance of emissions of approximately 6.8 billion kilometres travelled by 570,000 cars.
The number of power-generating projects we finance in Europe and in emerging markets increased by 12 to 534 in 2023. The total electricity production of our financed projects also increased, both due to new investments and due to the operationalisation of existing projects. However, by a lower share in the financed projects compared to last year, mainly due to redemptions within the business banking portfolio, the total attributed avoided emissions declined by 5%.

Overall, the results clearly indicate that financing a sustainable economy for many years has resulted in substantial avoided emissions relative to our generated and sequestered emissions.

The following tables provide the GHG emission data of our finance per sector, in both absolute and relative (emission intensity) terms and shows the data quality score for each item.

We will continue to report the climate impact of our own operations and of our loans and investments in the future. We hope to further improve the quality of this data, the methodology that underpins it and, therefore, the accuracy and relevance of our reporting.

2023 Transition theme	Impact sector	Gross amount (million EUR)[1]	Financed emissions scope 1+2 (kt CO_2e)[2]	Emission intensity (kt CO_2e / billion EUR)	Data quality score high quality = 1 low quality = 5
Generated emissions					
Energy	Environment - other	299	**23**	77	3.9
Food	Organic farming	300	**7**	23	3.0
	Organic food	140	**14**	98	4.2
Resources	Sustainable property	1,127	**16**	14	2.2
	Residential mortgages	4,905	**25**	5	3.2
	Resources - other	136	**4**	28	3.9
Societal	Social housing	574	**12**	22	3.8
	Society other and municipalities	225	**7**	32	4.9
	Inclusive finance and development	786	**4**	5	5.0
Wellbeing	Care for the elderly	712	**11**	15	3.4
	Healthcare - other	463	**5**	10	4.6
	Education	330	**6**	18	3.5
	Arts and culture	476	**13**	27	4.3
	Wellbeing - other	276	**5**	19	4.4
IEB Funds	Corporate equities and bonds	2,332	**101**	43	2.0
	(Sub-)Sovereign bonds	437	**5**	12	3.8
Other	Other loans and investments	2,340	**13**	6	4.0
		15,858	**271**	**17**	**3.4**
Sequestered emissions					
Resources	Nature development and Forestry	57	**-19**	-338	2.0
Net emissions		**15,915**	**252**	**16**	**3.3**
Avoided emissions					
Energy	Renewable energy	2,248	**996**	443	1.3
Total[3]		**18,163**			**3.1**

1 Assets managed for third parties, such as our private banking customers, are not included.
2 Financed scope 3 emissions tied to leased properties, which could not be delineated individually, are included.
3 Avoided emissions should not be summarized because their absolute emission is zero.

2022 Transition theme	Impact sector	Gross amount (million EUR)[1]	Financed emissions scope 1+2 (kt CO_2e)[2]	Emission intensity (kt CO_2e / billion EUR)	Data quality score high quality = 1 low quality = 5
Generated emissions					
Energy	Environment - other	201	**22**	110	4.8
Food	Organic farming	310	**9**	30	2.8
	Organic food	155	**9**	55	4.1
Resources	Sustainable property	1,085	**26**	24	3.0
	Residential mortgages	4,450	**24**	5	3.2
	Resources - other	135	**6**	41	4.4
Societal	Social housing	590	**21**	35	3.9
	Society other and municipalities	228	**8**	35	4.9
	Inclusive finance and development	947	**5**	6	5.0
Wellbeing	Care for the elderly	742	**14**	19	3.3
	Healthcare - other	471	**4**	8	4.8
	Education	321	**8**	26	4.0
	Arts and culture	523	**12**	22	4.3
	Wellbeing - other	278	**5**	19	4.9
IEB Funds	Corporate equities and bonds	2,180	**112**	51	2.0
	(Sub-)Sovereign bonds	449	**10**	22	3.8
Other	Other loans and investments	1,865	**14**	8	4.4
		14,930	**309**	**21**	**3.5**
Sequestered emissions					
Resources	Nature development and Forestry	45	**-10**	-228	3.0
Net emissions		**14,975**	**299**	**20**	**3.5**
Avoided emissions					
Energy	Renewable energy	2,432	**1,048**	431	1.5
Total[3]		**17,407**			**3.2**

1 Assets managed for third parties, such as our private banking customers, are not included.
2 Financed scope 3 emissions tied to leased properties, which could not be delineated individually, are included.
3 Avoided emissions should not be summarized because their absolute emission is zero.

Financed scope 3 emissions of our loans and investments

2023 Transition theme	Impact sector[1]	Gross amount (million EUR)[2]	Financed scope 3 emissions (kt CO_2e)	Emission intensity (kt CO_2e / billion EUR)	Data quality score high quality = 1 low quality = 5
Generated emissions					
Food	Organic food	43	**28**	640	5.0
Resources	Resources - other	53	**12**	226	5.0
Energy	Environment - other	300	**105**	351	5.0
Wellbeing	Healthcare - other	4	**0**	64	5.0
IEB Funds	Corporate equities and bonds	1,404	**840**	598	2.1
	Sub-sovereign bonds	91	**60**	656	5.0
Other	Other loans and investments	74	**7**	100	5.0
Total		**1,969**	**1,052**	**535**	**2.9**

1 Adhering the PCAF phased-in approach, we have included the financed scope 3 GHG emissions for the following relevant sectors: food processing, manufacturing and construction, transport and storage.
2 Assets managed for third parties, such as our private banking customers, are not included.

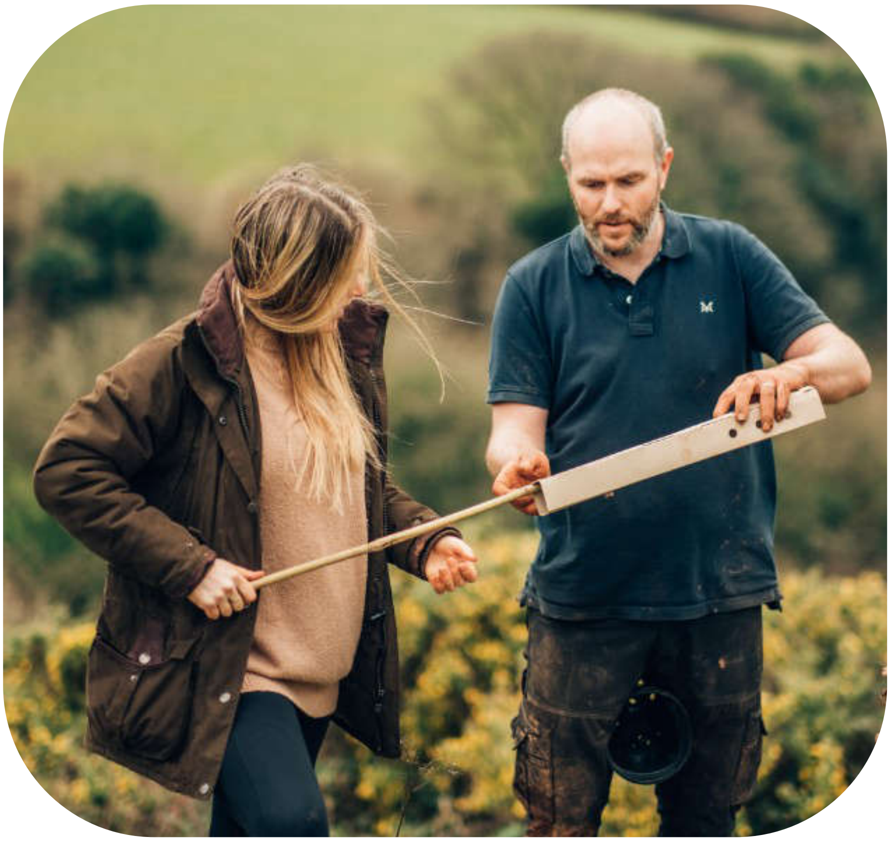
Nature based solutions to address climate change and the biodiversity crisis.

Customer story: Oxygen Conservation

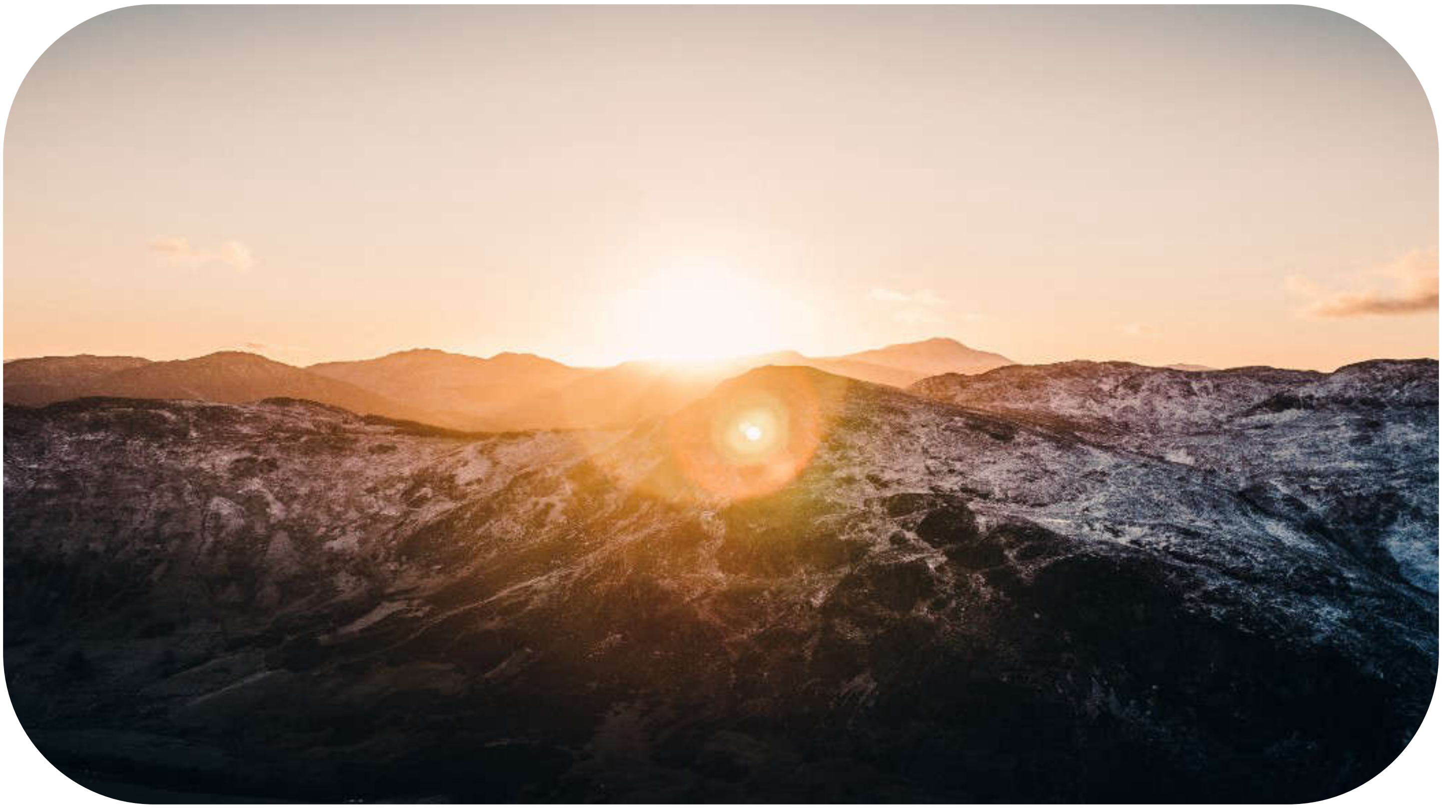
Oxygen Conservation was founded in June 2021 with the aim of addressing climate change and the biodiversity crisis. Committed to protecting and restoring nature, the organisation focuses on generating positive economic returns as a consequence of its work, rather than as its primary goal.

To achieve this mission, Oxygen Conservation undertakes a diverse range of projects, including species reintroduction, landscape connectivity, regenerative agriculture, woodland creation, renewable energy generation, sustainable housing, eco-tourism, and carbon sequestration through woodland and peatland restoration. By prioritising working with local communities and forming strategic partnerships, its plans aim to meet the needs of the environment as well as the people who depend on it.

Securing a EUR 24 million loan facility from Triodos Bank UK, Oxygen Conservation has successfully acquired 9,000 hectares in Scotland. This expansive area includes 4,600 hectares of Langholm Moor, known as Blackburn and Hartsgarth, and a 4,700-hectare estate at Invergeldie near Comrie in Perthshire. This 25-year loan is believed to mark the largest conservation-focused commercial debt package in the UK to date and adds to our innovative portfolio of nature-based investment projects.



“Triodos Bank is changing what it means to be a bank, which is why, when we were looking for someone to partner with to put together a significant conservation-based debt package, there was only one answer,” explains Rich Stockdale, Managing Director of Oxygen Conservation.



“It’s only by creating these types of funding packages and frameworks with respected financial institutions that people can have the confidence to allow private finance to flow into natural capital at scale – thereby funding the protection of the natural world.”

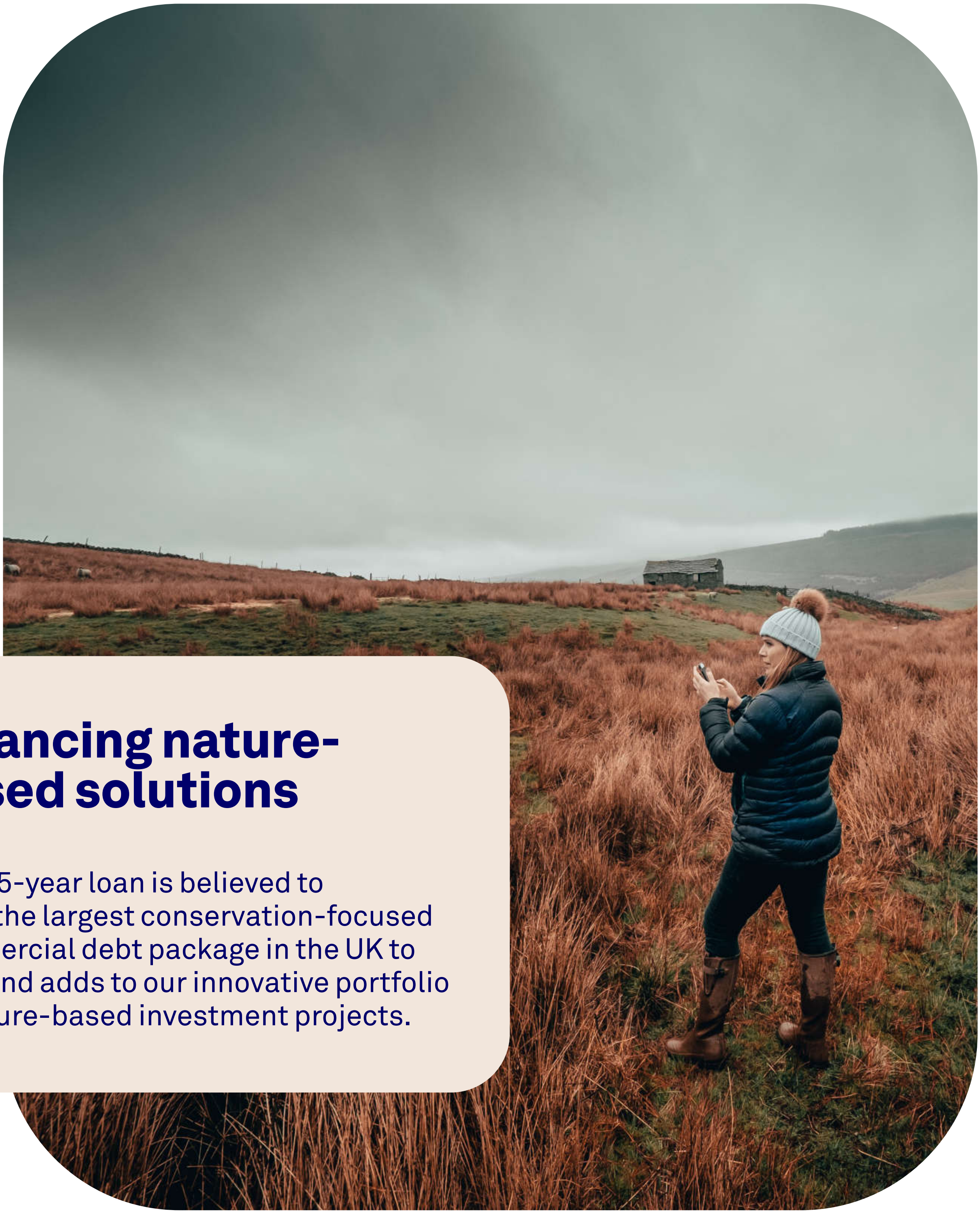
Invergeldie is an iconic Scottish Highlands estate and formerly a grouse moor and small hill farming operation. The site has already undergone significant transformation since the acquisition – peatland has been restored and large areas of native broadleaf woodland have been planted. The farm operation is transitioning into an organic, regenerative system that complements and enhances the natural environment.

Blackburn and Hartsgarth is one of the most significant conservation projects in the UK. Oxygen Conservation’s activity here involves building on the excellent environmental work already conducted by the previous owner, Buccleuch, and complementing the neighbouring 4,300 hectares of the Tarras Valley Nature Reserve.

Oxygen Conservation's holistic approach aligns closely with Triodos Bank’s values, with a strategy that ensures its efforts not only benefit the environment but also contribute to the social and economic wellbeing of local communities. Triodos is proud to collaborate on this groundbreaking finance structure, and we look forward to seeing similar projects emerge.

“This deal has already changed the industry,” adds Rich. “It has increased confidence in the bankability of natural capital and therefore achieved exactly what we hoped by laying a foundation for the urgently needed natural capital economy.”

The photo above shows the stunning landscape at Invergeldie. The rest of the photos accompanying this story were taken at Oxygen Conservation's other locations.



Financing nature-based solutions

This 25-year loan is believed to mark the largest conservation-focused commercial debt package in the UK to date and adds to our innovative portfolio of nature-based investment projects.

Environmental impact of our own operations

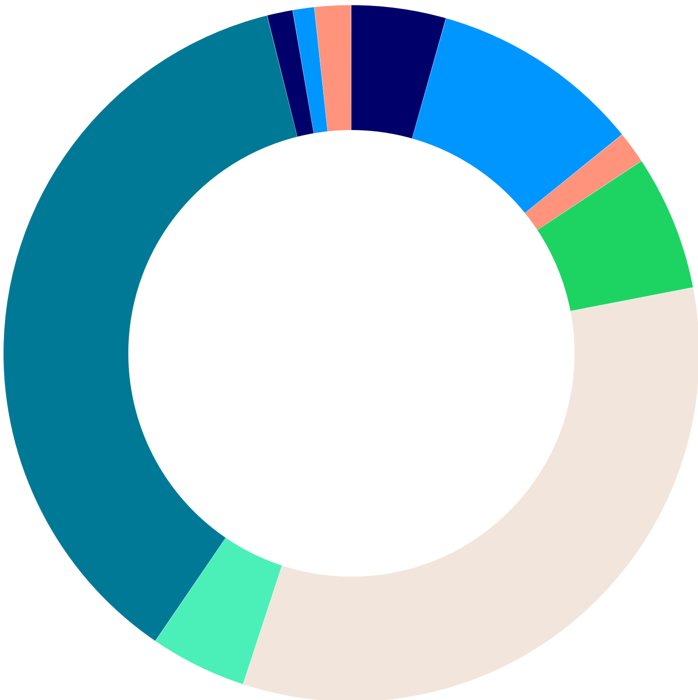
In keeping with our mission of being a values-based bank, we take great care of our own environmental performance. We continue to play a leading role, exemplifying how values-based banks and businesses in general can operate in an environmentally responsible way.

At Triodos Bank, we limit our environmental footprint as much as we can, avoiding the emissions of greenhouse gases wherever possible and offsetting any unavoidable emissions. We measure the footprint of our operations, register it in a CO_2 management system and compensate for it fully with carbon credits from projects using the Gold Standard[1] methodology.

We report on all our direct emissions (gas consumption for heating and fossil fuels for company and lease cars) and our most relevant indirect emissions related to our business operations (electricity, commuting travel, business travel, paper, waste and downstream leased assets). We also disclose the amount of energy used through both electricity and gas in all our banking entities.

Relative emissions in 2023

Total: 1,402 tonnes CO_2e



Natural gas (incl. compensated gas)	4.4%
Fossil-fuelled company cars & lease cars	9.8%
Electricity	1.5%
Electric company cars & lease cars	6.3%
Employee commuting	33.1%
Business travel (excl. flight)	4.5%
Flights	36.6%
Recycled paper	1.2%
Waste	1.0%
Downstream leased assets	1.7%

[1] Gold Standard was established in 2003 by WWF and other international NGOs to ensure projects that reduced carbon emissions featured the highest levels of environmental integrity and also contributed to sustainable development. More info: www.goldstandard.org/

The year at a glance

The CO_2e emissions per FTE increased slightly in 2023 to 0.76 tonnes (2022: 0.74 tonnes/FTE) and the total CO_2e emissions across the whole of Triodos Bank increased from 1,308 tonnes CO_2e in 2022 to 1,402 tonnes CO_2e in 2023. These increases were mainly caused by more mobility, especially international business travel by air. This is partly a consequence of catching up on in-person meetings after the COVID-19 pandemic and partly a consequence of more international collaboration within Triodos Bank.

There has been a decrease in electricity consumption per FTE of 12% and a reduction of 7% of gas consumption per FTE. Commuting travel per FTE has increased to 0.27 tonnes CO_2e/FTE (2022: 0.25 tonnes CO_2e/FTE), as office occupancy rates increased after the COVID-19 pandemic. With regard to commuting, the relative increase in kilometres by public transport (+37%) was higher than the relative increase of kilometers by car (+22%). The impact of business travel has increased to 0.34 tonnes CO_2e/FTE in 2023 (2022: 0.21 tonnes CO_2e/FTE). Also for business travel, the kilometers travelled by public transport increased more than the kilometres by car (+65% versus +41%). The largest increase was caused by air traffic. The emissions for air travel increased from 290 tonnes CO_2e in 2022 to 513 tonnes CO_2e in 2023 (+77%). However, this is still a drop of 55% compared to air travel emissions in 2019, before the pandemic.

The amount of blank copy recycled paper decreased further to 1.6 kg per FTE (2022: 1.8 kg per FTE). The amount of recycled printed paper decreased to 0.01 kg per customer (0.04 kg per customer in 2022). We do not use any non-recycled paper.

Details of the methodology Triodos Bank uses to calculate its CO_2e emissions are available on our website.

Sustainable offices

Triodos Bank wants its buildings to be as sustainable as possible. We are therefore making continuous improvements to enhance their sustainability, without compromising on comfort.

- In Brussels, the office building lease expired at the end of 2023, which prompted the search for a more sustainable office. As of 1 January 2024, the Brussels office will move to Quatuor, a sustainable, multi-tenant office building with the BREEAM Outstanding Certification[2] for design.
- The Edinburgh office lease will expire in 2024, and we are looking for a space that is a step up in terms of sustainability compared to our current office.
- In Spain, seven offices have been relocated. All new offices are smaller and some are in co-working centres, sharing spaces with like-minded companies and organisations.
- De Reehorst, our office building in the Netherlands, was designed to be energy neutral, but the actual energy consumption is higher than predicted by the models used in the design phase. Triodos Bank still has the ambition of De Reehorst being energy neutral and will continue to work on reducing energy consumption and investigate possibilities for additional renewable electricity production.

Sustainable mobility

Mobility was at a much higher level than in 2022, for both commuting and business travel.

As office occupancy rates continued to increase after the COVIC-19 pandemic, commuting kilometres increased with 30% compared to 2022. The increase in terms of CO_2e emissions was 14%. The increase of commuting kilometres by public transport was 37% compared to 2022; for car kilometres the increase was 22%.

The increase of emissions from business travel is almost entirely due to much more air travel. In 2023, business travel by aircraft was 1,538 km/FTE, a rise of 71% compared to 2022. This rise in air travel is partly a consequence of catching up after some years of less travel because of the COVID-19 pandemic and partly a consequence of more cross-border working, resulting in more international in-person meetings. However, the emissions from air travel are still much lower than they were before the COVID-19 pandemic: emissions from air travel were 513 tonnes CO_2e in 2023, a decrease of 55% compared to 2019 (1,129 tonnes of CO_2e). In order to keep

[2] BREEAM is the world's leading science-based suite of validation and certification systems for sustainable built environments.

a grip on business travel by air, we started to tighten up the international travel policy in 2023. This new policy will be completed and implemented in the first half of 2024.

Sustainable business operations

Sustainable business operations also covers topics like waste management, catering and cleaning. Waste generated in operations is in scope for our reporting on emissions. In 2023, we improved the data quality of our reporting on waste, though in business units with leased housing and/or in multi-tenant buildings, data on waste are still heavily based on assumptions and estimates.

We aim to reduce our environmental impact in day-to-day business operations. In 2023, we started preparing for implementation of the European Union's Corporate Sustainability Reporting Directive (CSRD). CSRD provides guidelines for transparent sustainability information, including on the impact of Triodos Bank on climate change and the impact of climate change on Triodos Bank. In this context, we will design a group-wide action plan with objectives for our own emissions related to our housing and car fleet (our scope 1 and 2 emissions) in 2024.

Working with sustainable suppliers

Triodos Bank aims to extend our positive impact on society through the sustainable choices we make about our suppliers.

The bank's procurement policy aims to ensure that we engage sustainable suppliers. Triodos Bank applies this policy to determine the extent to which suppliers are aligned with our business principles and minimum standards.

In addition, and importantly, Triodos Bank's policy proactively strives to improve the social and environmental impact of procured goods and services and the organisations that deliver them. In 2023, we selected and contracted a consultant who will help us to assess the sustainability levels of our suppliers. The implementation of this amended way of working will take place during 2024.

In 2023 we installed bee hotels and bird boxes on our green roof to support animal life at De Reehorst.

Read more about our sustainable offices

The Herenboeren concept brings people in direct contact with their food production.

ESG reporting

Frameworks and standards

Triodos Bank is committed to transparency and welcomes improvements in sustainable finance regulation.

In this Annual Report 2023, we voluntarily report in accordance with the Global Reporting Index Standards 2021, and we provide EU Taxonomy disclosures in accordance with EU legislation. In this section, you will find the GRI content index and EU Taxonomy reporting. More detailed taxonomy reporting can be found in Appendix II – EU Taxonomy table. The Partnership for Carbon Accounting Financials (PCAF) reporting, a deep dive on renewable energy and reporting on our five transition themes can be found in the Our Impact chapter.

Detailed information on the methodologies for EU Taxonomy, PCAF and the renewable energy deep dive are available at www.annual-report-triodos.com.

Global Reporting Initiative (GRI) Standards

The GRI Standards enable an organisation to publicly disclose its most significant impacts on the economy, environment and people, including its impact on human rights and how the organisation manages this impact. This enhances transparency of the organisation's impacts and increases organisational accountability.

Triodos Bank has reported using these guidelines since 2001, the first reporting period after they were launched. In 2023, we revised our materiality process resulting in six material topics (see Our material topics for more information). In 2023, we introduced multiple new material topics or revised existing ones. The policies, metrics and targets are therefore not yet available for multiple material topics. These are being developed in alignment with the Corporate Sustainability Reporting Directive (CSRD) and are expected to appear in Annual Report 2024.

The PCAF figures from 2020 to 2022 have been restated. The reasons for this are explained in The PCAF Standard in practice section.

Corporate Sustainability Reporting Directive (CSRD)

The CSRD is a new set of rules for sustainability reporting, including sustainability impacts, risks and opportunities. It is an important part of the EU Sustainable Finance Regulation agenda and is applicable to Triodos for the Annual Report 2024 as an EU Public Interest Entity with more than 500 employees.

Triodos Bank fully embraces sustainable finance regulations and is preparing to comply with CSRD. As part of our change finance agenda, we advocated for stricter rules for CSRD. See our Change Finance section for more information.

In 2023, we launched a project for CSRD implementation and have taken the first steps towards CSRD compliance. For example, steps have been taken to conduct the double materiality assessment and to create a gap analysis for the first material topics to identify where we fall short in meeting CSRD requirements. In addition, we have drafted an implementation plan for several of the CSRD topics, including actioning the first data gaps in meeting CSRD requirements. Finally, we have made changes to the structure of this Annual Report to be in line with the CSRD format.

In 2024, we will further improve the double materiality assessment, expand the gap analysis and roll out our implementation plan for all material topics. This includes working on data collection, revising and developing policies, preparing actions, setting targets on relevant ESG topics, and preparing for limited assurance. We will also strengthen our governance structure on ESG to ensure synergies between the different ESG regulations and our business. This will be done by further expanding our ESG programme which was accelerated in December 2023.

Governance of impact management

The Chief Commercial Officer is responsible for managing the impacts of Triodos Bank's loans and investments. The responsibilities are delegated to the Group Impact Board, which informs and advises the Executive Board on strategic impact related topics. These strategic issues are among others the minimum standards, impact strategy, vision and targets. The primary goal of the Impact Board is to understand, align, monitor and equip the business to steer our impact activities and develop strategic ambitions from a Group wide perspective in line with our mission. The Group Impact Board meets every two weeks and the outcomes of these meetings are shared with the Chief Commercial Officer. Strategic decisions or changes are brought to the Executive Board, accompanied with the advice of the Group Impact Board.

United Nations Principles for Responsible Banking (UN PRB)

In September 2019, Triodos Bank was part of the core group of banks that developed and signed the UN Principles of Responsible Banking. The principles define the global banking industry's role and responsibilities in addressing current societal problems, including the climate emergency and inequality. Triodos Bank is in its fourth year of reporting on the principles. Signatories commit to implement the principles and to report on progress on defined impact areas. Annual self-assessments are published here: www.triodos.com/governance.

Biodiversity

In 2020, Triodos Bank signed the Finance for Biodiversity Pledge, promising to collaborate and share knowledge, engage with companies, assess the bank's biodiversity impact, set targets and report on biodiversity matters by 2024. As a member of the Partnership Biodiversity Accounting Financials, we have been contributing to developing a common accounting methodology for the financial sector's impact on biodiversity. In 2023, we began preparing an action plan on this topic.

Memberships

Triodos Bank actively shares and promotes our vision to external parties. We are a member of the following associations:

- B Corp, B Lab Europe and B Lab Standards Advisory Council
- Partnership for Carbon Accounting Financials (PCAF) Global and Netherlands
- Partnership for Biodiversity Accounting Financials (PBAF)
- Nederlandse Vereniging van Banken (NVB) [The Dutch Banking Association]
- Global Alliance for Banking on Values (GABV)
- United Nations Environment Programme Finance Initiative (UNEP FI)
- Net-Zero Banking Alliance (NZBA)
- Sustainable Finance Lab
- Onderzoekscentrum Ondernemingen & Recht (OO&R) [Enterprise & Law Research Centre]
- Loan Market Association (LMA)
- International Swaps and Derivatives Association (ISDA)

Our material topics

Our material topics represent the bank's most significant impacts on the economy, environment, and people, including impacts on their human rights. The topics represent the most significant impacts of our (financed) activities on environmental, social, and governance (ESG) aspects.

Our material topics are important because they represent the key issues that have a significant impact on an organisation's performance, risks, and opportunities, influencing the bank’s long-term success and sustainability. Through these topics, Triodos Bank understands what is important for its stakeholders to enable informed decision-making and to increase transparency.

The material topics are at the heart of our strategy and underpin management objectives. Responsible, sustainable business is fully integrated in Triodos Bank’s vision, mission and strategy. There are no dedicated, separate management plans for the specific material topics. Rather, the material topics are a part of Triodos Bank's strategic plan and goals.

Process to identify material topics

In 2023, we revised our process to determine impact materiality, incorporating more internal information and analysis. To determine the material topics for Triodos Bank and our stakeholders, the bank’s impact on external environmental, social and governance factors was assessed. First, we assessed Triodos Bank’s direct and indirect impact on these factors stemming from our activities using the expertise of researchers within the bank. We then received input from our stakeholders (see below for more information). A final analysis was completed based on all inputs resulting in the material topics identified below.

This process was revised as part of preparations for future compliance with the Corporate Sustainability Reporting Directive (CSRD). The CSRD is a European Union directive aimed at enhancing and standardising corporate sustainability disclosure to improve transparency and comparability of environmental, social and governance information. To determine an organisation’s material topics on which to report, a double materiality assessment is required to be performed. This assessment involves a combination of quantitative and qualitative methods, including stakeholder engagement, impact assessments, and consideration of industry-specific sustainability issues, to identify and prioritise the most significant ESG topics for a company.

We have not completed a full double materiality for this Annual Report 2023 as we are still developing the financial materiality assessment. We have only revised the process to determine the impact materiality and have done so in accordance with the GRI reporting standards. We currently do not foresee other material topics arising from the financial materiality assessment.

Stakeholder dialogue

Triodos Bank continually seeks to connect with the world around it. This is essential if we are to remain relevant, continue to progress and meet our frontrunner ambitions. All our business and financial decisions have an impact on our stakeholders. In turn, the societal themes embraced by our stakeholders have an impact on what we do and how we do it.

We have benefited from open discussions with our stakeholders over many years and in varied ways. We invite stakeholders to participate in events, we conduct surveys, organise meetings for Depository Receipt Holders and customers, and many co-workers have individual contact with stakeholders. For more information about how Triodos Bank engages with its stakeholders visit www.triodos.com/stakeholders.

In addition to numerous interactions throughout the year at all levels of our organisation, we follow a formal process to analyse which issues are most important to our stakeholders and to inform our material topics. We do this through an annual meeting and survey. Our material topics are listed below. The following topics were presented to stakeholders but were not found to be material: workers in the value chain, affected communities and pollution and water.

Stakeholder groups

Triodos Bank identifies three general stakeholder categories:

- Those that have economic relationships with the business
- Those without an economic relationship but with a close interest in Triodos Bank from a societal perspective
- Those that provide new insights and knowledge

The specific stakeholder groups relevant to Triodos Bank are: NGOs, investors, co-workers, suppliers, media, financial sector, advisers/inspirers, governments.

For more information about how the types of stakeholders in each category can be found at www.triodos.com/stakeholders.

Annual stakeholder meeting

In our strategy development cycle, we specifically want to engage stakeholders and obtain their perspectives on topics that are vital to the development of our longer-term direction. Consequently, we engaged with Dutch and Belgian stakeholders in November 2023 during an in-person stakeholder meeting at our office De Reehorst and with stakeholders from Spain, Germany, Belgium and the UK during an online meeting.

We gathered their perspectives on social inclusion and cohesion and the activist role of Triodos Bank. The meetings had a total of 35 participants. Two members of the Executive Board (the CEO and CCO) participated on behalf of Triodos Bank.

The first plenary session focused on the role Triodos Bank should play to increase social equality and cohesion. Stakeholders agreed that both topics should be at the heart of Triodos Bank's strategy. It was suggested that Triodos Bank should support movements that would 'pull society along'. Triodos Bank should also make a sharp analysis of which groups and geographical areas we could best help with our activities and be clear about the impact we have in mind. Specifically, many useful suggestions were made, including addressing the issue of energy poverty and contributing to affordable housing.

During the second plenary session, we talked about Triodos Bank as an activist bank. Stakeholders called on us to continue working with like-minded organisations, as we are not able to change things on our own. It was also suggested that we share more knowledge with other financial institutions to change the sector as a whole and to create awareness among clients and other stakeholders. One stakeholder raised the question of whether we want to activate others or be an activist ourselves.

Stakeholder survey

The annual stakeholder survey was distributed to representatives from all the specific stakeholder groups in the countries where we have banking activities. We also asked stakeholders to identify other possible topics, which are not currently included. Stakeholders suggested various topics that they considered important, including soil health, social housing, bio-based building and employment of people with a distance from the labour market. Triodos Bank has used these topics as input for determining the material topics, which are explained later in the Annual Report. Sixty stakeholders filled in the survey.

Material topics

Topic	Definition	Ranking	More information
Climate change	The long-term shifts in temperatures and weather patterns due to greenhouse gas emissions with human activities being the main driver. This topic includes: 1) climate change adaptation: the process of adjustment to actual and expected climate change and its impacts and 2) climate change mitigation: the process of reducing GHG emissions and holding the increase in the global average temperature to 1.5 °C above pre-industrial levels, in line with the Paris Agreement. This is an existing material topic.	1	Our impact chapter
Resource use	The management, consumption and conservation of natural resources within a Triodos Bank's' operation, including raw materials, energy, water and other resources. It encompasses reporting and disclosure requirements related to resource efficiency, conservation efforts and sustainable practices. This is a new material topic.	2	Resource Transition theme
Biodiversity	The reduction or improvement of any aspect of biological diversity (i.e. diversity at the genetic, species and ecosystem levels) is lost in a particular area through death (including extinction), destruction or manual removal; it can refer to many scales, from global extinctions to population extinctions, resulting in decreased total diversity at the same scale. The main direct drivers of biodiversity and ecosystems change are climate change, pollution, land-use change, freshwater-use change and sea-use change, direct exploitation of organisms and invasive alien species. This is a new material topic.	3	Biodiversity
Thought leadership	Triodos Bank's role as a leading sustainable bank, driving positive change not only through its financial activities but also by shaping the discourse and actions within the industry to better serve society and address pressing challenges like social inclusion and biodiversity loss. This is an existing material topic.	4	Changing finance section
Responsible employer	Triodos Bank's commitment to creating an inclusive and diverse work environment that upholds human dignity and fosters a culture of equity, innovation, courage and transparency. This commitment involves initiatives such as diversity-themed programmes, training and skills development, gender equality and work-life balance. It also encompasses efforts to prioritise the health, safety, wellbeing, fair remuneration and professional growth of its co-workers. This is an existing material topic.	5	Our co-workers section

Consumers and end users	The impacts on consumers and end users connected with Triodos Banks' own operations including through its products or services and through its business relationships. This includes information-related impacts such as privacy, freedom of expression and access to (quality) information; personal safety including health, the security of people and protection of customer data; and social inclusion and non-discrimination. This is an existing topic.	6	Our customers section

Certain topics that were material in 2022 are no longer considered material in the 2023 materiality analysis either due to the new materiality process completed or through their incorporation into new material topics. These topics are sustainable investments, new sustainable ventures, integrated mission and strategy, products with a purpose, client relationships, social inclusion, resilient financial institution, protecting client data, fair remuneration, learning organisation and sustainable suppliers.

EU Taxonomy

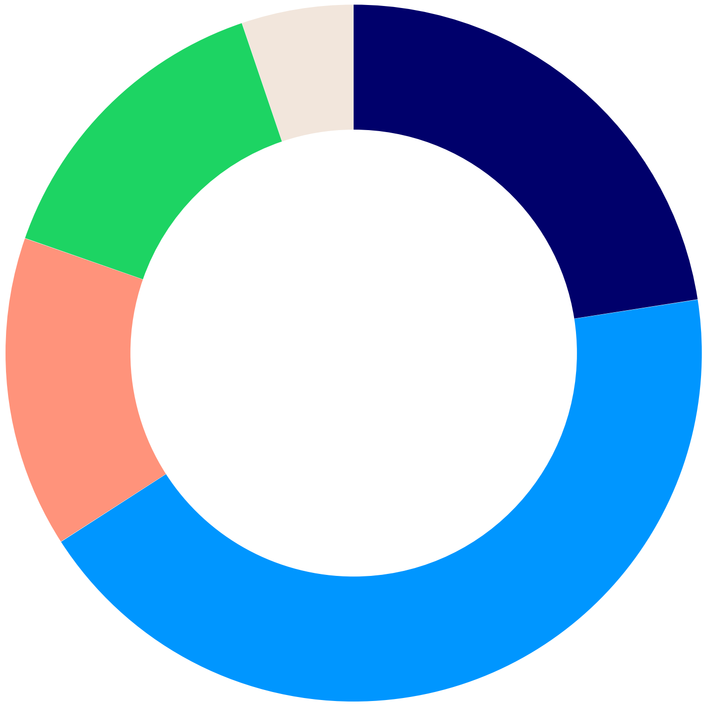
The EU Taxonomy is the EU's dictionary of sustainable economic activities and describes which investments are considered sustainable. The EU Taxonomy had six environmental objectives: Climate Change Mitigation (CCM), Climate Change Adaptation (CCA), the Sustainable Use and Preservation of Water and Marine Resources (WTR), the Transition to a Circular Economy (CE), Pollution Prevention and Control (PPC), and the Protection and Restoration of Biodiversity and Ecosystems (BIO). These determine which economic activities are eligible for reporting under the EU Taxonomy. An eligible activity is aligned with the EU Taxonomy if it substantially contributes to one of the environmental objectives. This substantial contribution is based on the technical screening criteria as defined in the Taxonomy Delegated Acts. Additionally, this activity should do no significant harm to the remaining objectives . Finally, the activity should be carried out in compliance with minimum safeguards.

As a credit institution, Triodos Bank is required to report Taxonomy eligibility and alignment in the form of green asset ratios (GAR). The GAR shows the proportion of a credit institution’s assets that concerns Taxonomy-aligned economic activities (the numerator) as a proportion of total covered assets (the denominator). As a bank, we rely on client information on the EU Taxonomy to determine our GAR. In this reporting period, Triodos Bank needs to report eligibility for all six environmental objectives. Alignment only needs to be reported for the CCM and CCA objectives.

Triodos Bank's Taxonomy figures

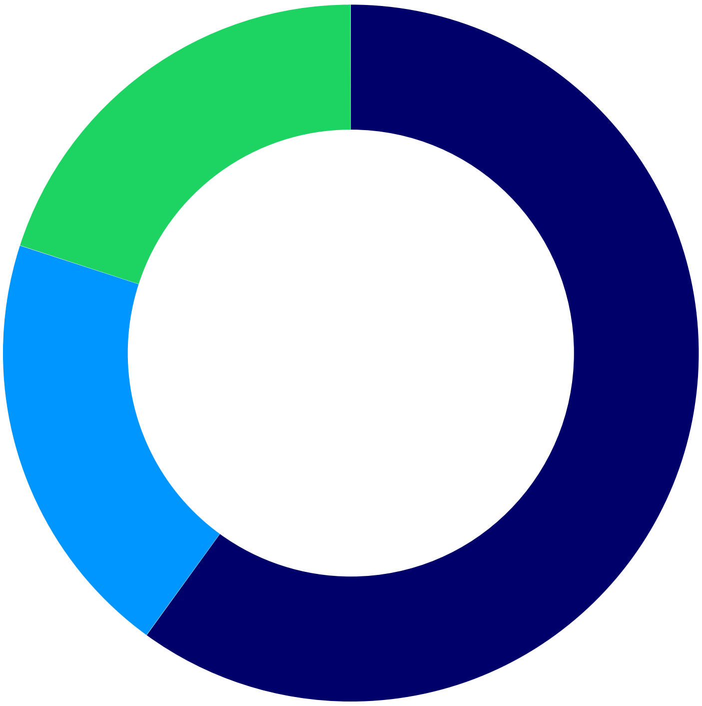
The first figure shows Triodos Bank’s total assets of EUR 16.4 billion by gross carrying amount in relation to the GAR. First, 23.8% is excluded from the GAR, because it concerns cash exposures to central banks and exposures to sovereigns, both of which are not included in Taxonomy reporting. The remaining EUR 12.5 billion makes up the denominator of the GARs. Most of these assets are not eligible for the EU Taxonomy. 39.9% is eligible, with 19.7% of the covered assets actually being aligned (for turnover KPI). Finally, off-balance sheet exposures amount to EUR 0.9 billion, primarily consisting of the asset management activities of Triodos Investment Management.

Based on gross carrying amount, in billion EUR



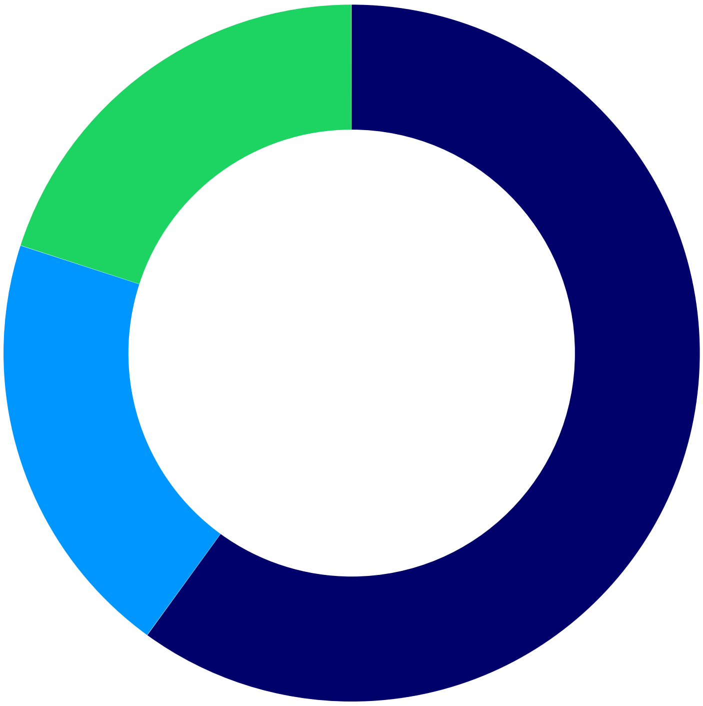
Assets excluded from GAR	3.9
Covered Assets - Not eligible	7.5
Covered Assets - Eligible - Not Aligned	2.5
Covered Assets - Eligible - Aligned	2.5
Off-balance sheet exposures	0.9

GAR KPIs Stock CCM - turnover based



Not Eligible	7.5	
Eligible - Not Aligned	2.5	
Aligned - not Use of Proceeds	0.0	
Aligned - Use of Proceeds	2.5	

GAR KPIs Stock CCM - Capex based



Not Eligible	7.5	
Eligible - Not Aligned	2.5	
Aligned - not Use of Proceeds	0.0	
Aligned - Use of Proceeds	2.5	

Figures two and three show the GARs in billion EUR gross carrying amount for the environmental objective CCM, based on revenue (left) and CapEx (right). The complete table with breakdowns per asset class can be found in the templates in Appendix II.

The main driver of our Taxonomy score is our exposure to residential mortgages (households) which relate to real estate activities and are eligible for CCM. This amounts to 2.5 billion aligned assets.

Of the non-financial corporations subject to Non-Financial Reporting Directive (NFRD) disclosure obligations, EUR 62.5 million are Taxonomy-eligible for CCM. EUR 15.4 million of this asset class is aligned with the environmental objective CCM. These companies are mainly active in renewable energy, engineering activities and real estate. Other eligible activities consist of specialised lending to local governments and green bonds. None of the specialised lending to local governments is aligned.

The final category of eligible assets relates to real estate collaterals that were repossessed through acquisitions on public auctions upon execution of a loan. These assets are also not aligned.

Eligibility also needs to be reported for the other five environmental objectives, as well as alignment for Climate Change Adaptation (CCA). Triodos Bank has 0.02% eligibility and 0% alignment for CCA. There is 0% eligibility for the four remaining environmental objectives as of 31 December 2023. The reason is that the counterparties in our portfolio did not report eligibility for these objectives yet because this was not mandatory for their 2022 annual reporting. It is likely that Triodos Bank will see larger percentages eligible and aligned with the other five environmental objectives when Taxonomy reports are published by our counterparties in the coming years. More information on how we executed the EU Taxonomy reporting, the assumptions we made and the limitations we experienced is shown in Appendix II, which also contains the full reporting tables.

Eligibility for the EU Taxonomy applied Triodos Bank's assets

Triodos Bank has significant exposures in sectors such as healthcare, education and arts and culture, which are currently out of scope for determining Taxonomy eligibility. Additionally, Triodos Bank has a high exposure to small and medium-sized enterprises (SMEs) within its banking activities and in the alternative investment funds which mainly consist of unlisted SMEs. These are significant exposures not covered under the current Taxonomy mandatory reporting which only includes large corporations subject to the NFRD. Hence, we believe current Taxonomy reporting does not accurately represent how sustainable our portfolio really is.

How the Taxonomy fits into Triodos Bank

Sustainability is a core value of Triodos Bank and is integrated into nearly all its activities. Since its founding, Triodos Bank has been aware of the impact that its investment and finance decisions have on society, both positive and negative. There is no such thing as a neutral financial exposure. Allocating capital (by investing or lending) should be done consciously considering both the environmental and social impact. We actively comply with and follow applicable sustainable finance regulations. However, we also recognise that these regulations still have serious limitations, as explained above. Therefore, as they stand, these regulations are not leading our business strategy.

There are several procedures already in place at Triodos Bank to identify economic activities that we finance or invest in and that we consider as sustainable. Within our business activities, our lending criteria and Transition Theme criteria screen for positive social, environmental and cultural impact. Moreover, our minimum standards set the absolute minimum requirements that any economic activity we lend to or invest in needs to adhere to. The Engagement and Stewardship policy explains how Triodos Investment Management engages with their counterparties to improve the positive impact and reduce the negative impact, whether that be environmental or social. These policies have been created from a Triodos Bank perspective and do not necessarily follow the technical screening and DNSH criteria as set by the EU Taxonomy in this stage.

As sustainability is embedded in the DNA of Triodos Bank, each department is responsible for ensuring the incorporation of sustainability within the design and functioning of our products. The EU Taxonomy analysis and reporting for Triodos Bank is performed by Group Finance under the responsibility of the Group Director Finance. There is a strong collaboration with the legal team, risk team, and other teams implementing sustainable finance regulations. We maintain a dynamic methodology document explaining our reporting decisions. A condensed version is published on the website of our 2023 Annual Report.

In the current year of EU Taxonomy reporting, we collected EU Taxonomy-related information from our counterparties or their parent companies that were obliged to report under the NFRD. Triodos Bank periodically collects impact data from customers to inform our stakeholders about what happens with their money. As a result of the EU Taxonomy, the informational needs to our customers have increased and will continue to do so in the future.

Environmental statistics

Methodology

The data to calculate the final CO_2 footprint of Triodos Bank is collected by local environmental managers in the various countries where Triodos Bank operates. They complete all data, including underlying evidence, in a CO_2 management application of the Climate Neutral Group (CNG). The environmental manager in the Netherlands checks if the data and evidence have been input correctly. After the completion of this phase, all data is consolidated by the Finance division (using the four-eyes principle). Finally, an external auditor gives limited assurance on the data and outcome. CNG determines conversion factors for the calculation of the amount of greenhouse gas emissions generated by Triodos Bank on an annual basis. The conversion factor multiplied by the outcome of the different components results in Triodos Bank's total CO_2 footprint.

The CO_2 footprint breakdown in different scopes is in line with international standards like the Greenhouse Gas Protocol (GHG Protocol) and the Global Reporting Initiative (GRI). Due to the unavailability of data and/or an industry standard, no data has been reported for air conditioning, data centres and remote working.

Environmental key figures

	2023	2022	2021	2020	2019
Energy consumption (in buildings)[1]					
Total electricity consumption in kWh	1,861,391	2,043,447	2,475,037	2,627,044	2,869,520
Electricity in kWh/fte	1,014	1,158	1,486	1,742	1,980
Total gas consumption in m^3	56,429	58,361	65,630	68,888	143,816
Gas in m^3/fte	31	33	39	46	99
Business travel[2]					
By aircraft in km/fte	1,538	897	384	760	3,622
By car in km/fte	615	451	385	414	888
By public transport in km/fte	642	404	118	194	631
Commuting[2]					
By car in km/fte	1,578	1,338	881	1,536	3,582
By public transport in km/fte	2,362	1,788	621	851	4,791
By bike or on foot in km/fte	259	220	112	317	1,282
Paper usage[1]					
Total recycled paper usage in kg/fte[3]	6.9	18.3	33.6	33.7	66.8
Blank copy paper in kg/fte[3]	1.6	1.8	2.3	2.9	10.8

	2023	2022	2021	2020	2019
Letter head paper/leaflets/etc. in kg/customer[3]	0.01	0.04	0.07	0.06	0.11
Waste[4]					
Waste in kg/fte	28	45	75	49	
Co-workers					
Internal in fte	1,693	1,633	1,533	1,404	1,346
External in fte	142	132	133	105	104
Buildings (absolute figures)					
Surface area in m^2	25,717	26,697	28,830	36,409	36,734
Volume in m^3	86,406	88,578	94,443	122,954	123,929

1 For the calculations per FTE, the total number of FTEs are used (internals plus externals).
2 Only kilometres travelled by internal co-workers are taken into account. For the calculations per FTE, also only the number of internal FTEs are used.
3 We only use recycled paper; no non-recycled paper.
4 This key figure is related to the waste generated in operations and has been added to the reporting scope retroactively from 2020.

Emission of CO_2 (equivalents)

in thousands of kg	2023	2022	2021	2020	2019
Scope 1					
Natural gas (incl. compensated gas)	62	59	66	61	70
Fossil-fuelled company cars & lease cars	137	191	176	109	197
Scope 2					
Electricity[1]	21	10	3	14	22
Electric company cars & lease cars[2]	89	48	50	42	65
Scope 3					
Employee commuting	463	406	227	469	1,165
Business travel (excl. flight)	63	60	28	35	130
Flights	513	290	118	215	1,129
Recycled paper	16	41	72	65	123
Waste[3]	14	25	23	25	
Downstream leased assets[4]	23	178	178	178	
TOTAL[5]	**1,402**	**1,308**	**942**	**1,215**	**2,901**
Minus: Compensation for CO_2 credits	--1,402	--1,713	--740	--1,011	--2,901
CO_2 balance	**0**	--405	202	203	-
CO_2 compensation costs per tonne (EUR)	€ 23.05	€ 17.55	€ 12.65	€ 10.95	€ 8.40

1 Due to changes in the method of calculation, the CO_2 emissions of electricity has fluctuated in previous years.
2 As the source of electricity is not always clear, we assume grey electricity for charging.
3 These are emissions related to the waste generated in operations. This category has been added to the reporting scope retroactively from 2020.
4 These are emissions related to our investment property and repossessed property held-for-sale (note 8 and note 12 to the consolidated balance sheet). This category has been added to the reporting scope retroactively from 2020, using the data for 2022 as estimates for 2020 and 2021 due to lack of data from before 2022. Changes of 2023 compared to 2022 can be explained by the annual update of the emission factors.
5 For the calculation of the total emissions, the unrounded values of the items were used, which might give a different result than the sum of the rounded values.

Co-worker statistics

Co-worker statistics are gathered through various HR systems and consolidated by Group HR throughout the year. By setting group definitions for all countries, we assume all co-workers are in scope and statistics are calculated consistently. The co-worker report includes everyone employed by Triodos Bank.

Social key figures

	2023		2022		2021		2020		2019	
	Inside NL	Outside NL	Inside NL	Outside NL	Inside NL	Outside NL	Inside NL	Outside NL	Inside NL	Outside NL
Number of co-workers at year-end	1,010	841	997	818	942	773	889	703	791	702
Average number of FTEs during the year[1]	900.8	792.4	876.9	755.7	827.7	705.0	740.6	668.1	677.1	668.6
Number of FTEs at year-end	910.8	806.9	896.5	782.5	844.0	739.5	792.6	670.5	703.3	667.1
Sickness rate	4.8%		4.6%		3.5%		3.7%		4.3%	

1 FTE stands for full-time equivalent and is the number of co-workers calculated on a full-time basis per week. (For The Netherlands this is 40 hours, Belgium 37 hours, United Kingdom 37.5 hours, Spain 37 hours, for Germany 39 hours).

Training expenses per co-worker

amounts in EUR	2023	2022	2021	2020	2019
The Netherlands	2,255	2,169	2,036	1,287	2,237
Belgium	2,164	1,972	2,009	1,130	1,012
United Kingdom	1,767	1,487	1,625	1,162	1,431
Spain	1,421	1,318	724	459	626
Germany	2,757	1,812	1,290	941	1,375
France	-	-	-	3,025	2,722
Head office	1,988	1,760	1,471	1,341	2,321
Triodos Investment Management	1,992	1,549	2,088	2,143	3,715
Average[1]	**1,956**	**1,720**	**1,596**	**1,207**	**1,840**
Increase	13.8%	7.7%	32.3%	-34.4%	14.8%

1 All training expenses disclosed are based on the average FTE of a whole reporting year and include local training expenses and expenses for the Triodos Acadamy.

Age categories of co-workers of Triodos Bank at year-end

	2023		2022		2021		2020		2019	
	#	%	#	%	#	%	#	%	#	%
< 28 yr	110	5.9%	122	6.7%	105	6.1%	94	5.9%	85	5.7%
28 – 35 yr	346	18.7%	351	19.3%	341	19.9%	305	19.2%	283	19.0%
35 – 42 yr	417	22.5%	431	23.7%	417	24.3%	403	25.3%	415	27.8%
42 – 49 yr	417	22.5%	404	22.3%	371	21.6%	350	22.0%	326	21.8%
49 – 56 yr	346	18.7%	325	17.9%	315	18.4%	289	18.2%	250	16.7%
>= 56 yr	215	11.6%	182	10.0%	166	9.7%	151	9.5%	134	9.0%
Total	**1,851**	**100.0%**	**1,815**	**100.0%**	**1,715**	**100.0%**	**1,592**	**100.0%**	**1,493**	**100.0%**
Average age	42.6		42.0		42.0		41.9		41.7	

Years of service of co-workers of Triodos Bank at year-end

	2023		2022		2021		2020		2019	
	#	%	#	%	#	%	#	%	#	%
0-1 yr	206	11.1%	277	15.3%	245	14.3%	230	14.4%	209	14.0%
1-3 yr	438	23.7%	420	23.1%	400	23.3%	342	21.5%	323	21.6%
3-5 yr	313	16.9%	272	15.0%	254	14.8%	293	18.4%	328	22.0%
5-10 yr	514	27.8%	514	28.3%	505	29.4%	454	28.5%	375	25.1%
10-15 yr	243	13.1%	218	12.0%	214	12.5%	192	12.1%	179	12.0%
> 15 yr	137	7.4%	114	6.3%	97	5.7%	81	5.1%	79	5.3%
Total	**1,851**	**100.0%**	**1,815**	**100.0%**	**1,715**	**100.0%**	**1,592**	**100.0%**	**1,493**	**100.0%**
Average years of service	5.8		5.4		5.3		5.2		5.2	

Sickness rate

	2023	2022	2021	2020	2019
The Netherlands	7.2%	5.7%	3.2%	4.0%	5.5%
Belgium[1]	6.3%	7.5%	5.9%	6.5%	6.1%
United Kingdom	2.7%	2.1%	3.2%	2.5%	2.4%
Spain	3.7%	3.1%	3.6%	4.6%	5.8%
Germany	6.9%	3.9%	3.1%	4.5%	3.9%
France	-	-	-	3.6%	2.2%
Head office	4.6%	5.5%	4.1%	3.1%	3.0%
Triodos Investment Management	4.1%	4.3%	1.4%	1.8%	2.7%
Total[2]	**4.8%**	**4.6%**	**3.5%**	**3.7%**	**4.3%**

[1] Sickness rate is calculated based on 100% illness percentage per sickness day.
[2] Our sickness rate remains above our target, which is not to exceed 3%. Therefore our focus lies on promoting wellbeing as described in the co-worker chapter of this Annual Report.

Attrition

	2023	2022	2021	2020	2019
The Netherlands	11.1%	9.9%	7.9%	8.2%	8.8%
Belgium	15.2%	11.7%	11.5%	10.1%	13.6%
United Kingdom	13.7%	19.5%	17.6%	7.7%	13.9%
Spain	6.5%	6.7%	5.5%	4.2%	5.7%
Germany	5.4%	12.2%	11.8%	10.3%	4.7%
France	-	-	-	100.0%	46.7%
Head Office	8.2%	9.1%	8.5%	8.2%	8.0%
Triodos Investment Management	13.2%	14.2%	11.1%	8.2%	12.9%
Total	**10.5%[1]**	**11.4%**	**9.8%**	**8.2%**	**9.9%**

[1] Our attrition rate is below our target of 12%. This target is aligned to current market practise and suitable for the organisation.

Contract type

	2023		2022		2021		2020	
	Fixed	Permanent	Fixed	Permanent	Fixed	Permanent	Fixed	Permanent
The Netherlands	8	311	1	359	2	343	7	333
Belgium	4	151	2	169	2	160	4	152
United Kingdom	23	278	13	265	23	223	10	195
Spain	6	269	4	275	11	274	5	269
Germany	2	70	-	74	1	73	1	67
France	-	-	-	-	-	-	-	-
Head Office	33	500	26	415	19	366	8	334
Triodos Investment Management	6	190	4	208	9	209	17	190
Total[1]	**82**	**1,769**	**50**	**1,765**	**67**	**1,648**	**52**	**1,540**

[1] The majority of the organisation's work is performed by co-workers under permanent contract with Triodos Bank.

Total number of co-workers by contract, by gender

	2023		2022		2021		2020	
	Fixed	Permanent	Fixed	Permanent	Fixed	Permanent	Fixed	Permanent
Male	44	886	31	879	36	827	30	780
Female	38	883	19	886	31	821	22	760
Total	**82**	**1769**	**50**	**1,765**	**67**	**1,648**	**52**	**1,540**

Total co-workers (payroll) covered by collective bargaining agreements

	2023				2022			
	Total	Non CBA	CBA		Total	Non CBA	CBA	
The Netherlands	1,010	6	1,004	99.4%	997	6	991	99.4%
Belgium	165	-	165	100.0%	172	-	172	100.0%
United Kingdom	312	312	-	0.0%	290	290	-	0.0%
Spain	289	-	289	100.0%	282	-	282	100.0%
Germany	75	75	-	0.0%	74	74	-	0.0%
Total[1]	**1,851**	**393**	**1458**	**78.8%**	**1,815**	**370**	**1,445**	**79.6%**

[1] The majority of all co-workers under contract with Triodos Bank are covered by collective bargaining agreements. For the Netherlands only Executive Board members are not covered by a collective bargaining agreement. The UK has no collective bargaining agreements in place. All contractual terms are based on the standard terms and conditions of TBUK in line with group policies, are in line with the financial market in the United Kingdom, applicable to all co-workers of TBUK. Germany has no collective bargaining agreement, but applies the same terms and conditions as the collective labour agreement of the private banking industry in Germany for all positions.

Total number of co-workers by region, by gender

	2023		2022	
	Male	Female	Male	Female
The Netherlands	562	448	553	444
Belgium	70	95	73	99
United Kingdom	150	162	136	154
Spain	105	184	104	178
Germany	43	32	44	30
Total	**930**	**921**	**910**	**905**

Total number of co-workers by region, by full-time/part-time

	2023		2022	
	Full-time	Part-time	Full-time	Part-time
The Netherlands	418	592	414	583
Belgium	140	25	146	26
United Kingdom	251	61	229	61
Spain	270	19	257	25
Germany	40	35	43	31
Total	**1119**	**732**	**1089**	**726**

Total average FTE external co-workers

	2023	2022
Total[1]	141.9	132.1

[1] The average FTEs concerns an average for the full reporting year, following the monthly financial administration on externals across the group. It concerns co-workers who are borrowed from another company or independent contractors. The increase in average FTE for 2023 compared to 2022 is mostly due to to the implementation of the new Triodos Operating Model.

We've been working with our customers to reduce greenhouse gas emissions.

Read more

GRI Content Index

Triodos Bank has reported in accordance with the GRI standards for the period 1 January 2023 to 31 December 2023. GRI 1: Foundation 2021 has been used. No applicable sector standards have been used because none are available.

GRI General Disclosures

GRI 2: General Disclosures 2021

1. The organisation and its reporting practices

Disclosure number	Disclosure name	Location	Omission
2-1	Organisational details	Addresses (see page 482) Our group structure (see page 14)	
2-2	Entities included in the organisation's sustainability reporting	Our group structure (see page 14)	
2-3	Reporting period, frequency and contact point	About this report (see page 04)	
2-4	Restatements of information	Frameworks and standards (see page 114)	
2-5	External assurance	Combined independent auditor's and assurance report (see page 416)	

2. Activities and workers

Disclosure number	Disclosure name	Location	Omission
2-6	Activities, value chain, and other business relationships	Our strategy and progress (see page 18) Our group structure (see page 14) Working with sustainable suppliers (see page 108)	
2-7	Employees	Co-worker statistics (see page 126)	
2-8	Workers who are not employees	Co-worker statistics (see page 126)	

3. Governance

Disclosure number	Disclosure name	Location	Omission
2-9	Governance structure and composition	Corporate governance (see page 174)	
2-10	Nomination and selection of the highest governance body	Supervisory Board report (see page 180)	
2-11	Chair of the highest governance body	Supervisory Board report (see page 180)	
2-12	Role of the highest governance body in overseeing the management of impacts	Supervisory Board report (see page 180)	
2-13	Delegation of responsibility for managing impacts	Governance of impact management (see page 115)	
2-14	Role of the highest governance body in sustainability reporting	Supervisory Board report (see page 180)	
2-15	Conflicts of interest	Supervisory Board report (see page 180)	
2-16	Communication of critical concerns	https://www.triodos.com/binaries/content/assets/tbho/policies/triodos-bank-whistleblower-policy-2022.pdf	
2-17	Collective knowledge of the highest governance body	Supervisory Board report (see page 180)	
2-18	Evaluation of the performance of the highest governance body	Supervisory Board report (see page 180)	
2-19	Remuneration policies	International Remuneration and Nomination Policy Remuneration policy 2023 (see page 191)	
2-20	Process to determine remuneration	Remuneration report (see page 191)	
2-21	Annual total compensation ratio	Remuneration of Identified Staff and all co-workers (see page 201)	

4. Strategy, policies and practices

Disclosure number	Disclosure name	Location	Omission
2-22	Statement on sustainable development strategy	Our strategy and progress (see page 18) Message from the CEO (see page 08)	
2-23	Policy commitments	https://www.triodos.com/binaries/content/assets/tbho/corporate-governance/triodos-bank-business-principles.pdf	
2-24	Embedding policy commitments	https://www.triodos.com/binaries/content/assets/tbho/corporate-governance/triodos-bank-business-principles.pdf	
2-25	Processes to remediate negative impacts	https://www.triodos.com/binaries/content/assets/tbho/corporate-governance/triodos-bank-business-principles.pdf	
2-26	Mechanisms for seeking advice and raising concerns	https://www.triodos.com/binaries/content/assets/tbho/corporate-governance/triodos-bank-business-principles.pdf	
2-27	Compliance with laws and regulations	Compliance risk (see page 166)	
2-28	Membership associations	Memberships (see page 115)	

5. Stakeholder engagement

Disclosure number	Disclosure name	Location	Omission
2-29	Approach to stakeholder engagement	Stakeholder dialogue (see page 116) www.triodos.com/en/stakeholders	
2-30	Collective bargaining agreements	Co-worker statistics (see page 126)	

Material topics

Disclosure number	Disclosure name	Location	Omission
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Our material topics (see page 116)	
3-2	List of material topics	Material topics (see page 118)	

Climate change

GRI Standard	**GRI Disclosure**	**Information**	**Omission**
GRI 3: Material Topics 2021			
3-3	Management of material topics	Our climate and environmental impact (see page 89)	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Environmental statistics (see page 123)	
302-3	Energy intensity	Environmental statistics (see page 123)	
302-4	Reduction of energy consumption	Our climate and environmental impact (see page 89)	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Environmental statistics (see page 123)	
305-2	Energy indirect (Scope 2) GHG emissions	Environmental statistics (see page 123)	
305-3	Other indirect (Scope 3) GHG emissions	Environmental statistics (see page 123) Climate impact of our loans and investments (see page 98)	
305-4	GHG emissions intensity	Our climate and environmental impact (see page 89)	

GRI Standard	GRI Disclosure	Information	Omission
305-5	Reduction of GHG emissions	Our climate and environmental impact (see page 89) Environmental statistics (see page 123)	

Resource use

GRI Standard	GRI Disclosure	Information	Omission
GRI 3: Material Topics 2021			
3-3	Management of material topic	Environmental impact of our own operations (see page 108) Five transition themes (see page 48) Resource Transition Theme (see page 68) Material topics (see page 118)	Information unavailable because this is a new material topic. The policies, metrics and targets are therefore not yet available. These are being developed in alignment with the CSRD and are expected to appear in the Annual Report 2024.
GRI 301: Materials 2016			
301-1	Materials used by weight or volume		Information unavailable because this is a new material topic. The policies, metrics and targets are therefore not yet available. These are being developed in alignment with the CSRD and are expected to appear in the Annual Report 2024.

Biodiversity

GRI Standard	GRI Disclosure	Information	Omission
GRI 3: Material Topics 2021			
3-3	Management of material topic	Five transition themes (see page 48) Biodiversity (see page 115) Material topics (see page 118)	Information unavailable because this is a new material topic. The policies, metrics and targets are therefore not yet available. These are being developed in alignment with the CSRD and are expected to appear in the Annual Report 2024.

GRI Standard	GRI Disclosure	Information	Omission
GRI 304 Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Information unavailable because this is a new material topic. The policies, metrics and targets are therefore not yet available. These are being developed in alignment with the CSRD and are expected to appear in the Annual Report 2024.

Thought leadership

GRI Standard	GRI Disclosure	Information	Omission
GRI 3: Material Topics 2021			
3-3	Management of material topic	Our strategy and progress (see page 18) Changing finance (see page 87)Material topics (see page 118)	Information unavailable because this is a new formulation for this material topic. The policies, metrics and targets are therefore not yet available. These are being developed in alignment with the CSRD and are expected to appear in the Annual Report 2024.

Responsible employer

GRI Standard	GRI Disclosure	Information	Omission
GRI 3: Material Topics 2021			
3-3	Management of material topic	Our co-workers (see page 22) Material topics (see page 118)	
GRI 401: Employment 2016			

GRI Standard	GRI Disclosure	Information	Omission
401-1	New employee hires and employee turnover	Co-worker statistics (see page 126)	Triodos Bank does not report the turnover of new employees, as this data is currently unavailable. However, does report the breakdown of years of service and attrition rates per country per year. In 2024 , we will explore how to best report on this in light of CSRD.
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Business Principles	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Equity, Diversity and Inclusion Initiatives (EDI) (see page 25)	Age groups of governance bodies and co-co-worker population is reported, age groups of senior management is not separately reported.
GRI 404: Training and Education 2016			
404-3	Percentage of employees receiving regular performance and career development reviews	Learning organisation (see page 27)	Percentage of of employees is reported, however the breakdown by gender and category. These will be prepared in 2024 based on the CSRD if applicable.

Consumers and end users

GRI Standard	GRI Disclosure	Information	Omission
GRI 3: Material Topics 2021			
3-3	Management of material topic	Our customers (see page 38) Material topics (see page 118)	Information unavailable because this is a new material topic. The policies, metrics and targets are therefore not yet available. These are being developed in alignment with the CSRD and are expected to appear in the Annual Report 2024.

Risk management

Risk management

A word from our Chief Risk Officer Marjolein Landheer

“As the regulatory landscape has continued to evolve and expand, Triodos Bank has stepped up to further improve its control environment. In 2023, we made significant progress to integrate risk into every aspect of the bank, where risk is the collective responsibility of all co-workers. Because effectively managing risks and ensuring compliance ultimately enables us to roll out our strategy and create positive impact.”

The Executive Board is responsible for the bank's risk management and compliance functions. The risk management department develops and applies risk policies and procedures, which encompass the identification, assessment, mitigation, and monitoring of financial and non-financial risks. The compliance function plays a key role in monitoring Triodos Bank’s compliance to external regulations and internal policies. The effectiveness of these functions within the internal control framework is reinforced by the bank's culture and is reviewed by the Audit and Risk Committee.

Triodos Bank's internal audit function provides independent and objective assurance on the effectiveness of the bank’s corporate governance, internal controls, compliance and risk management systems. The Executive Board, under the supervision of the Supervisory Board, is responsible for the approval and oversight of the execution of the overall internal audit plan.

The Executive Board is charged with the key responsibility of formulating, implementing and maintaining a robust internal control system over financial reporting. Financial reporting is the outcome of a structured process, executed by various departments and banking business units, under the direction and supervision of the bank's financial management.

The risk management framework is a fundamental component of the bank’s internal control structure. Operating in a dynamic environment, Triodos Bank continuously refines its internal control structure and framework. Although the risk management framework cannot guarantee absolute certainty, it does offer assurance regarding the accuracy of the financial reporting and the integrity of the financial statements.

This Risk management chapter provides insights into the performance of the internal control, compliance and risk management systems. In alignment with the evolving nature of its business operations and regulatory requirements, the risk management framework of Triodos Bank is continuously evolving. In compliance with Dutch corporate governance standards, the Executive Board evaluates the effectiveness of the internal control functions annually.

Risk management and governance

Risk statement

The risk management framework provides reasonable assurance regarding the reliability of financial reporting and the fair presentation of financial statements.

Objective

The primary objective of risk management at Triodos Bank is to sustain an environment conducive to advancing the bank's mission and achieving its strategic objectives. This involves establishing a structured framework that enables the effective identification and management of risks inherent to the bank's operations, and proportional to its scale and complexity.

The three lines model

The three lines model is a sector-wide applied organisational risk concept that is integrated in the internal governance and organisation of Triodos Bank. The concept strengthens Triodos Bank's risk control by consistently assigning and embedding clearly defined risk management roles and responsibilities within the organisation. The rationale behind the three lines concept is that risk management can only be effective when it is embedded and exercised in all constituent parts of the bank. For the same reason that risks may, in principle, surface and manifest themselves anywhere within the bank, risk awareness is to be maintained at all levels throughout the bank. The risk function is not solely responsible for the management of risk. All co-workers share responsibility for risk taking and risk management. The three lines concept offers an effective framework to identify and adequately address the risks that may jeopardise the realisation of the bank's strategic objectives in a timely way. This contributes to a sound risk culture in line with Triodos Bank's mission and values.

The first line is primarily responsible for managing the risks it incurs in conducting business activities and operations within the bank's span of control. The first line functions therefore takes ownership of these risks.

The second line consists of the risk management and compliance functions. Both functions are present at local business unit level and at Group level. Whereas the first line exercises 'risk ownership', the second line exercises 'risk control'. The second line supports and facilitates a sound risk management framework throughout the bank, oversees the control processes and controls in place in the first line to ensure their effective design. Moreover, the second line actively engages with the first line to jointly enhance the functioning of the risk management framework of the bank.

The third line consists of the internal audit function, which provides 'risk assurance' by providing risk-based independent and objective assurance, advice and insight to the Executive Board, Supervisory Board, senior management and managers at Group level and business unit level. This is done by a structured and balanced approach of evaluation, reporting and advising regarding the corporate governance structure, internal control, compliance and risk management functions of the bank.

Risk organisation

The risk management and compliance functions provide independent information, analysis and expert judgement on risk exposures, and advise on proposals and decisions to be made by the Executive Board and business in line with the bank's risk appetite. The risk management and compliance functions recommend improvements to the risk management framework and monitor breaches of risk policies, procedures and limits.

The structure of the risk organisation meets banking sector standards and covers all identified relevant risks for Triodos Bank within three main risk categories: enterprise risk, financial risk and non-financial risk. Each risk category consists of a number of risk types:

- Enterprise risks: strategic risk, reputational risk and model risk
- Financial risks: credit risk, liquidity risk and market risk
- Non-financial risks: operational risk and compliance risk

Regarding risks that may originate from environmental, social and governance (ESG) factors, Triodos Bank's risk Taxonomy is aligned with the predominant regulatory view that these ESG factors manifest themselves as drivers of existing risk types. Therefore ESG factors are not positioned nor managed as 'stand-alone' risk types. The causal chains that explain how ESG factors give rise to risks that may impact the bank directly or indirectly (through its counterparties, the assets it holds and the social and economic environment in which it operates) are referred to as transmission channels.

The Executive Board has (partly) delegated decision-making authority to the following risk committees at Group level:

- For enterprise risk, the Enterprise Risk Committee has authority to decide on strategic, model and reputational risk issues.
- For financial risk, the Central Credit Committee has authority to take decisions on credit risks, both on an individual debtor level and on a credit portfolio level. The Asset and Liability Committee has authority to decide on market risks and liquidity risk.
- For non-financial risk, the Non-Financial Risk Committee has authority to decide on operational and compliance risk matters. The Group Product Governance Committee has the authority to approve new products and review existing products. The Anti-Money Laundering and Countering Terrorist Financing Risk Committee oversees management of risks related to the regulation and associated measures to combat money laundering and counter the financing of terrorism. The Regulatory Change Committee steers, monitors and takes decisions on regulatory change management to ensure a timely and demonstrable implementation of regulatory changes across Triodos Bank Group.

Business units have local decision-making committees in place, such as a local Non-Financial Risk Committee and a local Anti-Money Laundering and Countering Terrorist Financing Risk Committee. In addition, the business units that engage in local lending have a local Credit Committee in place. The processes and mandates for the local decision-making committees are captured in their respective risk committee charters.

The Supervisory Board's Audit and Risk Committee supervises the activities of the Executive Board with respect to the operation and adequacy of internal risk management and control systems. More information on the Audit and Risk Committee can be found in the Supervisory Board report. The Group Directors of Risk and the Group Director Compliance report directly to the Chief Risk Officer (CRO). The head of the compliance function (the Group Director Compliance) and the head of the internal audit function (the Group Director Internal Audit) have direct access to the Supervisory Board to raise concerns and escalate issues whenever required.

Risk culture

Risk mitigation is a cornerstone of Triodos Bank's mission and business model. The risk management framework is designed to cultivate a unified risk perspective among all co-workers, ensuring that risk-related structures and policies are consistently applied throughout the bank.

Triodos Bank is committed to fostering a robust risk culture, that is characterised by open communication and the effective challenge of ideas. Decisions are taken with a constructive and critical approach that incorporates a diverse range of perspectives.

Leadership at Triodos Bank plays a pivotal role in shaping and reinforcing its approach to risk management. The principle of leading by example is integral to the bank's strategy, with senior management setting a clear tone from the top. This approach is fundamental to achieving the aspired risk culture.

Enterprise risk

The enterprise risk discipline synthesises the risks of all risk areas and performs analyses to determine, at a strategic level, which circumstances and developments may potentially influence Triodos Bank's risk profile.

Triodos Bank manages enterprise risk by means of specific tasks and related activities: performing strategic risk assessments, coordinating the risk appetite, assessing capital and liquidity requirements, and monitoring the risk profile through periodic Enterprise Risk Management (ERM) reporting.

The Executive Board has the ultimate responsibility for and oversight of the risk management practice within Triodos Bank, supported by several risk management committees, including the Enterprise Risk Committee. The Enterprise Risk Committee oversees and manages the enterprise risks (i.e. strategic risk, model risk and reputational risk) and the integrated risk profile of the bank from a Group perspective. Analyses and recommendations on relevant incurred or foreseeable deviations from the risk appetite are discussed in the Enterprise Risk Committee and help define the appropriate risk response. The Enterprise Risk Committee supports the Executive Board in achieving the strategy and business objectives of Triodos Bank. This is mainly done by proposing the risk appetite and subsequently presenting the group-wide risk profile of Triodos Bank set against this risk appetite.

Risk appetite

Triodos Bank's risk appetite process aims to articulate and operationalise the bank's willingness or tolerance to take risk in delivering its strategic goals and related business objectives. The Risk Appetite Statement is reviewed yearly and is endorsed by the Supervisory Board based on advice from the Audit and Risk Committee. Triodos Bank's risk appetite and the connection with the strategy and business objectives are illustrated below:

Three key concepts strongly relate to the risk appetite:

- Risk capacity
- Risk boundaries and limits
- Risk profile

The picture below illustrates how these concepts are related.

Strategy & Business Objectives

Risk capacity

- The maximum level of risk the financial institution can assume given its current level of resources before breaching constraints determined by regulatory capital and liquidity needs, the operational environment (e.g. technical infrastructure, risk management capabilities, expertise) and obligations, also from a conduct perspective, to depositors, policyholders, shareholders, fixed income investors, as well as other customers and stakeholders.

Risk appetite

- The aggregate level and types of risk a financial institution is willing to assume within its risk capacity to achieve its strategic objectives and business plan.
- Directly related to an entity's risk capacity as well as its culture, desired level of risk/return, capability and business strategy.

Risk limits

- Quantitative measures based on forward looking assumptions that allocate the financial institution's aggregate risk appetite statement (e.g. measure of loss or negative events) to business lines, legal entities as relevant, specific risk categories, concentrations, and as appropriate, other levels.

Risk profile

- Point in time assessment of the financial institution's gross and, as appropriate, net risk exposures (after taking into account mitigants) aggregated within and across each relevant risk category based on forward looking assumptions.

Risk capacity is defined as the maximum level of risk Triodos Bank can take on given its resources before breaching constraints as determined by regulatory capital and liquidity requirements, the operational environment and obligations to the bank's various stakeholders and society at large.

Risk boundaries/limits represent the framework, based on forward-looking assumptions, that allocates a financial institution's aggregated appetite for risk taking to business portfolios, specific risk categories, concentrations, and as appropriate, other levels.

The risk profile represents a point in time assessment of Triodos Bank's net risk exposures (after taking into account mitigants) aggregated within and across each relevant risk category.

Triodos Bank's mission is to make money work for positive change in society. In the context of the distinctive character of Triodos Bank's purpose and mission, the risk appetite of the bank aims to: a) protect its identity and reputation, b) maintain a sound balance sheet and c) realise an adequate financial return.

Triodos Bank uses a bespoke set of key risk indicators and limits to test the actual risk profile of the bank against its risk appetite. Triodos Bank strives for an overall modest risk profile. The risk limits, determined at Group level, are cascaded for each business unit. Breaches of risk appetite limits are governed by a specific breach procedure.

Enterprise risk reporting

The principal objective of the ERM report is to set the actual risk profile of Triodos Bank against its risk appetite, to assess if key risk indicators have been breached and to determine what actions may need to be taken. The ERM report creates a single point of reference for all identified risks and activities within Triodos Bank. The ERM report provides insights into specific risk themes and provides an integrated picture of risk at Group level. This report is discussed in the Enterprise Risk Committee and shared with the Audit and Risk Committee and the Supervisory Board.

Every risk discipline reports on a regular and periodic basis depending on the characteristics of the respective risk types it is responsible for. These risk reports are discussed in corresponding risk committees and measures are taken whenever needed. They are integrated in the ERM report on a quarterly basis.

Stress testing

Stress testing is part of Triodos Bank's risk management practice. It is critical to establish a well-balanced forward-looking management view, that incorporates adverse developments and circumstances that the bank might be exposed to, to identify potential vulnerabilities and develop appropriate risk mitigation strategies. Stress testing results are reported and discussed in the Enterprise Risk Committee. Triodos Bank conducts two types of stress testing, the integrated scenario stress testing and the sensitivity stress testing.

The integrated scenario stress testing involves developing hypothetical but plausible scenarios that capture the potential impact of severe economic events on the bank's overall risk profile. These scenarios typically encompass multiple risk factors, such as changes in interest rates, exchange rates, GDP growth and climate change. By conducting stress tests under these scenarios, Triodos Bank can assess the potential impact on its credit risk, market risk, operational risk and liquidity risk. The key advantage of integrated scenario stress testing lies in its ability to capture the interconnectedness of various risk factors. By considering the potential feedback loops and cascading effects across different risk categories, Triodos Bank gains a more comprehensive understanding of the potential impact of extreme events.

Sensitivity stress testing, on the other hand, focuses on the impact of individual risk factors on a specific aspect of the bank. It involves isolating a particular risk factor and analysing how incremental changes in that factor would affect, for instance, profitability, capital adequacy or credit loss provisions. Sensitivity stress testing provides a granular view of the sensitivity of the bank's financial performance to changes in specific risk factors.

Integrated scenario stress testing and sensitivity stress testing complement each other in providing a comprehensive understanding of Triodos Bank's risk profile. Integrated scenario stress testing provides a broader perspective on how Triodos Bank might fare under extreme economic conditions, while sensitivity stress testing offers a more focused analysis of the impact of individual risk factors on specific areas of financial performance.

Recovery

The Recovery Plan specifies measures that allow Triodos Bank to recover from possible severe circumstances. The aim of the Recovery Plan is to be prepared for such events, to be ready to act if and when such adverse circumstances (are likely to) occur, and to identify and quantify the effectiveness of measures in different stress scenarios.

Strategic risk

Strategic risk is the risk of a lack of achievement of the bank's overall objectives due to internal and/or external causes. Strategic risk can be broken down into three subcategories:

- Direction risk: the risk that Triodos Bank does not select the optimal strategy given the status of, and outlook on, the external and internal environment.

- Execution risk: the risk that the selected strategy is not implemented and/or executed adequately as per planning, budget or other requirements.
- Modification risk: the risk that the selected strategy becomes obsolete due to changes in the external and/or internal environment.

The external landscape is subject to constant change and related uncertainty. In this context, geopolitical circumstances, the interest rate environment, climate change, energy transition, regulatory requirements and technological progress are examples of relevant contemporary developments. Additionally, more sudden and disruptive events may occur, such as a pandemic or geopolitical conflicts. The challenges that arise from these changes continuously influence Triodos Bank directly or indirectly. The strategy of the bank is therefore assessed from a strategic risk perspective to ensure timely adaption if deemed necessary.

The risk appetite for strategic risk is qualified as 'moderate'. This reflects the bank's recognition that the relatively fast-changing external environment requires the bank to continuously invest in innovative ways to fulfil its mission.

Following the three lines model of risk management within Triodos Bank, the Enterprise Risk Management department, being the second line owner of strategic risk, liaises with its first line partners on strategic risk topics and associated change programmes on a frequent basis. In this context, Corporate Development, Group Controlling, Group Treasury, Group Legal and Group Data and Analytics are regular first line partners.

ERM was involved in the project to restore tradability from the beginning, regularly sharing its second line views with senior management. Another important strategic change process in 2023 was the redesign of Triodos Bank's operating model, which will continue in 2024.

Environmental, social and governance (ESG) risks

Environmental, social and governance (ESG) risk factors stem from the current or prospective impacts of ESG factors on the bank's counterparties or the bank itself, that may negatively affect the bank's performance or the bank's ability to meet its (financial) obligations. The ESG risk factors are described below.

Environmental factors

Climate change and environmental degradation are sources of structural change that affect quality of life and economic activity as well as the financial system. Climate-related and environmental factors can be divided into two distinct categories:

Physical: The physical environmental factors refer to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate and of environmental degradation (e.g. pollution, biodiversity loss and deforestation). The physical driver is categorised as 'acute' when it arises from extreme events (e.g. droughts, floods and storms) or 'chronic' when it arises from progressive shifts (e.g. sea-level rises and resource scarcity).

Transitional: The transitional factors refer to the possible financial impact that may result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy (e.g. due to a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences).

Social factors

Social factors are related to the rights, wellbeing and interests of people and communities and include factors such as equality, health, inclusiveness, labour relations and workplace health and safety. In general, it concerns the bank's interaction with its social environment, i.e. the relationships with its broader stakeholders: customers, co-workers, regulators and relevant communities/markets.

Three main sources from which social factors - and subsequent risks - may originate are distinguished:

- Environment: The continuous deterioration of environmental conditions implies heightened social risks, such as when climate-related physical change or water stress affect (deprived parts of) a geographical

area and (already disadvantaged) populations. Environmental degradation can exacerbate migration and social and political unrest in the most affected regions, with potentially more devastating repercussions and contagion across the globe.
- Market and social sentiment: The ongoing evolution of collective value systems brings forth new social frameworks of reference. The social transformation towards a more inclusive, equitable society is an example of such an evolution.
- Policy actions: Policy actions can and have been taken in response to social movements (e.g. demanding equal pay or equal representation, in addition to workforce diversity). Such policy actions may constitute a risk for companies that are not prepared or willing to adapt.

Governance factors

Governance factors comprise governance practices, including executive leadership, executive pay, audits, internal controls, board independence, shareholder rights and the ways in which banks include environmental and social factors in their policies and procedures. Governance factors may be part of national legislation, such as corporate governance codes, that aim at long-term sustainable value creation (as opposed to short-term benefits).

ESG risk management

Triodos Bank employs strict criteria to ensure the sustainability of products and services. It employs both positive criteria to ensure it is actively making a positive contribution to society, and negative criteria for the exclusion of potentially harmful activities. The negative criteria exclude loans and investments in sectors or activities that are damaging to society and the environment. The positive criteria identify businesses that operate in line with the bank's mission and encourage their contributions to a sustainable society.

Triodos Bank's strategy, credit granting process and product approval process are aligned with its sustainable and values-based mission. Triodos Bank assesses the impact, risk and return of its business decisions in line with its mission and Risk Appetite Statement. The minimum standards set out the absolute minimum requirements that Triodos Bank applies to its banking and investment activities. In its day-to-day decision-making, Triodos Bank is guided by its business principles. All sustainability criteria referred to in this section can be found on the bank's website. Lending criteria and minimum standards are available at www.triodos.com/governance.

Because the sustainable and values-based mission is the starting point of its lending process, Triodos Bank's exposure to transition risks is considered limited. Business banking lending is focused on financing enterprises that contribute to a low-carbon future. As a strategic target, Triodos Bank has set itself the objective of reaching a net-zero emission level by 2035, underlining its commitment to contribute to a sustainable future.

As a result of climate change, Triodos Bank's portfolio is exposed to physical climate risks. On an annual basis, Triodos Bank carries out climate-risk stress tests, to assess the potential impact of extreme weather events such as storms, floods and droughts on its asset portfolio. Within the financial planning period, a material impact of physical climate risk is considered to be unlikely.

The Executive Board, under the supervision of the Supervisory Board, is accountable for the management of environmental and climate-related risks as well as for setting and overseeing Triodos Bank's strategy in this respect. The approach to managing ESG risk factors is delegated to the Enterprise Risk Committee. At Executive Board level the CRO is primarily responsible for the second line oversight of environmental and climate-related risks. The ERM department is responsible for the development of an established ESG risk management framework that is designed in line with Triodos Bank's strategy and in compliance with regulatory requirements.

Reputational risk

Triodos Bank defines reputational risk as the risk arising from a negative perception by its stakeholders (e.g. customers, investors, regulators, co-workers), which can adversely affect the bank's ability to maintain existing or establish new (business) relationships and access to sources of funding.

As a values-based bank, Triodos Bank's reputation is vital to its ability to pursue its mission. As such, Triodos Bank's reputation is managed in a proactive manner, for the most part by operating in accordance with its business principles to fulfil the mission of the bank. Generally, proactively managing its reputation implies for Triodos Bank: (1) attracting and retaining qualified employees that have a strong affinity with Triodos Bank's mission and values; (2) maintaining a sound risk governance structure, that enables the correct execution and control of bank-related processes; and (3) actively positioning Triodos Bank's identity, its positive impact (for the longer term) and connection to society.

The risk appetite for reputational risk is qualified as 'low', as an excellent reputation is a precondition for the banks' business model that builds especially on trust and integrity.

Following the three lines model of risk management within Triodos Bank, the Enterprise Risk Management department, being the second line owner of reputational risk, liaises with its first line partners on reputational risk topics and change programmes on a frequent basis. In this context, Corporate Communications and Investor Relations, Group Human Resources and Marketing are regular first line partners.

Model risk

Model risk refers to the potential for negative consequences arising from the decisions made based on incorrect or misused model outputs and reports. It can result in financial loss, poor decision-making and damage to the reputation of Triodos Bank.

Triodos Bank develops and uses models to quantify risk for risk types that are eligible to be modelled (e.g. credit, market and liquidity risk). Model outputs are used to support day-to-day decision-making and as input in management and regulatory reporting.

New models require approval before being implemented and used. Internal approval for the use (or continued use) of a model is obtained from the Model and Assumptions Review Committee, a subcommittee of the Asset and Liability Committee. The Group Modelling and Valuations department develops and maintains models as per the requirements of the assigned model owners.

Model risk management proposes and maintains standards for the model lifecycle, including model validation. It also facilitates model risk identification and measurement and reports on model risk in line with the model risk management framework. Model data, methodology, performance and implementation are checked according to these standards and reviewed against internal and regulatory requirements.

Following the three lines model of risk management within Triodos Bank, the Enterprise Risk Management department, being the second line owner of model risk, liaises with its first line partners on model risk topics on a frequent basis. In this context, Group Modelling and Valuations, Group Treasury, and Group Financial reporting are regular first line partners. The ERM department provides second line oversight on an overarching model-portfolio level, participates in the Model and Assumptions Review Committee and reports to the Enterprise Risk Committee with respect to the risk appetite and related risk profile of the model portfolio. Considering the possible significant impact of model outcomes on the bank, the risk appetite for model risk is qualified as 'modest'.

Financial risk

Financial risk is an umbrella term for a variety of risk types directly associated with the balance sheet and financial performance of Triodos Bank. Financial risk is further divided into three types: credit risk, liquidity risk and market risk.

Credit risk

Credit risk management

Credit risk is the risk that a counterparty does not fulfil its financial obligations. Triodos Bank manages its credit risk at client and portfolio level. It operates within a predefined set of criteria for accepting credits. Credits are extended within the target markets and lending strategy in accordance with Triodos Bank's mission and expertise. Before accepting a credit facility, Triodos Bank assesses the customer's risk profile, cash flows, available collateral and the requested transaction, including an assessment of the integrity and reputation of the borrower or counterparty. Analysis of compliance with Triodos Bank's lending criteria is an integral part of each credit proposal.

Triodos Bank has developed an internal rating-based economic capital model that estimates a counterparty's probability of default and the expected loss of a credit exposure.

Credit risk organisational structure

Each banking business unit has a credit risk team headed by a Head of Credit Risk. The teams comprise of credit risk analysts and special asset managers. The heads of Credit Risk have a direct reporting line to the Group Director Financial Risk Management and together they manage all topics relating to credit risk locally and for the group. At Group level, a dedicated team is in place with credit analysts and data analysts.

At local and Group level, individual files have a second line review, and the portfolio is monitored and reviewed on a continuous basis. The aggregated portfolio is monitored at Group level. The resulting analysis is provided to the Local Credit Committee and/or to the Central Credit Committee for decision-making on approvals for individual files, lending criteria for sectors and limits on sectors, countries or individual obligors.

Business units need to prove, both after initial implementation and in case of changes to policies, that requirements are met in local documentation. This is done by showing in which local documents each requirement is written down. Evidence of the implementation is derived from the key controls. Deviations from this policy should be approved through the monthly Central Credit Committee or Non-financial Risk Committee.

Key controls related to policies are defined in Triodos Bank's risk control self-assessment (RCSA), based on standardised process described in Triodos Bank's Corporate Lending Handbook. The key controls contain a risk-based subset of the requirements. The first line is responsible for enacting the key controls within its processes. Periodically, within the regular ORM cycle, key controls are tested for operational effectiveness by the first line. At the local level, management information dashboards are in place to monitor the risks on a continuous basis. Internal Audit performs regular audits on the lending activities.

Concentration risk

Loans are provided to retail clients, businesses and projects that contribute to achieving Triodos Bank's mission. Given this involves a small number of sustainable sectors, a certain level of sector concentration is inherent in the loan portfolio. Concentration in the existing sectors is acceptable as Triodos Bank has considerable expertise in these sectors, actively invests in further expanding its knowledge and actively diversifies through geographies.

Triodos Bank focuses primarily on the quality and diversification of its loan portfolio. Triodos Bank puts extra effort into identifying loans to frontrunners with a track record in their sectors, the entrepreneurs developing the sustainable industries of the future.

A diversified credit risk portfolio is the result of assets spread over debtors, sectors and geographies that are not inter- or intra-related. Triodos Bank maintains a set of concentration limits to manage concentration risks. The limits are based on the bank's capital base and reflect the risk appetite.

Triodos Bank measures and limits the following concentrations in its lending activities:

- Obligor exposures
- Group exposures
- Top 20 exposures excluding government and sub-government exposures
- Government exposures
- Sector exposures
- Non-bank financial intermediation (shadow banking) exposures
- Mortgage exposures
- Country exposures

Besides lending activities, Triodos Bank has established limits related to its investment portfolio:

- Maximum exposure on government and sub-governments
- Maximum exposure on supranational institutions
- Maximum exposure on banks and financial institutions

Sector concentrations

Triodos Bank is active in well-defined sectors where it has extensive expertise and that are in line with its mission. It has set limits on sectors, based on actual own funds, at Group and banking business unit level. Sector studies have shown relatively low correlations of risk drivers in the sectors that Triodos Bank finances in multiple countries.

At Group level, Triodos Bank categorises sector concentration limits into distinct tiers. Country-specific limits for each sector are determined by the Executive Board, factoring in the unique risks associated with each sector and country, based on annual sector analyses. Additionally, risk-weighted asset (RWA) limits are established for various sectors and countries, considering these risks, the impact these sectors and countries generate, and the return on capital they provide.

Larger sectors hold strategic importance for Triodos Bank. They exhibit a well-balanced distribution across banking business units and countries, contributing to an overall low risk profile that warrants a higher consolidated concentration. Sector analyses are conducted on an annual basis and presented to the Central Credit Committee to facilitate timely responses to developments that may impact the portfolio's risk profile. Group Credit Risk may request sector updates at shorter intervals in the event of changes to a sector's risk profile.

Country concentrations

Triodos Bank is a European bank, acting under the European Banking Directive since 1993, with banking business units in four countries (the Netherlands, Belgium, Spain and Germany), a subsidiary in the United Kingdom and additional exposures in, among others, France and Ireland.

Triodos Bank does not set country limits for the countries it operates in as long as these countries have a credit rating of AA- or higher. Specific limits are defined for countries with a credit rating of A+ or lower.

Obligor risk

An obligor is a single legal entity that commits to the terms and conditions of a loan agreement. The obligor is thoroughly analysed based on meeting Triodos Bank's lending criteria and its capacity to repay a loan. The risk related to the obligor is that it fails to meet its contractual obligations. Obligors are rated through an internal rating methodology.

A thorough assessment of each obligor and the structure of its loan is made before any loan is provided. A review of approved credit is made once a year, as a minimum, to assess the evolution of the client's capacity to meet its obligations. The high quality of securities (collateral) against outstanding loans reduces credit risk. Examples of principal collateral include mortgage registrations for business or private properties, securities from public authorities, companies or private individuals, and rights of lien on receivables and/or contracts for projects.

Triodos Bank aims to finance specific projects and assets that are in line with its mission. When financing a project, the bank has a pledge on the underlying contracts. For the financing of objects, Triodos Bank will take a pledge or mortgage on the specific object. It applies haircuts, in all cases, on the market value. The level of this haircut will depend on the marketability of the asset in a negative scenario. This allows Triodos Bank to make a proper assessment of the overall risk of the loan and the value of the asset in case of a downturn. The value of the collateral is reviewed on a yearly basis. An external valuation by an expert is requested, at a minimum every three years, for large loans with a mortgage.

The Triodos Bank early warning system helps identify problem loans early on, to allow for more available options and remedial measures. Once a loan is identified as being in default (i.e. unlikely to pay or overdue payments beyond 90 days), it is managed under a dedicated remedial process, with a focus on full recovery.

Group exposures

The risk related to a group is that if one obligor fails to meet its contractual obligations, so will the remaining obligors within the group. A group is defined as two or more obligors that are interrelated in such a way that they are considered as a single risk.

Each group obligor and the group as a whole are analysed on all aspects, from meeting Triodos Bank's lending criteria to their capacity to repay the loan.

Credit risk investment portfolio

Liquidity not invested in loans to customers is invested in deposits with banks (including central banks) or bonds. Triodos Bank's policy is to primarily invest the liquidity in the countries where it has branches or subsidiaries. The bond portfolio of Triodos Bank comprises (local) government bonds (from countries where Triodos Bank has a branch or subsidiary) and investment-grade bonds issued by European supranational organisations (e.g. European Investment Bank), European financial institutions and corporates.

There are no regulatory restrictions to exposures on governments. Triodos Bank sets limits based on the country risk.

There are also no regulatory restrictions to exposures on multilateral development banks where the institution has a credit risk weight of 0% for regulatory capital requirements. Triodos Bank has set limits to avoid concentration risk in these exposures.

Credit risk banks

Banks are selected according to their creditworthiness and screened on their sustainability performance. Exceptions can only occur when no banks in a country meet Triodos Bank's minimum sustainability standards. In such cases, deposit maturity periods will not exceed three months. All counterparty limits for banks are set by either the Executive Board or the Central Credit Committee. Banking business units place excess liquidity with the country's central banks (minimum reserve requirements and deposit facility). There are no regulatory restrictions on exposures to central banks.

The Capital Requirements Regulation large exposures regime limits the maximum exposure to a bank at 25% of its Tier 1 capital plus Tier 2 with a maximum of one-third of Tier 1 capital. To avoid the interbank exposure exceeding the regulatory maximum, Triodos Bank applies a maximum exposure below the limit defined by the large exposures regime. Limits are further adapted according to the external rating of the counterparty. Deposits on banks are limited to a maximum maturity of one year.

Credit risk private mortgages

Private mortgages are treated as a sector and form an integral part of the impact strategy of the bank. Interest rate differentiation on the mortgages based on energy labels incentivises lower energy consumption. In general, mortgage products are highly standardised and regulated. This is the case in the three countries where Triodos Bank offers this product. The loan amounts per counterparty in the private mortgage portfolio are usually relatively small and the portfolio is often well diversified (e.g. in terms of geography, source of repayment or maturity). This mitigates credit risk to a large degree, which is evidenced by low defaults. Triodos Bank limits the overall exposure to mortgages as a percentage of the balance sheet to have a balanced mix between business loans and mortgages to private individuals.

Credit risk commercial real estate

Triodos Bank's commercial real estate (CRE) credit portfolio has a low-risk profile and is consistent with the bank's mission. Triodos Bank has CRE exposure in the various countries where the bank has a physical presence. The CRE portfolio primarily consists of office buildings and loans to fully regulated funds, holding single or multiple buildings leased to multiple tenants.

The Central Credit Committee sets concentration limits across project types, borrower profiles, and geographic regions to ensure a well-diversified CRE portfolio. Triodos Bank employs conservative underwriting standards emphasizing borrower creditworthiness, long-term project viability, and the environmental impact of properties. These standards promote energy efficiency and are supported by conservative loan-to-value (LTV) ratios that provide a buffer against market volatility.

Triodos Bank actively monitors the CRE portfolio through regular valuations, borrower reviews, and sector analysis. Stress testing assesses portfolio resilience under various market conditions, facilitating proactive risk management and timely corrective actions.

In 2023, the European Central Bank warned of greater risks in loans for commercial property. With interest rates increasing and a drop in underlying values of commercial property, defaults could increase resulting in higher losses for banks.

Triodos Bank's exposure in the CRE sector decreased from EUR 700 million at the end of 2022 to EUR 675 million at the end of 2023, due to market circumstances and a tighter financial lending criteria. The majority of Triodos Bank's CRE portfolio (96%) has a strong buffer against value drops with an LTV below 70%. The rest of the portfolio (4%) remains below 80% LTV. Therefore, even a hypothetical 30% drop in value across the entire portfolio would have a limited impact. A large part of the portfolio in Belgium is loans to regulated CRE funds (EUR 105 million). These loans offer a high level of security due to strict regulations, a low risk profile, and a legally mandated low LTV ratio.

Triodos Bank's portfolio complies with the highest standards of energy efficiency. Economic downturns make energy-inefficient buildings obsolete faster than those with good energy standards. With the exception of higher and volatile energy prices that are expected to continue, businesses are actively looking for leases in buildings with low energy costs. This has a positive impact on the value of Triodos Bank's collaterals because demand is higher and there is a higher rental occupation level to service the debt repayment.

CRE requires us to remain vigilant as it is a volatile market and highly correlated. However, the nature of Triodos Bank's portfolio and how we provide finance in this sector contributes to the stability of the portfolio throughout economic cycles.

Credit risk related to derivatives

Triodos Bank has exposure to credit risk resulting from outstanding foreign exchange (FX) contracts (spot, forward and swap transactions) with financial institutions and with funds managed by Triodos Investment Management. In 2023, Triodos Bank serviced these funds by providing hedges for the FX risk of these funds' investments.

Triodos Bank is not entering into new FX deals with Triodos Investment funds because of new regulation. Current derivative contracts will not be renewed after maturity.

Triodos Bank has limited exposure to credit risk resulting from outstanding interest rate swaps (IRS). The IRS are all centrally cleared with LCH Clearnet. Daily margining minimises credit risks.

A limit is set per counterparty based on the expected amount of outstanding FX transactions and the corresponding expected exposure. This limit is subject to the overall counterparty limit Triodos Bank has per counterparty.

Any collateral needed for FX transactions is calculated and managed daily. In liquidity stress tests, the amount of collateral needed for FX transactions is stressed to calculate the potential impact on Triodos Bank's liquidity position.

Credit quality of assets

Business loans in the portfolio are periodically reviewed on an individual basis. The review frequency depends on the debtor's creditworthiness, the degree of market exposure and the market in which the debtor operates. Small business and private loans are reviewed at portfolio level and on an individual basis when appropriate.

The credit committees discuss and, if necessary, take action with respect to overdue payments from debtors. If there is any doubt regarding the continuity of the debtor's core operations and/or a debtor fails to settle agreed interest and repayment instalments for a prolonged period, this debtor falls under the category of doubtful debtors and will be managed intensively.

Provisions for loan losses are taken for doubtful debtors at an individual level based on the difference between the total amount of the debtor's outstanding liability to Triodos Bank and the future expected cash flows, discounted at the original effective interest rate of the contract. These individual provisions include provisions for concessions or refinancing given to debtors who face financial difficulties. They are only granted to the debtor in question to overcome their difficulties in these exceptional circumstances. These are described as forbearance measures.

The credit risk in the loan portfolio is reported each month to the Central Credit Committee, and quarterly to the Enterprise Risk Committee and the Audit and Risk Committee of the Supervisory Board as part of the ERM report.

In addition to a minimum standards check, external credit ratings – if available – are used to determine the creditworthiness of the counterparties of the investment portfolio, including banks and some corporates. External ratings are also used to calculate the minimum capital requirement for credit risk under the standardised approach. Fitch and Moody's ratings are used for this purpose.

Liquidity risk

Liquidity risk management

Funding liquidity risk is the risk that the bank will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the company. Market liquidity risk is the risk that the bank cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

Triodos Bank has set a low risk appetite for liquidity risk, which means that the limits regarding the size and the quality of the liquidity buffer are set accordingly. This low risk appetite is reflected in terms of inherent risk exposure towards liquidity risk and the maintenance of a strong liquidity buffer. Consequently, business activities that are associated with higher liquidity risk exposure, such as acting as correspondent bank, are not undertaken.

Triodos Bank has established a robust liquidity risk management framework that ensures the maintenance of an adequate liquidity buffer to withstand a wide range of stress events. Liquidity risk is identified, measured and managed in line with the applicable regulations and supervisory guidelines by Group Treasury, within risk appetite limits set by the Asset and Liability Committee.

Liquidity risk organisational structure

The Group Treasury department is the first line owner of liquidity risk, and all liquidity risk management initiatives are reviewed and challenged by the second line risk function. The adequacy and the adherence to risk management processes are periodically reviewed by the third line, Internal Audit.

The liquidity risk management function reports to the Asset and Liability Committee, which includes both the CFO and CRO. Liquidity risk is managed centrally for the Group and all branches, and locally for the UK subsidiary. The organisational structure for liquidity risk management is similar for the Group and the UK subsidiary, apart from the second line responsibilities, which are performed by the Liquidity and Market Risk Management at Group level, and by the Enterprise Risk Management team in the UK.

Liquidity risk developments

Triodos Bank lending and investment activities are funded by depositors, debt holders and Depository Receipt Holders.

Deposits are the largest source of funding. The total amount of funds entrusted is EUR 13.8 billion at year-end 2023 and as such composes 92% of total liabilities. These funds are collected from retail and business customers in all five countries where Triodos Bank operates. This provides a stable source of funding. This stability is largely due to Triodos Bank's strong relationship with its customers, the granularity of funds entrusted, and the high coverage of 78% under the Dutch and UK deposit guarantee scheme (DGS).

Debt funding consists of Triodos Bank's Green Bond. This bond of EUR 250 million was issued in 2021 and will mature in 2032. Moreover, Triodos Bank's retained residential mortgage-backed security (RMBS) called Sinopel 2019 B.V. remained in place. This retained RMBS contributes to Triodos Bank's financial resilience and enables additional access to (central bank) liquidity by pledging the notes as collateral with the DNB. Repo transactions are possible using this retained RMBS. Commercial repo transactions were undertaken in 2023 for the first time, contributing to the further diversification of the bank's funding base.

From a funding point of view, the listing of Triodos Bank's Depository Receipts on Captin's multilateral trading facility (MTF) has not altered the amount of equity available for funding.

Triodos Bank maintains a strong liquidity buffer, as presented in the Liquidity Coverage Ratio (LCR) to fulfil the expected and unexpected cash flows and collateral needs without adversely affecting the bank's daily operations. This LCR liquidity buffer consists of high quality liquid assets being cash with central banks (50% at the end of 2023) and bonds (50% at the end of 2023). The size of this buffer is assessed both in prudential requirements such as the LCR and in the Triodos Bank's internal liquidity adequacy assessment by means of its internal Liquidity Stress Test (LST). Both viewpoints are part of internal management information that are shared periodically with relevant stakeholders including the Executive Board and the Supervisory Board.

Monitoring and managing liquidity risk

Liquidity risk exposure is managed by means of the Risk Appetite Statement (RAS). Through different lenses, different aspects of these risks are defined, monitored and managed on an ongoing basis.

Funds entrusted developments and the total liquidity position are monitored by the Group and the individual banking business units daily. A more detailed overview of the liquidity position is reported to the CFO and CRO on a weekly basis. Every month, a complete overview of all liquidity key risk indicators is reported to the Asset and Liability Committee and on a quarterly basis to the Enterprise Risk Committee and to the Audit and Risk Committee of the Supervisory Board as part of the ERM report.

The planning of the bank's liquidity and funding needs in different scenarios, is part of the capital and funding planning process that is executed by Group Treasury.

Stress testing

Triodos Bank uses stress testing to assess its liquidity position against several severe stress scenarios. These scenarios focus on specific stress related to Triodos Bank itself, market-wide stress and a combination of these two.

The outcome of these stress tests is shared on a monthly basis with the Asset and Liability Committee.

Securitisation

In 2019, Triodos Bank set up a retained RMBS transaction called Sinopel 2019 B.V. to further increase the liquidity contingency potential. A securitisation is a transaction where a pool of assets is sold to a special purpose vehicle (SPV). The SPV issues notes with different tranches to finance the purchase price of the assets. The Sinopel RMBS is fully collateralised by Dutch residential mortgage loans.

With Sinopel, Triodos Bank structured an RMBS whereby Triodos Bank is the sole buyer of the issued notes and as such has not transferred the credit risk. Through the retained RMBS, Triodos Bank strengthens its financial resilience and gains additional access to (central bank) liquidity by placing the notes with the DNB. The structure is compliant with the EU's STS regulation. DBRS Ratings Limited and Standard and Poors Global Ratings.

As there is no risk transfer with the Sinopel transaction, the securitisation exposures (notes) are not separately risk weighted. The securitised assets (mortgage loans) are taken into account as if they were not securitised. Triodos Bank consolidates Sinopel in its annual accounts.

Apart from the Sinopel transaction, Triodos Bank is not active as originator, investor or sponsor of securitisation exposures. As a result, Triodos Bank does not hold any re-securitisation positions and does not provide securitisation-related services to any other SPV.

The Class A notes of the retained securitisation are partially placed at the Dutch Central Bank to be able to use a credit line and partly sold under a repurchase agreement. The carrying amount of the Class A notes is placed at the Dutch Central Bank is EUR 932.4 million (2022: EUR 1,597.4 million) and the carrying amount of the financial assets sold under a repurchase transaction is EUR 624.6 million (2022: nil).

Liquidity contingency management

Triodos Bank's liquidity contingency management aims to maintain adequate liquidity in the face of bank-specific or broader market stress. Effective liquidity contingency management is crucial to withstand both immediate and extended periods of liquidity stress. The methods and responsibilities necessary for addressing potential liquidity deficits during times of stress are laid down in the Liquidity and Capital Contingency Plan and the Recovery Plan. These plans are structured in line with regulatory requirements, and are subject to periodical testing, reviews and updates. Activation of these plans occurs when the liquidity position faces a significant threat or when there are clear indicators of looming liquidity stress. These plans allow Triodos Bank to adeptly manage its liquidity requirements, mitigate the potential negative impact on commercial activities, and reduce the impact of a potential rise in funding costs under difficult market conditions.

In its arsenal of liquidity contingency tools, the retained RMBS and credit claims to central banks are of particular importance. They equip the bank with the ability to quickly obtain additional liquidity, reinforcing the bank's financial resilience.

Market risk

Market risk management

Market risk is the risk of losses in on- and off-balance positions arising from movements in market prices, in particular, changes in interest rates, foreign exchange (FX) rates and commodity prices. At Triodos Bank, market risk mainly consists of interest rate risk and FX risk.

Interest rate risk is the risk that interest rate fluctuations lead to undesirable effects on balance sheet and earnings performance as a result of a mismatch between interest rate sensitive assets and liabilities (including off-balance sheet items) in terms of interest rate periods and interest rate levels. This also includes the risk arising from reinvestment, rate of return guarantees and embedded options.

Triodos Bank has a moderate risk appetite for interest rate risk and accepts the inherent mismatch on the balance sheet with longer term fixed assets and a funding base consisting to a large extent of non-maturing deposits.

FX risk is the risk arising from a mismatch between assets and liabilities or revenues and expenditure denominated in foreign exchange. Triodos Bank's base currency is the euro. The base currency of the UK subsidiary of Triodos Bank is British pounds. Triodos Bank has a conservative approach to FX risk. Triodos Bank seeks to eliminate the material impact of FX movements on its capital ratio. Triodos Bank has no active trading book for foreign exchange as this is not in line with its approach to banking. Triodos Bank therefore only accepts limited open FX positions in line with strategic investments and its activities in the UK.

Triodos Bank has established a robust market risk management framework. Market risk is monitored and managed by Group Treasury, within risk appetite limits set by the Asset and Liability Committee.

Market risk structure and organisation

The Group Treasury department is the first line owner of market risk. All market risk management initiatives are reviewed and challenged by the second line risk function, and adequacy and adherence to risk management processes is periodically reviewed by the third line risk function.

In addition, the market risk function reports monthly to the Asset and Liability Committee. Market risk is managed centrally for the Group and all business units, and locally for the UK subsidiary. The organisational structure for market risk management is similar for the Group and the UK subsidiary, apart from the second line responsibilities, which are performed by the Market & Liquidity Risk Management at Group level, and by the Enterprise Risk Management team in the UK.

Market risk measurement systems

An accurate, informative and timely management reporting system is essential for monitoring and managing interest rate risk and FX exposures. The bank's interest rate risk and FX exposures are measured and reported on a monthly basis. Compliance with the limits is reported monthly to the Asset and Liability Committee and quarterly to the Enterprise Risk Committee, or more often when deemed necessary. External data sources are used consistently for market data. In its data quality management process, Triodos Bank measures and manages the timeliness, accuracy, completeness and integrity of the data.

Interest rate risk in the banking book

Triodos Bank does not maintain a trading book. Therefore, all interest rate risk exposure is subject to Article 84 of Directive 2013/36/EU. Interest rate risk in the banking book (IRRBB) is inherent in regular customer-related banking activities, as short-term funding is invested in long-term loans. Triodos Bank uses mainly retail funding to finance customers and projects with the aim to make money work for positive change in society.

Interest rate risk management and mitigation strategies

Triodos Bank manages its interest rate risk position in three ways:

- Triodos Bank is able to steer the volume and interest rate terms of new assets and the interest rate of its liabilities to a limited extent to maintain the interest rate risk exposure within limits. However, changes in customer interest rates and terms will not be made if they would materially impair Triodos Bank's customer service, market position, profitability, capital adequacy and reasonable customer expectations.
- The amount and duration of the marketable investments in the liquidity buffer can be adjusted.
- Triodos Bank uses interest rate swaps (IRS) to maintain the bank's IRRBB exposure within the limits if the first two methods are not effective enough. The consequent positions are taken into account in all the IRRBB calculations, subject to hedge accounting, to avoid profit or loss volatility.

The Asset and Liability Committee is responsible for monitoring and decision-making related to the management of IRRBB. Additionally, the Model and Assumptions Review Committee approves material changes to IRRBB models and changes to important model assumptions.

Monitoring and managing of market risk

Triodos Bank uses various indicators to measure interest rate risk. Risk indicators are periodically reviewed and, where necessary, revised.

The interest rate risk position is monitored by the Asset and Liability Committee on a monthly basis and reported to the Executive Board on a quarterly basis. The main interest rate risk indicators used by Triodos Bank are:

- Earnings at risk: A short-term indicator which shows the effect of an interest rate shock on Triodos Bank's net interest income over a one-year horizon. In addition, Triodos Bank monitors the two-year net interest rate income to capture slightly longer interest rate risk effects.
- Net interest income at risk: A short-term indicator which shows the effect of an interest rate shock on Triodos Bank's net interest income over a one-year horizon in line with Article 98(5a) of Directive 2013/36/EU.
- Economic value of equity at risk: A long-term indicator which represents the change of the economic value of equity (EVE) in the event of an interest rate shock. EVE is defined as the net present value of the future cash flows of all assets netted with the net present value of the future cash flows of liabilities.
- Supervisory outlier test EVE: This is the economic value of equity at risk relative to CET-1 capital for several interest rate shocks, as specified in the EBA Guidelines on IRRBB.
- Supervisory outlier test NII: This is the net interest income at risk relative to CET-1 capital, for several interest rate shocks as specified in the EBA Guidelines on IRRBB.
- Modified duration of equity: An indicator that expresses the sensitivity of the EVE in the event of parallel interest rate changes.
- Gap analysis: This provides a quick and intuitive sense of how Triodos Bank is positioned by comparing the values of the assets and liabilities that roll over – or reprice – at various time periods in the future. While a gap analysis is a good measure of repricing risk, it is not able to measure interest rate risk stemming from option risk and basis risk. Therefore, Triodos Bank monitors the sensitivity of economic value of the banking book items to interest rate changes for different parts of the yield curve by calculation of key rate durations.
- Option risk arises from caps and/or floors on floating interest rates and as a result of client and bank behaviour, i.e. due to prepayments on loans and mortgages, withdrawal of funds entrusted, and the discretion to change the interest rate on savings and current accounts. Both embedded options and behavioural characteristics are considered in the IRRBB measures.

Triodos Bank runs a variety of interest rate scenarios to assess its level of interest rate risk. The scenarios are expressed as shocks to the relevant market rate curves. These shocks include parallel shocks and non-parallel shocks, downward and upward shocks, and instant and gradual shocks. A part of the shocks is prescribed by regulatory guidelines whereas other shocks are developed internally. The interest rate scenarios are periodically reviewed and approved by the Asset and Liability Committee.

Triodos Bank aims to avoid net currency positions, with the possible exception of those arising from strategic investments. Triodos Bank has a significant foreign currency investment in its UK subsidiary. The position also contains the currency derivatives of Triodos Investment Funds which are nearly fully hedged.

Triodos Bank has been granted a waiver under CRR art. 352(2) to exclude this investment from its net open position. With the waiver Triodos Bank will gradually wind down its currency hedge and apply the waiver to reduce the effect of the FX position on the total capital ratio.

Significance of market rate measures and significant variations

Triodos Bank changed to disclosing the Supervisory Outlier Test (SOT) for both Economic Value of Equity (EVE) and Net Interest Income (NII) as IRRBB measures, where previous year the internal EVE at Risk and NII at Risk metrics were disclosed.

Economic Value of Equity at risk (EVE at risk) slightly decreased in 2023. A growing bond and mortgage portfolio, and a shift from non-maturing to fixed-term deposits caused an increase in EVE at risk, which was more than offset by recalibrating the model parameters in the current interest rate regime and increased hedging with interest rate derivatives. All in all, the EVE SOT, as measured under a parallel-up scenario, decreased from 10.8% to 9.5%.

Net interest income at risk (NII at risk) decreased in 2023, this was the result of balance sheet movements and steering of the liquidity portfolio. The change in NII SOT under the parallel-down scenario decreased from 5.6% to 5.2%.

Changes in EVE and NII are measured with the following assumptions:

- The upward and downward scenarios reflect a parallel shock of 200 basis points for EUR and 250 basis points for GBP curves.
- Both shocks are applied instantaneously.
- The net interest income sensitivity is measured over a period of 12 months.
- Projected future volumes use a constant balance sheet assumption.

The average repricing maturity assigned to non-maturity deposits is 2.1 years.

The following is a short summary of the main developments in the main interest rate risk indicators.

Supervisory outlier test NII

In 2023, the supervisory outlier test decreased from 5.6% to 5.2%. The supervisory outlier test demonstrates its worst-case negative outcome within a parallel-down scenario, with a 200 basis point increase for the EUR and a 250 basis point increase for the GBP.

Supervisory outlier test EVE

In 2023, the supervisory outlier test decreased from 10.8% to 9.5%. The supervisory outlier test demonstrates its worst-case negative outcome within a parallel-up scenario, with a 200 basis point increase for the EUR and a 250 basis point increase for the GBP.

Duration of equity

Duration of equity decreased from 5.0 to 4.4 years over the course of 2023. The developments resembled those of EVE at risk since the underlying drivers are similar to those for the supervisory outlier test and EVE at risk, although a difference is that duration of equity is calculated under the assumption of a 100 basis points parallel shift in interest rates.

Capital

Regulation and capital requirements

Basel III is a worldwide standard for regulation, supervision and risk management of the banking sector, developed by the Basel Committee on Banking Supervision. Basel III has been transposed by the European Union into the Capital Requirements Regulation and the Capital Requirements Directive. The Capital Requirements Regulation is directly applicable and the Capital Requirements Directive was transposed into local law by each of the member states of the European Union. As Triodos Bank is formally domiciled in the Netherlands, the Dutch implementation of the Capital Requirements Directive is applicable.

There is no difference in the scope of consolidation for accounting and for prudential reporting purposes. Except for the transfer of own funds of Triodos Bank UK Ltd, there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities among Triodos Bank and its consolidated companies. All subsidiaries are included in the consolidation. Triodos Bank has not made use of a derogation option with regard to the application of prudential requirements on an individual basis.

Capital requirements

Triodos Bank calculates its internal capital adequacy requirements based on minimum requirements (Pillar 1), supplemented with additional capital charges (Pillar 2), as described in the Capital Requirements Regulation.

Pillar 1 capital requirement

The pillar 1 capital requirement consists of capital charges for credit risk, operational risk and market risk:

- Credit risk: Triodos Bank applies the standardised approach for calculating its minimum capital requirements for credit risk and the financial collateral simple method for credit risk mitigation. The risk-weighted asset calculations apply to all on-balance sheet exposures (including the loan book and the investment book), and off-balance sheet items (such as loan offers not yet accepted) and derivatives exposures.
- Operational risk: Based on the size and limited complexity of the Triodos Bank organisation, the basic indicator approach (BIA) is used for calculating the capital requirement for operational risk, which equals 15% of the three year average of Triodos Bank's gross income.
- Market risk: The capital charge for Triodos Bank's market risk is related to its exposure to FX risk. The requirement is calculated as the sum of the bank's overall net FX position multiplied by 8%. However, when the regulatory threshold of 2% of the actual own funds is not exceeded, the capital charge for market risk is zero.
- Credit valuation adjustment risk: a capital charge is applied for the counterparty risk of derivative transactions that are not cleared through a qualified central counterparty. Triodos Bank applies the standardised method for calculating the capital requirements for credit valuation adjustment risk.

Pillar 2 capital requirement

To determine its economic capital, Triodos Bank also calculates the pillar 2 capital requirement. These consist of charges for risks or parts of risks that are not covered by Pillar 1 capital requirements. This consists of items in the areas of credit risk, strategic risk, IRRBB, model risk and operational risk. The total capital requirement consists of the Pillar 1 and 2 requirements and the combined buffer requirements.

Regulatory requirements

Triodos Bank maintains robust capital adequacy above regulatory requirements. As of 31 December 2023, Triodos Bank's total capital ratio of 20.4% and Common Equity Tier 1 (CET1) capital ratio of 16.7% are well above the minimum required levels as set by DNB in the Supervisory Review and Evaluation Process (SREP).

Triodos Bank is required to hold a minimum Overall Capital Requirement (OCR) at consolidated level of 15.5%, of which at least 12.5% needs to be composed of Tier 1 capital. Triodos Bank's Tier 1 capital solely comprises CET1 capital, as Triodos Bank does not issue Additional Tier 1 (AT1) capital. The OCR includes the 8.0% Pillar 1 capital requirement and the 4.2% Pillar 2 capital requirement, forming the Total SREP Capital Requirement (TSCR) and the Combined Buffer Requirement (CBR). The CBR, to be held in CET1 capital, consists of the capital conservation buffer (2.5%) and the countercyclical buffer (0.8%).

31 December 2023	Total capital	of which CET1 capital	of which Tier 2 capital
Pillar 1 requirement	8.0%	6.0%	2.0%
Pillar 2 requirement	4.2%	3.2%	1.0%
Total SREP Capital Requirement (TSCR)	12.2%	9.2%	3.0%
Capital conservation buffer	2.5%	2.5%	
Countercyclical capital buffer	0.8%	0.8%	
Combined Buffer Requirement (CBR)	3.3%	3.3%	
Overall Capital Requirement (OCR)	15.5%	12.5%	3.0%
Actual capital ratio	20.4%	16.7%	3.7%

Internal capital

The capital strategy of Triodos Bank is assessed in its Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP covers, for example, the measurement of risks requiring an adequate capital buffer, stress testing, capital contingency and the allocation of available capital to the different Triodos Bank business units. The ICAAP is subject to the DNB Supervisory Review and Evaluation Process (SREP), which is conducted annually.

The actual capital position is stressed regularly based on a number of stress scenarios. A capital contingency process is set up for Triodos Bank in case of a potential shortfall in available capital, which can be a threat to its solvency. For this purpose, the recovery plan contains measures for restoring the bank's solvency by reducing risks and/or increasing capital and provides a specific governance structure for managing such stressed situations.

Capital strategy

Triodos Bank aims for a sound and resilient capital base supporting its sustainable and targeted lending growth strategy. The objective of Triodos Bank's capital strategy is to ensure its viability by:

- Maintaining sufficient capital to absorb current and future business losses, also in extreme situations (stress);
- Allocating sufficient capital to its business units
- Ensuring compliance with all applicable capital legislation and regulation at all times

Triodos Bank's own funds consist of Common Equity Tier 1 (CET1) capital and Tier 2 capital. In 2021, Triodos Bank issued a subordinated Tier 2 Green Bond for an amount of EUR 250 million, which matures in 2032 with the option of Triodos Bank to repay early, starting in 2027. This might result in a refinancing risk, the possibility that Triodos Bank is not able or only at high costs to attract investors to invest in a newly issued Tier 2 bond that replaces the (earlier) matured one.

Capital allocation and monitoring

Equity is allocated to banking business units in the annual budget. The planning process is based on the forecasted return on risk-weighted assets, contribution to Triodos Bank's mission and strategy. Triodos Bank works with a rolling three-year capital forecast.

The Asset and Liability Committee monitors Triodos Bank's capital position and advises the Executive Board on capital adequacy. The Asset and Liability Committee also assesses whether available capital is sufficient to support current and future bank activities monthly.

During 2023, available capital remained at sufficient levels at all times, in line with external regulatory minimum requirements. A retained portion of the 2023 profit will be added to the bank's reserves in 2024.

Leverage ratio and management of excessive leverage

The leverage ratio is a measure indicating the level of the Tier 1 capital compared to the total exposure. The aim of Triodos Bank's capital management strategy and procedures is to maintain a sound capital base. Triodos Bank aims to maintain a leverage ratio of at least 6.5% at consolidated level, which is above the minimum regulatory requirement. At year-end, the relevant capital used to calculate the leverage ratio consists of CET1 capital. Triodos Bank's capital base to calculate the leverage ratio is therefore not subject to refinancing risks.

MREL requirements

Minimum Requirement for own fund and Eligible Liabilities (MREL) applies to Triodos Bank at a consolidated level. MREL provides additional capacity to absorb losses and facilitate recapitalisation in the case of resolution. Triodos Bank has a single point of entry resolution strategy.

As per 1 January 2024, the MREL requirement on leverage exposure for Triodos Bank is 5.2%. Triodos Bank meets this MREL requirement with a leverage ratio of 6.9% at the end of 2023. Triodos Bank must also comply with the MREL requirement on RWA starting 1 January 2026. Based on 2023 year-end data, this requirement could be approximately 21% of RWA, excluding the combined buffer requirement.

Our customers in the Netherlands can now use their debit card to log in and out of Dutch public transport.

Read more

Non-financial risk

Non-financial risk includes all the risks faced in Triodos Bank's regular activities and processes, that are not categorised as enterprise risk or financial risk. Triodos Bank has subdivided non-financial risk into operational risk and compliance risk. Monitoring these risks is particularly important to ensure that Triodos Bank can continue to offer quality financial services to its stakeholders.

Operational risk

Operational risks relate to losses that Triodos Bank could incur as a result of inadequate or failing internal processes, systems, human behaviour or external events. Triodos Bank limits these risks with clear policies, procedures and controls for all business processes.

Operational risk management (ORM) consists of identifying, managing and monitoring the risks within several subcategories, including information security, business continuity, tax risk, fraud risk and financial reporting risk.

Activities to manage risks related to these subjects are, from a second line perspective, executed under the responsibility of the CRO in line with the ORM framework. The Group Director ORM reports directly into the CRO. The ORM function is represented in each business unit with the local operational risk managers reporting directly into the head of ORM. The head of ORM reports hierarchically into the Group Director ORM. Triodos Investment Management and Triodos Bank UK have a functional reporting line to the Group Director ORM.

The Non-Financial Risk Committee is a Group-level decision-making risk committee delegated by the Executive Board to take decisions related to the non-financial risk profile and associated mitigating measures. When it comes to the non-financial risk appetite, the Executive Board remains the final decision-making body. This committee is set up locally and at Group level, meets once a month, and consists of members of first and second line functions. Annually, risk appetite levels of the non-financial key risk indicators are reviewed, updated and cascaded to the business units.

The ORM framework follows the principles set out by the Bank for International Settlements in 'Sound Practices for the Management and Supervision of Operational Risk', which provides guidelines for the qualitative implementation of ORM.

The ORM framework uses several tools and technologies to identify, measure and monitor risks and monitors the level of control on an operational, tactical and strategic level. The ORM department performs continual analysis on several operational risk related procedures and maintains strong reporting and communication lines with the local operational risk managers.

The In-Control Statement framework encompasses a set of policies, procedures and controls that are designed to ensure that the bank's operations are conducted in a sound and efficient manner. Next to the ability to demonstrate control, the bank recognises and appreciates the inherent value that comes with performing the control assessments and processes underlying the actual In-Control Statement, such as the conversation on how to further improve on controlling risks of relevant processes and value chains.

The In-Control Statement methodology adopted by Triodos Bank originates from the Committee of Sponsoring Organizations (COSO) framework; the most widely adopted control framework. The COSO control components form the basis for the control assessment(s) within Triodos Bank. Depending on the different functional responsibilities within Triodos Bank, specific control components may be more emphasised than others. The control components 'risk assessment' (risk identification) and 'control activities' (risk mitigation) play a predominant role in the control framework of the bank.

Information security

Cyber threats are considered to be at a high level in the financial sector. Triodos Bank performs periodic cyber-threat assessments and risk and control self-assessments to determine the adequacy of its information security strategy and to further strengthen its security controls. The information security management system is set up in line with the European Banking Authority (EBA) guidelines on ICT and security risk management. A Security Operations Centre (SOC) detects and responds to cybersecurity events. The roll-out of a security awareness and behaviour programme to all business units supports co-worker security awareness. Triodos Bank performs the periodic threat intelligence-based ethical red-teaming (TIBER) test as part of ICT and security management. The IT risk management process is fully aligned with the ORM framework. Key controls are defined and tested accordingly. In 2023, a project was started to achieve compliance with new cybersecurity regulation (DORA and NIS2; both regulations will come into effect in 2025).

Business continuity management

Business continuity management (BCM) is the management process that identifies potential threats to business processes of Triodos Bank and the impact on business operations if those threats materialise. BCM provides a framework for building organisational resilience by developing an effective preparation and response capability that safeguards the interests of key stakeholders, reputation, brand and value-creating activities in case identified threats occur. The purpose of BCM is to ensure that Triodos Bank's critical processes can be maintained or recovered in a timely way after a disruption or incident, to minimise negative personal, operational, financial, legal and/or reputational impact. Within the risk management framework, the governance of the BCM process is described in the Group BCM policy. The policy is written in line with the applicable regulations and guidelines.

Tax risk

Triodos Bank is subject to international tax risks due to its operations in several Western European countries. The local tax risks are managed by the respective local Triodos Bank business units in close cooperation with the Triodos Bank tax department at Group level. Triodos Bank has a horizontal monitoring agreement with the Dutch tax authorities. Triodos Investment Management investment funds operate worldwide. All tax-risk-related issues are handled by a dedicated tax department within Triodos Investment Management.

Fraud risk

Triodos Bank performs an annual Systematic Integrity Risk Analysis (SIRA) to assess its vulnerabilities to fraud events.

The number of internal fraud incidents within Triodos Bank is relatively low. Controls like internal training and awareness are in place, and Triodos Bank has pre- and in-employment procedures resulting in a low-risk culture in relation to fraud. The number of incidents has been limited in recent years and the impact minimal.

External fraud is much more common, as it is with peers in the sector. Triodos Bank has implemented several extra fraud monitoring controls over the past years. More specifically, the number of (generic) rules to recognise social engineering attacks has increased significantly in the last years. In addition, there have been adjustments at the product level to mitigate fraud risk. For instance, the default online payment limits have been decreased and the duration after a limit adjustment was deliberately lengthened.

Moreover, the information on our secure banking web page has been updated, further expanded, made more easily available and better explained in short videos. Lastly, we invested more in warning our customers specifically about fraud events.

The impact of fraud on the annual results is limited. Within Triodos Bank, an integrated Know Your Customer (KYC) and Financial Crime department has been set up with a Group Director to functionally steer Triodos Bank's policy and practice on financial crime at Group level.

Financial reporting risk

Triodos Bank is subject to financial reporting risk which relate to interpretation of regulations, data quality and estimations and assumptions applied to disclosures in the financial statements. Triodos Bank is continually improving its reporting and the risk and control frameworks surrounding the reporting processes. Projects and improvement programmes have been set up to ensure effective and efficient usage and analysis of data to support its decision-making processes.

Compliance risk

Triodos Bank defines compliance risk as the risk of legal or regulatory sanctions, material financial loss or loss to reputation that Triodos Bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory standards and codes of conduct applicable to its banking activities. Internal policies, procedures and awareness activities are in place to ensure that co-workers in all functions comply with applicable laws and regulations.

The compliance function independently monitors and challenges the extent to which Triodos Bank complies with laws, regulations and internal policies. Within this, there is an emphasis on customer due diligence, anti-money laundering, treating customers fairly, preventing and managing conflicts of interest, data protection and the integrity of co-workers.

Triodos Bank has a Group compliance team which is led by the Management Team Compliance, chaired by the Group Director Compliance. Compliance officers and data protection officers are appointed in every banking business unit with a reporting line to the Group Compliance department. The heads of compliance from all entities form the Management Team Compliance. The Group Director Compliance reports to the CRO. An escalation line to the Chair of the Audit and Risk Committee supports the independence of the compliance function. The Non-Financial Risk Committee is the governing body of the compliance function.

Triodos Bank aims to serve the interests of all stakeholders by actively fulfilling its role as a gatekeeper in the financial system and by countering money laundering and terrorism financing. The bank applies various procedures and measures in this respect.

A compliance framework is in place to set out the principles for the management of compliance risks within Triodos Bank, which helps the first line to manage compliance risks effectively and efficiently. Triodos Bank aims to manage its compliance risks in a way that they remain within acceptable levels. These levels are defined in the overall risk appetite.

Triodos Bank has a low appetite for compliance risks. Triodos Bank is committed to uphold sound business practices and to diligently comply with legal and regulatory standards. Compliance key risk indicators have been defined to assess whether the compliance risks are within an acceptable level. The compliance key risk indicators are measured quarterly and are incorporated in the quarterly compliance reports.

In accordance with the compliance framework, Group Compliance incorporates the quarterly reports of the business units into the Group compliance report that is discussed by the compliance leadership team and thereafter submitted to the Non-Financial Risk Committee. A summary of the report is added to the Enterprise Risk Management Report and submitted to the Executive Board and the Audit and Risk Committee of the Supervisory Board.

In 2023, the risk and compliance functions were restructured as part of the redesign of the Triodos Operating Model. Within compliance, this resulted in more centralised steering with better alignment of activities and deeper integration of processes to support Triodos Bank being more in control of risks.

On 6 March 2019, the Dutch Central Bank (DNB) imposed a formal instruction (aanwijzing) on Triodos Bank to remedy shortcomings in compliance with provisions of the anti-money laundering and countering the financing of terrorism legislation, and with financial supervision laws. In 2023, DNB formally closed this instruction, following effective remediation by Triodos Bank.

In 2023, Triodos Bank was not involved in sanctions associated with non-compliance with legislation or regulations in terms of financial supervision, corruption, advertisements, competition, data protection or product liability.

Legal risk

Legal risk is defined as the risk associated with changes in and compliance with legislation and regulation, potential threats to the institution's legal status, including the possibility that contractual provisions are not enforceable or not properly documented.

The legal and regulatory environment is large and complex. Significant steps are made to improve the process of detecting, analysing, and implementing regulatory changes. The legal function is active in cooperation with the other areas and business units within Triodos Bank to provide operational support and managing legal risks.

For information about ongoing legal proceedings involving Triodos Bank, please refer to page 303.

sAtt Arrchitectura addresses economic and social challenges through access to housing and shared community spaces.

Leadership and governance

Executive Board

At Triodos Bank, we believe good corporate governance is paramount for fulfilling our mission. Triodos Bank's corporate governance structure therefore reflects and protects the bank's mission. Triodos Bank has a two-tier governance model consisting of an Executive Board and a Supervisory Board.

Executive Board role and responsibilities

The Executive Board is the statutory managing board of Triodos Bank within the meaning of Section 2:129 Dutch Civil Code. The Executive Board is responsible for the general course of business, the general policy and the strategy of Triodos Bank amongst other things. In fulfilling their tasks, the Executive Board is guided by the interests of Triodos Bank and its business, and considers the interests of Triodos Bank's customers and other stakeholders. The Executive Board is accountable to the Supervisory Board. Members of the Executive Board are appointed and reappointed by the Supervisory Board.

Executive Board composition and diversity

The Executive Board is composed of five members: the Chair of the Executive Board and Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Commercial Officer and Chief Operations Officer.

The Executive Board's composition changed in early 2023. Effective as of 25 January 2023, Willem Horstmann stepped down as member of the Executive Board of Triodos Bank. Willem Horstmann was previously appointed as a member of the Supervisory Board of Triodos Bank in 2022 and shortly thereafter stepped down to be appointed as member of the Executive Board ad interim in the role of Chief Financial and Risk Officer, to bridge the period until both a new Chief Financial Officer and a new Chief Risk Officer could be appointed.

At the Extraordinary General Meeting on 25 January 2023, the General Meeting was notified of the intended appointment of two new members of Triodos Bank's Executive Board: Kees van Kalveen as Chief Financial Officer and Marjolein Landheer as Chief Risk Officer ad interim. Kees van Kalveen and Marjolein Landheer were subsequently appointed as members of the Executive Board by the Supervisory Board.

In October 2023, Triodos Bank announced that Carla van der Weerdt and Triodos Bank have agreed in good consultation that Carla van der Weerdt will not return to her role as Chief Risk Officer and member of the Executive Board after a period of illness. This will allow Carla to fully focus on her recovery and the next phase of her professional life.

The Supervisory Board will notify the General Meeting in May 2024 of the intended appointment of Marjolein Landheer as her successor.

The Executive Board is composed in the best possible way to ensure a degree of diversity appropriate to the company in terms of expertise, experience, competencies, other personal qualities, sex or gender identity, age, nationality and cultural or other background is present to carry out its duties properly, in accordance with the diversity policy drawn up by the Supervisory Board with regard to the composition of the Executive Board. The size of the Executive Board reflects these requirements.

Executive Board induction and learning programme

Following their appointment, all new members of the Executive Board complete an extensive induction programme designed to ensure they have the relevant knowledge needed to fulfil their role, including thorough knowledge of Triodos Bank and its mission and business activities, including the financial reporting of Triodos Bank and any other general financial, environmental, social, governance, risk, compliance and legal matters. In view of the different knowledge, background and experience of newly appointed members of the Executive Board, each induction programme is tailor-made.

The expertise of members of the Executive Board is maintained at the required level and improved where necessary.

Relevant developments at Triodos Bank and in the financial sector in general are discussed, as well as financial reporting, audit and risk management. In 2023, special attention was paid to the multilateral trading facility (MTF) regulatory environment, sustainable banking and impact investing and in addition, time was dedicated to deep dives related to governance, transaction monitoring and financial crime.

Jeroen Rijpkema Chief Executive Officer

Jeroen Rijpkema is statutory member and Chair of the Executive Board of Triodos Bank N.V. since 21 May 2021. He is also member of the Board of Stichting Triodos Holding and member of the Board of the Dutch Banking Association. In addition, he is board member of Stichting Social Finance NL and of Stichting Graaf Carel van Lynden.

Jeroen is Dutch, male and was born in 1960. He owns 315 Triodos Bank Depository Receipts.

Kees van Kalveen Chief Financial Officer

Kees van Kalveen is statutory member of the Executive Board and Chief Financial Officer of Triodos Bank N.V. since 25 January 2023.

Kees is Dutch, male and was born in 1971. He does not own any Triodos Bank Depository Receipts.

Marjolein Landheer Chief Risk Officer a.i.

Marjolein Landheer is statutory member of the Executive Board and Chief Risk Officer of Triodos Bank N.V. ad interim since 25 January 2023. Her term of appointment ad interim was extended at the AGM on 26 May 2023 until after the end of the AGM in 2024. She is also member of the Board of Natuurmonumenten. Until April 2023, she was a member of the Supervisory Board of Cordaid.

Marjolein is Dutch, female and was born in 1970. She does not own any Triodos Bank Depository Receipts.

Jacco Minnaar Chief Commercial Officer

Jacco Minnaar is statutory member of the Executive Board and Chief Commercial Officer of Triodos Bank N.V. since 28 September 2021. In addition, he is member of the Boards of Stichting Triodos Renewable Energy for Development Fund, Stichting Triodos Sustainable Finance Foundation and Triodos Ventures B.V. Until December 2023, he was member of the Board of Hivos Triodos Fund.

Jacco is Dutch, male and was born in 1971. He owns 20 Triodos Bank Depository Receipts.

Nico Kronemeijer Chief Operations Officer

Nico Kronemeijer is statutory member of the Executive Board and Chief Operations Officer of Triodos Bank N.V. since 28 September 2021. He is also member of the Supervisory Board of the Art Centre It Toanhûs in Friese Meren.

Nico is Dutch, male and was born in 1964. He owns 7 Triodos Bank Depository Receipts.

Corporate governance

Governance structure

Triodos Bank is a Dutch public limited liability company (naamloze vennootschap, N.V.) with a registered office in Zeist, the Netherlands. Triodos Bank heads a company group which comprises the wholly-owned subsidiaries Triodos Investment Management B.V. and Triodos Bank UK Ltd. Triodos Bank operates in the Netherlands, Belgium, Spain, and Germany by means of local branch offices. In the United Kingdom, Triodos Bank operates through its subsidiary Triodos Bank UK Ltd.

Triodos Bank is subject to the large company regime of Article 153, Title 4 of Book 2 of the Dutch Civil Code. Under this regime, a number of powers traditionally vested in the general meeting of shareholders (the General Meeting) is transferred to the Supervisory Board. Triodos Bank has a two-tier board structure consisting of the Executive Board and the Supervisory Board. More information on the composition, appointment, responsibilities and functioning of the Executive Board and Supervisory Board are provided in the Executive Board section and the Supervisory Board report of this Leadership and governance chapter.

To ensure the protection of the mission and identity of Triodos Bank, all shares in the capital of Triodos Bank are held for administration purposes by Stichting Administratiekantoor Aandelen Triodos Bank (SAAT) [Foundation for the Administration of Triodos Bank Shares]. SAAT is the legal owner of the shares and has issued Depository Receipts (DRs), which represent these shares. In all of its activities, SAAT is guided by the 'threefold perspective': the interests of the DR Holders, the interests of Triodos Bank, and Triodos Bank's mission.

In March 2023, the Meeting of DR Holders voted on a new voting policy for SAAT. The voting policy increases the influence of DR Holders in the General Meeting of Triodos Bank. Key elements of the voting policy include the introduction of the principle that SAAT will only exercise the voting right on shares for which DR Holders have actively requested SAAT to vote on their behalf (the 'one share one vote-principle'). In addition, DR Holders have the right to request a proxy from SAAT to exercise the voting right for themselves. DR Holders may also issue a voting instruction to SAAT. In exceptional circumstances, SAAT may refuse to grant a proxy or SAAT may revoke a proxy.

In July 2023, Triodos Bank completed the listing of DRs on the Captin trading platform. Previously, Triodos Bank maintained its own platform for trading of DRs. The listing on the Captin platform marked the closure of a period of suspended DR tradability. The listing of DRs on the Captin platform triggers the applicability of certain requirements under Dutch law. This includes the applicability of specific statutory rights for DR Holders. In part, the adoption of the voting policy of SAAT reflects the applicability of these rights. More information on DRs is provided in the Our investors section of the Triodos Bank in 2023 chapter.

Corporate Governance Code

The Dutch Corporate Governance Code sets out norms for good governance and applies to publicly listed companies that are incorporated in the Netherlands. This includes companies with a listing on a multilateral trading facility that meet certain size criteria. The Corporate Governance Code applies on a comply-or-explain basis, meaning that a company may deviate from the best practices set out by the Corporate Governance Code if it provides a sufficient motivation. The Code has applied since 2003 and has since been amended on multiple occasions, most recently in 2022.

As a result of the listing of DRs on the Captin trading platform, Triodos Bank became subject to the Corporate Governance Code. Before this time, Triodos Bank already applied the Corporate Governance Code on a voluntary basis. Although Triodos Bank generally complies with the principles and best practices of the Corporate Governance Code, it has opted to deviate from specific best practices in the instances described below.

The first deviation from the Corporate Governance Code relates to the right of DR Holders to request a proxy for exercising voting rights on the underlying shares (Best Practice 4.5.8). Pursuant to the voting policy of SAAT, DR Holders have a right to request a proxy from SAAT to exercise the voting right for themselves. However, in a limited number of cases and when this is in the interest of the continuity of Triodos Bank, SAAT may decide to limit, exclude or revoke a proxy. This is in line with the legal requirements for proxy voting by DR Holders laid down by Article 2:118a of the Dutch Civil Code.

Triodos Bank also deviates from the Best Practice that Supervisory Board members may be appointed for a maximum of three four-year terms (Best Practice 2.2.2). The Articles of Association of Triodos Bank allow the General Meeting to re-appoint a member of the Supervisory Board in exceptional circumstances after his or her maximum number of terms has been completed. This creates additional time and space for the Supervisory Board to fill vacancies with suitable candidates.

Triodos Bank also deviates from the Best Practice to submit proposals to the General Meeting for material amendment to the Articles of Association as separate agenda items (Best Practice 4.1.3). For practical reasons Triodos Bank wants to retain the possibility, at the discretion of the Executive Board and the Supervisory Board, to submit a proposal for multiple amendments to the Articles of Association as one single agenda item when there is a strong degree of interrelatedness between the proposed amendments.

Finally, the Corporate Governance Code contains a number of best practices which are not applicable to Triodos Bank. This includes best practices relating to share plans and option schemes for executive remuneration, which are not relevant as these types of remuneration are not awarded in line with the remuneration policy of Triodos Bank.

An explanation of Triodos Bank's application of the Corporate Governance Code, and where relevant, the deviations thereof, is set out by the Comply-or-explain Matrix which is available at www.triodos.com/governance.

Banking Code, Bankers' Oath and rules of conduct

The Banking Code applies to banks with registered office in the Netherlands and sets out principles Dutch banks should observe. The primary focus of the Banking Code is on governance and culture, and the Banking Code puts the interests of the customer at the centre. This fully aligns with Triodos Bank's vision and business principles.

The Banking Code was first introduced in 2009 by the Dutch Banking Association (Nederlandse Vereniging van Banken, NVB), as a part of the Future-oriented Banking Package. This package also included a Social Charter and rules of conduct for bank employees. In connection with the rules of conduct, bank employees are required to take the Bankers' Oath.

Triodos Bank complies with the Banking Code and continuously monitors its compliance. The sections of the Banking Code relating to variable remuneration are not relevant for Triodos Bank. Triodos Bank chooses not to offer variable remuneration based on predetermined financial targets or achievements as this may enhance a culture of taking inappropriate risks. A full overview of Triodos Bank's application of the Banking Code, and where relevant, the deviations thereof, is set out by the Comply-or-explain Matrix which is available at www.triodos.com/governance.

The members of the Executive Board, the members of the Supervisory Board and all co-workers are required to take the Bankers' Oath. As a result of taking the oath they become subject to the rules of conduct, which set ethical and professional norms for the banking business. The Bankers' Oath and the rules of conduct conform with Triodos Bank's existing practice and align with the Triodos Bank business principles.

We aim to stimulate sustainable housing through our mortgages.

Read more on our Resource Transition Theme

Corporate governance statement

Further to Article 2a of the Decree on the executive board report (Besluit inhoud bestuursverslag) and Article 2 of the Decree on disclosure of non-financial information (Besluit bekendmaking niet-financiële informatie), Triodos Bank is required to provide a statement elaborating on certain matters relating to corporate governance and non-financial information. The elaboration on these matters is set out by the Annual Report 2023, and additional information is available at www.triodos.com/governance.

Here below, references are provided to the sections of the Annual Report 2023 and the Triodos Bank website which provide the elaboration required by the Decree on the executive board report and the Decree on disclosure of non-financial information. This information is deemed inserted and repeated in this corporate governance statement.

- Information concerning compliance with the Dutch Corporate Governance Code and an explanation of intentional deviations included in the Annual Report 2023 is provided in the Corporate governance section of this Leadership and governance chapter. Please find the complete comply-or-explain statement regarding adherence to the Dutch Corporate Governance Code at www.triodos.com/governance.
- Information on main features of internal control and risk management systems in relation to the financial reporting process of Triodos Bank is included in the Risk management chapter of the Annual Report 2023.
- Information on the operation of the General Meeting of shareholders, including rights of shareholders and Depository Receipt Holders is included in the Corporate governance section of the Leadership and governance chapter of the Annual Report 2023.
- Information on the composition and operation of the Executive Board, the Supervisory Board and the Supervisory Board committees is included in the Annual Report 2023, in the Executive Board section and Supervisory Board Report in this Governance and leadership chapter.
- Information on Triodos Bank's business model is included in the About Triodos Bank section of the Triodos Bank in 2023 chapter of the Annual Report 2023.
- Information on the policies of Triodos Bank and implemented due-diligence processes and their outcomes pertaining to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters is included in the Annual Report 2023, in the ESG Reporting chapter, the Our impact chapter, the Our co-workers section of the Triodos Bank in 2023 chapter and the Risk management chapter.
- Information on non-financial risks, and management of these risks, is included in the non-financial risk section of the Risk management chapter of the Annual Report 2023.
- Information on non-financial key performance indicators, being Impact, Environment and People, is included in the Annual Report 2023, in the Triodos Bank in 2023 chapter, the Our Impact chapter and the ESG Reporting chapter.
- Information on the policy for equity, diversity and inclusion is provided in the Annual Report 2023, in the Our Co-workers sectionof the Triodos Bank in 2023 chapter.
- The terms of administration of SAAT stipulate that DR Holders may not hold Depository Receipts that jointly represent a nominal amount exceeding 10% of the total issued capital of Triodos Bank. Therefore, the disclosure obligation stipulated by Article 3b of the Decree on the executive board report, with reference to the Decree Article 10 Takeover Directive (Besluit artikel 10 overnamerichtlijn), is irrelevant to Triodos Bank. More information on the distribution of Depository Receipts is provided in the Our investors of the Triodos Bank in 2023 chapter.

Message from the Chair of the Supervisory Board

Triodos Bank had an eventful year in 2023. The Depository Receipts (DRs) were listed on a multilateral trading facility (MTF), the bank redesigned its operating model and adopted major governance changes. At the same time, Triodos Bank continued to finance positive change and earned the title of most active clean energy lead arranger globally by total number of deals. The balance sheet remained robust, and profitability improved. Triodos Bank continued its advocacy to change finance and was the first bank to support the Fossil Fuel Non-Proliferation Treaty. I extend my compliments and thanks to the entire team for their hard work and the achievements so far.

War, violent conflicts, natural disasters and political instability sadly intensified in 2023, causing immense suffering and increasing the long-term risks to humanity. With interest rates doubling in Europe, inflation receded and a mildly recessionary environment emerged. Businesses faced higher wage costs and an end to COVID-19 related tax relief. In this context, the Supervisory Board paid close attention to maintaining the bank's resilient financial position and healthy credit portfolio.

Triodos Bank's business model, attracting savings from and lending to customers, is particularly sensitive to changes in interest rates. Higher interest rates in 2023 supported a significant increase in Triodos Bank's profit, and I am pleased that this has enabled the bank to further invest in the business after a challenging period of neutral or negative rates. The Supervisory and Executive Boards discussed dilemmas regarding which investments would best improve customer experience and future-proof the quality and positive impact of the business.

Listing of Triodos Bank's Depository Receipts

The first trades in DRs on 5 July 2023 on the Captin MTF platform marked the end of a long period of suspended trading in DRs. Restoring tradability for our DR Holders was an important goal of the bank. The Supervisory Board set up a temporary committee to increase oversight and ensure the Executive Board's preparations were sufficient. During the preparations for the listing, my colleagues and I also kept in close contact with the external prudential supervising authority, De Nederlandsche Bank (DNB).

The Enterprise Chamber of the Amsterdam Court of Appeal's decision in March 2023 to reject a request by a group of DR Holders to investigate Triodos Bank's policies and management regarding DRs was significant. The Chamber's recognition that pursuing the listing on the MTF was in the best interest of all stakeholders affirmed the Supervisory Board's view that the Executive Board was taking the appropriate course of action. The ruling also reopened opportunities for out-of-court dialogue between the Executive Board and DR Holder groups.

Since the listing, DR trading volumes have been limited and the DR market price trended downward. The DR Holders are one of Triodos Bank's key stakeholder groups and so achieving adequate tradability and a favourable DR market price is important. The temporary committee has been dissolved but the Supervisory Board continued to advise and challenge the Executive Board on the topic.

Governance review

In 2023, Triodos Bank underwent an assessment of policies and practices to ensure the bank's compliance with legislation for listed companies. I am pleased that as the Supervisory Board, we took this opportunity to step back and consider more generally the ways our cooperation with the Executive Board could be improved. We commissioned a governance review and reflected on our role to advise, challenge and provide space for the Executive Board to make decisions. Together we looked at methods to scale up and scale down the Supervisory Board's focus in a way that promotes efficiency and at the same time ensures ongoing effective supervision. Also, we discussed how to modernise the bank's relationship with the Stichting Administratiekantoor Aandelen Triodos Bank (SAAT).

The new voting policy for SAAT introduced in 2023 based on the one share, one vote principle represented a major shift in governance for Triodos Bank. Following the listing, DR Holders can now vote at shareholder meetings for the first time, giving this group of the bank's stakeholders significantly more influence than before. The Supervisory Board embraced the greater empowerment of all DR Holders, which can and should go hand in hand with taking the interests of all stakeholders into account while pursuing the bank's mission.

Focus on longer-term strategy

The Supervisory Board continued to focus on the bank's longer-term strategy. The planned improvements in the operating model of the bank – streamlining and integrating functions across the country organisations – took hold in 2023. In 2023, we introduced Strategy Days, where the Executive and Supervisory boards spent a full day together on three occasions to consider topics related to the longer-term strategy of the bank. We discussed strategy relating to 'business as usual' with topics such as digitisation, product development and risk management. The outcomes were fed into the 2024-2026 Group Strategic Plan and 2024 Group Year Plan. We also discussed 'pushing the boundaries' strategy to ensure Triodos Bank remains to its customers and in the markets in which it operates, a frontrunner in sustainable banking, as sustainability becomes a more prominent theme for other banks.

Changes in the Executive and Supervisory Boards

In January 2023, Kees van Kalveen was appointed Chief Financial Officer (CFO) and Marjolein Landheer was appointed Chief Risk Officer (CRO) ad interim due to Carla van der Weerdt's illness. I have been impressed by how quickly Kees fulfilled the CFO role and championed leadership topics not typical for his function such as co-worker wellbeing. Likewise, I have been struck by how Marjolein, despite the temporary nature of her position, has invested tremendous personal energy in Triodos Bank, leading the risk function and promoting broader topics like Equity, Diversity and Inclusion (EDI).

These appointments allowed Willem Horstmann to step down from his temporary Executive Board role as Chief Financial and Risk Officer ad interim and, after an appropriate cool-down period, be reappointed to the Supervisory Board where he again chairs the Audit and Risk Committee. I thank Sébastien D'Hondt for temporarily chairing this committee in the meantime.

In October, we announced that Carla will not return to her role as CRO. Carla served as CRO since 2019 and previously served on the Supervisory Board. She brought professionalism to her roles and put a risk awareness culture centre stage at Triodos Bank. I thank Carla and wish her the best for the next stage of her career. The Supervisory Board will notify the AGM in May 2024 of the intended appointment of Marjolein as her successor.

Executive Board succession planning goes to the heart of the role of the Supervisory Board. In 2023, we honed the design of our Executive Board member recruitment processes, including how to embed EDI therein. We will build on this in 2024.

In 2024, the Supervisory Board will continue to monitor developments related to the DRs and MTF listing. We will also continue advising and challenging the Executive Board on the general course of affairs and strategy, taking into account the interest of all stakeholders, so that Triodos Bank can stay ahead of the curve and continue to make money work for positive change in society.

On behalf of the Supervisory Board,

Mike Nawas

Supervisory Board report

The role of the Supervisory Board is to supervise the policies pursued by the Executive Board and the general course of affairs of the company and its related business, as well as to advise the Executive Board. Members of the Supervisory Board are appointed and reappointed by the General Meeting of Triodos Bank, based on a recommendation from the Supervisory Board.

About the Supervisory Board

The Supervisory Board consists of six members, including a Chair and Vice-Chair. The Supervisory Board has two standing committees, the Audit and Risk Committee and the Nomination and Remuneration Committee, whose members are appointed by the Supervisory Board from its own members. The latter committee was formed in early 2023 combining the Nomination Committee and the Remuneration Committee. The Supervisory Board is advised by these committees. The full Supervisory Board remains responsible for its decisions even if they were prepared by one of the committees.

The Supervisory Board is composed to ensure diversity appropriate to the nature of the business in terms of expertise, experience, competencies, other personal qualities, sex or gender identity, age, nationality and cultural or other background. For one-third of the number of its members, the Supervisory Board must nominate a person recommended by the Dutch Works Council. Currently, these are Daniëlle Melis and Kristina Flügel.

Members of the Supervisory Board are appointed for a term of four years. Often, Supervisory Board members are reappointed for a second term. Reappointment for more than two terms is possible in exceptional circumstances.

As of January 2023, the Supervisory Board appointed Daniëlle Melis as Vice-Chair of the Supervisory Board. In May 2023, Mike Nawas was reappointed as Supervisory Board member by the General Meeting effective directly after the meeting, and he continued as Chair of the Supervisory Board. Effective as of 1 August 2023, Willem Horstmann was reappointed as Supervisory Board member by the General Meeting, and in the second half of August 2023 he re-took his role as Chair of the Audit and Risk Committee of the Supervisory Board. Shortly after being appointed for the first time in 2022, Willem stepped down from the Supervisory Board to be appointed as Chief Financial and Risk Officer ad interim until those positions on the Executive Board were filled. A cooling off period between January 2023 and August 2023 was observed before Willem returned to the Supervisory Board.

In November 2023, the Supervisory Board decided to reduce its target size from 6-8 members to 5-7 members for reasons of efficiency. At the AGM in May 2024, the first term of office of Sébastien D'Hondt will come to an end. Throughout his term, he has been a member of the Audit and Risk Committee, chairing it ad interim during Willem Horstmann's absence from June 2022 to August 2023. The Supervisory Board and Sébastien D'Hondt have decided not to seek his reappointment nor to seek an immediate replacement. The Supervisory Board will therefore carry out its collective tasks with the remaining five Supervisory Board members. Over time, the appointment of a sixth member may be sought, with a profile to be determined at that time, depending on the needs for the supervision.

Terms of office of Supervisory Board members

Member	Year of first appointment	Year of first reappointment	End of current term	Envisaged retirement
Mike Nawas (Chair)	2019	2023	2027	2027
Daniëlle Melis (Vice-Chair)	2021	-	2025	2029
Sébastien D'Hondt	2019	-	2024	2024
Susanne Hannestad	2021	-	2025	2029
Kristina Flügel	2022	-	2026	2030
Willem Horstmann[1]	2023	-	2027	2031

[1] Formally Willem's first year was 2022, but he served only a few days in 2022, so materially, his first year of appointment was 2023.

Mike Nawas
Chair

Current principal position(s): Chair of Triodos Bank Supervisory Board, Co-founder and Partner of Bishopsfield Capital Partners Ltd.

Ancillary positions: Senior Lecturer Financial Markets at Nyenrode Business University, Chair of Stichting Akademeia for liberal arts and philosophy.

Most relevant former position(s): Global Head of Structured Finance and Fixed Income Capital Markets at ABN AMRO Bank, Global Head of Corporate and Structured Debt Capital Markets at The Royal Bank of Scotland (now NatWest Group), member of the Board of Stichting Administratiekantoor Aandelen Triodos Bank (SAAT).

Mike is Dutch and American, male and was born in 1964. He does not own any Triodos Bank DRs.

Daniëlle Melis
Vice-Chair

Current principal position(s): Vice-Chair of Triodos Bank Supervisory Board, member of the Board of Stap General Pension Fund, member of the Supervisory Boards of Blue Sky Group Holding and PGGM Investments.

Ancillary positions: Chair of the Board of Stichting Madurodam, member of the Supervisory Board of the Dutch Securities Institute, Global Stewardship Committee of the International Corporate Governance Network and Advisory Council of the Reward Value Foundation. Senior Fellow of the International Center for Financial Law and Governance and Guest Lecturer at Nyenrode Business University.

Most relevant former position(s): Associate Director at NIBC, Senior Banker at Rabobank. Chair of the Nyenrode Corporate Governance Institute.

Daniëlle is Dutch, female and was born in 1972. She does not own any Triodos Bank DRs.

Kristina Flügel
Member

Current principal position(s): Member of Triodos Bank Supervisory Board, Independent Coach and Affiliate Senior Executive Coach at the Kets de Vries Institute.

Ancillary positions: none.

Most relevant former position(s): Global Head Human Resources at DWS (part of the Deutsche Bank Group), Global Head Human Resources Transaction Banking, Regional Head HR Private- and Business Clients Germany, Global Head HR Products Private and Commercial Bank at Deutsche Bank.

Kristina is German, female and was born in 1969. She does not own any Triodos Bank DRs.

Susanne Hannestad Member

Current principal position(s): Member of Triodos Bank Supervisory Board, Chief Executive Officer of Fintech Mundi AS.

Ancillary positions: Non-Executive Board Director at ClearBank Group Ltd, Non-Executive Board Director at Monty Mobile Ltd, Non-Executive Board Director at Crunchfish AB, Non-Executive Board Director at Zimpler AB.

Most relevant former position(s): Board Director at Nordax Group AB, Executive Chair at Zwipe AS, Advisory Board member at Mastercard Europe, Executive Director at Nordea Bank.

Susanne is Norwegian , female and was born in 1961. She does not own any Triodos Bank DRs.

Sébastien D'Hondt Member

Current principal position(s): Member of Triodos Bank Supervisory Board, Founding Partner at Ernest Partners.

Ancillary positions: Partial owner and member of the Board of Cash Converters Belgium, investor in digital tech scale ups, administrator of Howard B.V.

Most relevant former position(s): Head of Corporate Clients Belux, Managing Director Capital Structuring and Advisory at Wholesale Banking, Head of M&A Corporate Finance at ING Bank in Belgium and the Netherlands, Director Business Center and Risk Management at ING Midcorps Belgium.

Sébastien is Belgian, male and was born in 1964. He does not own any Triodos Bank DRs.

Willem Horstmann Member

Current principal position(s): Member of Triodos Bank Supervisory Board, Chief Financial Officer ad interim of Knab Bank.

Ancillary positions: none.

Most relevant former position(s): Member of AEGON Bank Supervisory Board, Executive Board member of Aegon Nederland, Executive Board member of Aegon Levensverzekeringen, Executive Board member of Aegon Schade Verzekeringen, Executive Board member of Aegon Mortgages, Executive Board member of Vivat Verzekeringen, Executive Board member of Zwitserleven, Executive Board member of AEGON Investment Management.

Willem is Dutch, male and was born in 1967. He does not own any Triodos Bank DRs.

Competence matrix

The matrix below lists the extent to which individual Supervisory Board members posess a comptence as relevant to their supervisory position. The matrix is based on requirements outlined in the collective profile of the Supervisory Board, which is regularly reviewed, updated and available at www.triodos.com/governance.

All Supervisory Board members also have an affinity with the mission and values of Triodos Bank, which is a requirement for appointment to the Supervisory Board.

Competence	Supervisory Board member					
	Mike Nawas	Daniëlle Melis	Sébastien D'Hondt	Susanne Hannestad	Kristina Flügel	Willem Horstmann
Executive and non-executive leadership and governance	••	••	••	••	••	••
Managing for positive societal and environmental impact	••	••	•	•	•	•
International experience	••	•	•	••	••	•
Retail banking, business banking and investment management	••	••	••	•	•	•
Finance, audit and risk	••	••	••	•	•	••
Human resources and organisational change	•	•	•	••	••	•
Data, IT and business processes	•	•	••	••	•	••

• Has sufficient knowledge and experience to make informed decisions relating to the topic.

•• Considered an expert on the topic given previous and/or current roles.

Supervisory Board meetings

In 2023, the Supervisory Board held six scheduled in-person meetings and 15 additional meetings, excluding committee meetings. These were all with the Executive Board in attendance and included three strategy days and working dinners where the Supervisory Board and Executive Board discussed a dedicated topic at length. In addition, the Supervisory Board had, without the Executive Board in attendance, seven online meetings, six in-person meetings and two offsites.

In the regular Supervisory Board meetings, the Supervisory Board committees reported on their deliberations, and the Supervisory Board considered their outcomes and recommendations in its decision-making. Starting in 2023, the Supervisory Board decided to schedule more time between committee meetings and Supervisory Board meetings to enable the committees to carefully prepare their recommendations to the Supervisory Board, with a view to improving the overall quality of debate in the Supervisory Board and the efficiency of supervision.

In addition to the topics mentioned in the Message from the Chair, Supervisory Board meetings focused on the topics below.

Capital and funding strategy

In addition to activities related to the MTF listing, the Supervisory Board monitored the development and implementation of the bank's revised capital strategy, including dividend policy and the target range for return on equity, to ensure the strategy's soundness and that implications for the business had been considered from every angle. In 2023, the funding of the bank received the Supervisory Board's attention, with the Supervisory Board monitoring actions related to funds entrusted and the longer-term financial strategy to diversify funding sources.

Engagement with stakeholders

The Supervisory Board engaged directly with DR Holders in two Extraordinary General Meetings and the Annual General Meeting (AGM). In these meetings, multiple items were adopted relating to the multilateral trading facility (MTF) launch and the bank's governance. The AGM proved to be an eventful day, where the Supervisory Board listened to the concerns of many DR Holders and engaged in meaningful dialogue about the future of the bank. Throughout the year, the Supervisory Board probed the Executive Board on the required steps in Corporate Communications and Investor Relations now that the bank's DRs are listed on an MTF.

In 2023, the Supervisory Board visited Triodos Bank UK. The visit included a mix of customer meetings, and dialogue with the executive and non-executive teams at Triodos Bank's UK subsidiary.

The Supervisory Board also met with the Works Council in the Netherlands twice to discuss the general course of affairs and gauge their perspective on developments within Triodos Bank.

Redesign of Triodos Bank's operating model

In 2023, the redesign of Triodos Bank's operating model continued to be a focus area for the Supervisory Board. The Supervisory Board kept its temporary Business Transformation Subcommittee in place to scale up attention on the topic. The redesign will be implemented in 2024.

Further to the redesign and governance review discussed in the Message from the Chair, the Supervisory Board encouraged the Executive Board to empower the organisation below them, allowing them to focus more on strategic matters.

Triodos Investment Management Deep Dive

In June 2023, the Supervisory Board did a deep dive into the activities of Triodos Investment Management (Triodos IM). Triodos IM is a key part of Triodos Bank's ability to create impact beyond the countries where the bank operates and broadens our product offering to our customers. There are valuable synergies between Triodos IM and the banking activities of Triodos Bank. Also, Triodos IM's activities are an important capital-light source of revenues, less reliant on the interest rate environment than the banking activities of Triodos Bank.

Risk and compliance

The Supervisory Board was pleased to see the supervising authority De Nederlandsche Bank (DNB) close its instruction after Triodos Bank effectively remedied compliance issues relating to anti-money laundering, countering the financing of terrorism and financial supervision legislation. The Supervisory Board considered and supported the findings of an external report commissioned by the Executive Board to advise on ways to further boost the bank's risk management maturity across all three lines of defence.

Attendance Supervisory Board members in 2023

Supervisory Board member	Supervisory Board meetings	Audit and Risk Committee meetings	Nomination and Remuneration Committee meetings	Attendance rate
Mike Nawas	6/6	-	6/6	100%
Daniëlle Melis	6/6	6/6	6/6	100%
Sébastien D'Hondt	6/6	6/6	-	100%
Kristina Flügel	6/6	-	6/6	100%
Susanne Hannestad	6/6	6/6	-	100%
Willem Horstmann	3/3	3/3	-	100%

Committees of the Supervisory Board

Audit and Risk Committee

The Audit and Risk Committee (ARC) is a committee of the Supervisory Board. The committee's task is to prepare the discussions and decision-making of the Supervisory Board on financial and sustainability reporting, audit issues, risk management and control, supervision of the role and functioning of the internal audit department, and supervision of the relationship with the external auditor.

Composition of the Audit and Risk Committee as at 31 December 2023

- Willem Horstmann (from August 2023, Chair since 17 August 2023)
- Sébastien D'Hondt (Chair ad interim until 16 August 2023)
- Susanne Hannestad
- Daniëlle Melis

Activities of the Audit and Risk Committee

The ARC formally met six times, in accordance with the corporate calendar. As required, internal experts on finance, control, tax, risk, compliance, capital management, retail banking, business banking, financial crime and ICT were also invited to the meetings. Extra ARC meetings were held in March and April. In March, in the context of the annual Supervisory Review and Evaluation Process (SREP), the annual internal reports on capital and liquidity adequacy were discussed prior to submission of these documents to DNB. In April, an update in relation to the risk assessment of the MTF was discussed in preparation for the final go/no go decision in relation to the listing of DRs on the MTF.

In addition, informal meetings were held with the external auditor as well as with the Group Director Internal Audit, without the Executive Board being present. The ARC Chair also conducted separate sessions with the Group Director Finance, the Group Director KYC and Financial Crime, the Group Director Enterprise Risk Management (ERM) and the Group Director Compliance. The ARC held informal topical meetings in relation to budgeting, funding strategy, provisioning, interest rate risk and risk culture. Furthermore, special attention was paid to the possible effects of litigation on the financial figures.

The ARC discussed and prepared the following for Supervisory Board approval: the half-year and annual results, the In Control Statement, the dividend proposal, including the proposal for an interim dividend, the engagement and rotation of the external auditor, the internal audit framework, risk appetite statement, the Recovery Plan, the 2024 budget including capital and funding plan, and the Group internal audit plan.

As part of the routine agenda, the ARC discussed the overall and business unit financial results and outlook, as well as Triodos Bank's risk profile and the progress on risk control, the Pillar 3 report, adherence to and an update on laws and regulations governing financial and regulatory reporting, and tax-related issues. The main recurring reports providing input for these discussions were the reports from ERM, Finance and Control, Internal Audit, the Regulatory Desk and the Legal department.

The results of the annual evaluation of the external audit process were also discussed by the ARC. The external auditor presented its board report, summary of observations for management, its report on regulatory reporting, its audit plan and the audit fees, as well as its independent audit and assurance reports.

The ARC discussed the outcomes of the strategic risk considerations of the upcoming Group Year Plan 2024, the budget 2024 and outlook 2025-2026, the outcomes of the systematic integrity risk analysis, the insights on (the inventory of) conflicts of interest, the expected credit loss, Triodos Bank's overall product governance, and the stress-test scenarios, as well as progress on data governance and data analytics.

Finally, in 2023 the project preparing for the listing of the DRs on the MTF was monitored and discussed numerous times in the ARC, from a risk and compliance perspective.

One of the topics requiring significant attention in 2023 was the budget realisation, including measures related to profitability enhancement and cost containment. Also, the outcomes and progress made on several compliance remediation projects were discussed. Important projects presented to the ARC related to follow-up to the formal instruction Triodos Bank Netherlands received from DNB in March 2019 regarding the anti-money laundering and countering terrorism financing procedures.

On behalf of the Supervisory Board, the ARC Chair also provided input to the annual appraisals of the Group Director Internal Audit and Group Director Compliance.

Overall, in 2023, the ARC focused on risk management, financial performance management and the execution of strategic projects and commitments with an elevated focus on the balance of risk, return and impact within a framework of sound and controlled operations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is a committee of the Supervisory Board. The committee's task is to advise the Supervisory Board and to prepare discussions and decision-making of the Supervisory Board with respect to selection, nomination and talent management, and the remuneration policies and execution thereof for members of the Executive Board and the Supervisory Board in particular. Following a decision of the Supervisory Board, the Nomination Committee and the Remuneration Committee were combined in one committee, the Nomination and Remuneration Committee, as of 1 January 2023.

Composition of the Nomination and Remuneration Committee as at 31 December 2023

- Kristina Flügel (Chair)
- Mike Nawas
- Daniëlle Melis

Activities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee held six scheduled meetings and four additional meetings.

In 2023, a significant part of the NRC's agenda was dedicated to the leadership transition, the review of the Executive Board's composition and succession planning within Triodos Bank; a year in which various changes and reappointments in the composition of the Executive Board and Supervisory Board were successfully completed. This includes the extension of the term of Marjolein Landheer (Chief Risk Officer ad interim), the start of the recruitment process for a permanent Chief Risk Officer, the reappointment of Mike Nawas as Chair of the Supervisory Board and the reappointment of Willem Horstmann as Supervisory Board member. The NRC was also involved in a consultative capacity in the recruitment and appointment of a number of key senior managers throughout the organisation.

In 2023, the NRC supervised a number of themes important for the future of Triodos Bank. These included the outcomes of the Talent Board, plans for succession and talent management and development within the organisation, both in-country and across the countries in which Triodos Bank is active, as well as the renewed objective setting and performance review process of the Executive Board members, in alignment with Triodos Bank's FLOW methodology. FLOW stands for Feedback, Learning, Objectives and Wellbeing. The Executive Board input comes from the targets of the Group Year Plan and consists of collective and individual targets. In 2023, the EB role-modelled using the 360 feedback outcomes for the Learning part of FLOW.

The NRC was involved in the development of the new Equity, Diversity and Inclusion (EDI) policy and submitted it to the Supervisory Board for approval. The NRC also prepared the EDI targets for the Supervisory Board and Executive Board, and was consulted on senior management targets and on the implementation plans.

In 2023, the NRC also followed up on the progress, impact and consequences of the new Triodos Operating Model for Triodos Bank co-workers within the various countries. Progress on this theme will continue to be monitored.

As announced in the AGM in May 2023, the NRC also followed up on the discussions on the remuneration of Supervisory Board members. According to the principles of good governance as set out in the Dutch Corporate Governance Code, the Supervisory Board should submit a clear and understandable proposal for its own appropriate remuneration to the General Meeting. The remuneration of the Supervisory Board members should promote an adequate performance of their role, should not be dependent on the results of the company, and should reflect the time spent and the responsibilities of their role. In 2019, the Annual General Meeting lastly approved the adjustment of the remuneration of Supervisory Board members. In subsequent years, annual indexation was to be aimed for and a regular review was to be conducted to avoid a gap with workload and responsibilities developing again. Since 2019, no adjustments for inflation or otherwise have been proposed. In 2023, the NRC commissioned a review by an external global consulting firm. The review showed that the remuneration of Supervisory Board members is not aligned with their responsibilities and time spent, and the aforementioned global consulting firm provided clear and understandable recommendations for an upward adjustment of the remuneration. The NRC advised the Supervisory Board on the conclusions and recommendations of the aforementioned global consulting firm. The NRC also highlighted the risks to remain able to attract and retain qualified and diverse Supervisory Board members. Although the NRC deemed an amendment of the SB remuneration appropriate, the NRC advised and the Supervisory Board decided to refrain from tabling a proposal to adjust Supervisory Board remuneration at the upcoming General Meeting. In view of the challenges the DR Holders are currently facing, the Supervisory Board deems the upcoming Annual General Meeting not the right moment for such a proposal. The Supervisory Board considers an appropriate remuneration for Supervisory Board members to be a topic to be proposed to the Annual General Meeting in due course and acknowledges the recruitment and retention risks involved in not making such an adjustment.

The NRC agenda also included on its agenda recurring topics such as advising the Supervisory Board on the remuneration of the Executive Board members. The NRC took note of the individual Executive Board members' views, as it submitted salary proposals for 2024 to the Supervisory Board for decision-making. The proposals included the amounts of fixed remuneration components (Triodos Bank does not grant any variable remuneration components), taking into account the individual salary increase depending on the position in the salary scale, the collective increase of 4%, pay ratios within the company, and the long-term interests of all relevant stakeholders of the company.

In addition, the NRC was involved in the preparation of the remuneration report including the gender pay analysis as part of the 2023 Annual Report, the update of the International Remuneration and Nomination policy that was externally reviewed in 2023 on request of the NRC, as well as the list of Identified Staff, the preparation of the permanent education programme, the assessment of the induction programme and the review of Eumedion's evaluation of the AGM season 2023, in particular of remuneration-related themes.

The committee prepared the assessment of the profiles and the composition of the Supervisory Board as well as a review of its standing and temporary committees and their structures, and prepared the assessment of the profiles and the composition of the Executive Board.

In 2023, delegated by the Supervisory Board, the NRC had two consultative meetings with the Dutch Works Council.

The annual self-evaluation of the committee highlighted the need for improvement of HR data to go hand in hand with supervision on these topics. It also recognised the NRC's wish to spend more time on specific topics of Triodos Bank's HR and people strategy such as succession management and culture as an enabler for Triodos Bank's strategy and future.

Independence and self-evaluation

Independence

The composition of the Supervisory Board was such that members could act critically and independently of one another, the Executive Board and any other interests involved. The Supervisory Board complies with the independence criteria of the Dutch Corporate Governance Code, De Nederlandsche Bank (DNB) and the Autoriteit Financiële Markten (AFM).

Conflicts of interest

In accordance with the requirements of the Dutch Corporate Governance Code, the Supervisory Board has internal rules in place that govern any actual or potential conflict of interest of board members. In 2023, one matter of potential conflict of interest was reported to the Chair. Consequently, the Supervisory Board member in question did not participate in deliberation regarding the matter.

Training and development

As part of the Supervisory Board's ongoing training and development programme, the Supervisory Board organised meetings with both internal and external experts. In 2023, the following topics were discussed: regulatory landscape relating to listing on an MTF, sustainable banking and governance, impact measurement and impact investing, asset and liability management, and governance and regulatory changes.

Kristina Flügel participated in the Global Alliance for Banking on Values module for Supervisory Board members. Mike Nawas participated in external Supervisory Board Chair dialogues about talent recruitment and management, purpose-led banking and generative artificial intelligence.

Self-evaluation

Every year, the Supervisory Board conducts a self-evaluation, which is externally facilitated every third year. Following the externally facilitated self-evaluation in 2022, the Supervisory Board implemented, in 2023, a number of changes aimed at further improving the quality and efficiency of its supervision. Key interventions were the reduction of the target number of Supervisory Board members from 6-8 to 5-7 members, the creation of more time in between committee meetings and plenary Supervisory Board meetings and introducing a way of working to consciously scale up and scale down the focus of the Supervisory Board on dedicated topics as required for optimal supervision. In 2023, the self-evaluation was internal, and was used to assess whether the Supervisory Board's functioning as a collective benefited from these changes. The evaluation gave pointers to fine-tune the Supervisory Board and its committees' composition and expertise, tasks and responsibilities, information provision and support infrastructure. The evaluation also considered the conclusions of the governance review that the Supervisory Board commissioned, which gave the Supervisory Board valuable insights on ways to improve the reflective quality of discussions with the Executive Board.

Conclusion

The Supervisory Board reviewed and approved the Annual Accounts and the chapters comprising the Executive Board report. These documents were evaluated by and discussed with the Executive Board and the external auditor.

The Supervisory Board proposes that the Annual General Meeting adopts the Annual Accounts of 2023 and discharges the members of the Executive Board for their management of Triodos Bank in 2023 and the members of the Supervisory Board for their supervision. The Supervisory Board endorses the Executive Board's final dividend proposal at the Annual General Meeting in May 2024 of EUR 2.84 per Depository Receipt. Including the interim dividend of EUR 1.23 per Depositary Receipt, this results in a total dividend of EUR 4.07 per Depositary Receipt.

The Supervisory Board is confident that Triodos Bank will continue to be a frontrunner in sustainable banking and meet any challenges in the coming years.

Driebergen-Rijsenburg, 13 March 2024

Triodos Bank Supervisory Board:

Mike Nawas, Chair
Daniëlle Melis, Vice-Chair
Kristina Flügel
Susanne Hannestad
Sébastien D'Hondt
Willem Horstmann

Remuneration report

Remuneration policy 2023

Triodos Bank's International Remuneration and Nomination policy applies to all co-workers, except for members of the Executive Board. The remuneration paid to the members of the Executive Board is set by the Supervisory Board upon advice of the Nomination and Remuneration Committee. The remuneration policy for the Executive Board is in accordance with the International Remuneration and Nomination policy.

The highlights of the policy are described below. The execution of and reporting on the remuneration policy and practices for the Executive Board, Supervisory Board, Board of SAAT, Identified Staff (co-workers in positions who may have a material impact on the risk profile of Triodos Bank) and all co-workers are described in subsequent sections.

International Remuneration and Nomination policy 2023

The International Remuneration and Nomination policy is based on the principle of human dignity and aims to enhance social coherence within the organisation. The policy incorporates all applicable legislation on remuneration. In our view, remuneration enables co-workers to earn a decent living enabling them to contribute to the organisation and society at large. Triodos Bank believes in the intrinsic motivation of its co-workers to contribute to our mission and to work according to our corporate values. The richness of the contribution of each co-worker cannot be translated into a linear, financial incentive.

Triodos Bank operates in the financial sector. Therefore, its remuneration practice needs to be within the scope of what is expected in the financial sector to allow for a healthy inflow and outflow of co-workers. At the same time, Triodos Bank maintains a relatively low ratio between the lower and higher level of salaries paid. Variable components are exceptional[1], modest and discretionary and are not an incentive to favour co-workers' or the bank's own interests to the detriment of Triodos Bank's other stakeholders. This all contributes to a strong sense of being jointly responsible for realising the mission of Triodos Bank.

As part of preparation for the MTF launch, Triodos Bank, with help of external advisers, reviewed and updated the International Nomination and Remuneration policy in 2023. No material changes were made to the key elements described below.[2] A revised International Remuneration and Nomination policy was approved by the Supervisory Board on 16 August 2023.

Key elements of Triodos Bank's International Remuneration and Nomination policy are:

- Award fair and relatively modest remuneration in the form of fixed pay for all co-workers, based on the principle that the bank's results are the joint accomplishment of all co-workers.
- Triodos Bank does not offer regular performance-related bonuses (such as variable remuneration linked to predefined targets of achievements) or share option schemes to members of the Executive Board, the Supervisory Board or co-workers. Financial incentives are not considered an appropriate way to motivate and reward co-workers in a values-based bank. In addition, long-term value creation is by its very nature the result of a combined effort by team members aimed at both the short and the long term.
- Triodos Bank may provide individual tokens of appreciation. These are limited and decided on a discretionary basis. They are restricted to a maximum of one month's salary or EUR 10,000 gross each year. These contributions are for extraordinary non-financial contributions only, subject to specific criteria, and are at the discretion of management after consultation with Human Resources. Tokens of appreciation are not based on preset targets and are always offered post factum. The tokens of appreciation are subject to clawback regulations in accordance with the EBA Guidelines. Members of the Executive Board are excluded from these awards. More information on the conditions regarding granting of tokens of appreciation can be found in the extract of the International Nomination and Remuneration policy as available on the website.

[1] Only by way of granting tokens of appreciation.
[2] More details on changes to the International Remuneration & Nomination Policy can be found in the pillar 3 report as published on the website

- An annual collective token of appreciation can be paid for the overall contribution of all co-workers. This modest amount is the same for all co-workers, with a maximum of EUR 500 gross per person. Members of the Executive Board do not receive this award. In 2023, a collective end-of-year token of appreciation of EUR 350 was awarded. The award is equal for all co-workers whether they work full time or part time and prorated to those not in service throughout the whole year.
- Triodos Bank provides local pension plans and a collective pension policy in each country if appropriate for the respective country under local circumstances. If there is no local policy, individual arrangements are made in the context of the labour contract. Under no circumstances are pension rights used to award specific achievements.
- Severance payments are in line with the principles of the International Remuneration and Nomination policy. They should provide for appropriate compensation upon the termination of the employment contract and should never reward failure or misconduct. Severance payments to daily policymakers do not exceed one year's salary, in line with the Dutch Financial Supervision Act and EBA guidelines on sound remuneration. Severance payments to other co-workers do not exceed one year's salary unless local legislation requires otherwise.
- The International Remuneration and Nomination policy aims to encourage business practice aligning with the risk appetite of Triodos Bank.

More details on the Triodos Bank International Remuneration policy are available on the website.

Remuneration of the members of the Executive Board is determined by the Supervisory Board, upon advice of the Nomination and Remuneration Committee, based on the Executive Board Remuneration Policy and Guidelines on senior leadership remuneration. The Executive Board Remuneration Policy is in accordance with the International Remuneration and Nomination policy. On 26 May 2023, the Annual General Meeting of shareholders approved an update to the Executive Board Remuneration Policy to (i) improve transparency on aspects of Executive Board remuneration; (ii) clarify which powers are laid down with the Supervisory Board and the general meeting; and (iii) bring it in line with mandatory legal requirements. The updated policy was effective as of 1 January 2023. The Executive Board Remuneration Policy is available on the website.

Remuneration of members of the Supervisory Board is set by the Annual General Meeting of shareholders. The Supervisory Board may submit proposals to the Annual General Meeting of shareholders on Supervisory Board remuneration. The remuneration of a Supervisory Board member should not be dependent on the company's results, should promote an adequate performance of their role and should reflect tasks, expertise and responsibilities of the Supervisory Board and the time spent. In 2023, a review of the Supervisory Board remuneration took place with the support of an external global consulting firm. Notwithstanding the conclusions and recommendation by aforementioned global consulting firm to adjust the Supervisory Board remuneration upwards, and the recruitment and retention risk involved in not making such an adjustment, the Supervisory Board has decided to refrain from tabling such a proposal at the upcoming General Meeting. In view of the challenges the DR Holders are currently facing, the Supervisory Board considers the upcoming AGM not the right moment for such a proposal. Given the standing conclusions, recommendations and risks, an adjustment of Supervisory Board remuneration may be pursued in the near future.

Fair remuneration

Triodos Bank believes people should be fairly rewarded for their work. Remuneration is an important element of this. Remuneration within Triodos Bank aims to be neutral for all co-workers, irrespective of gender, ethnic background, age, sexual orientation or distance to the labour market.

In 2023, we engaged an external party, Highberg[1], to carry out an in-depth gender pay gap analysis. The unadjusted pay gap[2] for Triodos Bank can mainly be attributed to a higher proportion of female co-workers in lower-level positions and in lower salary countries. The adjusted pay gap in 2023, corrected for additional variables, indicates there is equal pay for work of equal value within Triodos Bank. The outcomes of the gender pay gap analysis therefore lead to the conclusion that an overall correction of salaries of female co-workers compared to male co-workers is currently not necessary. More information is found in the Co-worker report under Equity, diversity and inclusion.

To provide a clear insight into remuneration at Triodos Bank, we report the ratio of the highest full-time salary to the median full-time salary. The ratio of the highest full-time salary to the median full-time salary was 4.9 in 2023 (2022: 5.1). This ratio is also reported in the Key figures section at the start of this Annual Report in accordance with GRI methodology. It is reviewed and discussed within the Executive Board and with the Supervisory Board in light of developments inside and outside the organisation. Triodos Bank seeks a healthy balance between external developments (competition and tensions in the labour market, balanced inflow and outflow of co-workers) and internal consistency. Maintaining this balance presents challenges as the business evolves, so the organisation has defined a maximum as a guiding principle. For the ratio of highest to median pay, this stands at seven.

Remuneration of the members of the Executive Board is focused on long-term value and takes into account the internal pay ratio within the company. In line with the updated Dutch Corporate Governance Code, Triodos Bank also publishes the internal pay ratio of this year compared to the last five financial years based on the best practises described in this Code. The ratio represents the CEO's total remuneration, including pension costs and social security charges, divided by the average co-worker remuneration including pension costs and social security charges. The average annual remuneration of co-workers is determined by dividing the total wage costs in the financial year (as included in the consolidated financial statements as salary expenses, pension expenses and social security expenses) by the average number of FTEs during the financial year. For 2023, this ratio stands at 4.6. For 2022, 2021, 2020, 2019 and 2018, this ratio was 4.7, 6.2, 9.0, 5.0, 5.1. The higher ratio of 2021 can be explained by higher total CEO remuneration due to overlap in months for handover. The high ratio of 2020 was caused by a severance payment paid based on labour law.

[1] Formerly known as AnalitiQs.
[2] The unadjusted gender pay gap refers to the difference in average salary between all men and all women at Triodos Bank, regardless of the work a co-worker performs. It is calculated as the difference in annual income (corrected to 1 FTE) between men and women, expressed as a percentage of men's income.

Over 125 entrepreneurs presented their products at Triodos Festival.

Read more.

Remuneration of the Executive Board in 2023

Remuneration of the members of the Executive Board is determined by the Supervisory Board based on the Executive Board Remuneration Policy and Guidelines on senior leadership remuneration. The Guidelines provide for a transparent framework for determining the executive salary scales and remuneration of Executive Board members. The salary of the Executive Board increased per 1 January 2023 with 3% collective increase and an individual increase, taking into consideration the position of the salary band. No individual increase was given in case of long-term illness or after taking into consideration the individual Executive Board members' view with regard to their own remuneration.

remuneration paid to the members of the Executive Board

2023						
Amounts in thousands of EUR	Fixed salary expenses	Pension expenses	Pension allowance for salary above EUR 128,810	Private use company car[1]	Social expenses	Total
Jeroen Rijpkema, Chair	329	33	35	10	18	**425**
Kees van Kalveen[2]	275	24	26	12	17	**354**
Carla van der Weerdt	265	28	24	6	11	**334**
Jacco Minnaar	245	25	20	6	14	**310**
Nico Kronemeijer	245	29	26	10	14	**324**
Marjolein Landheer[3]	243	24	19	1	17	**304**
Willem Horstmann[4]	30	5	4	-	3	**42**
Total	**1,632**	**168**	**154**	**45**	**94**	**2,093**

1 This concerns a benefit in kind.
2 The Executive Board membership for Kees van Kalveen commenced on 25 January 2023 and the amount of 2023 includes his compensation earned from 1 January 2023 until 31 December 2023.
3 The Executive Board membership for Marjolein Landheer commenced on 25 January 2023 and the amount of 2023 includes her compensation earned from 1 January 2023 until 31 December 2023.
4 The Executive Board membership for Willem Horstmann ended on 25 January 2023 and the amount of 2023 includes his compensation earned until 28 February 2023.

2022						
Amounts in thousands of EUR	Fixed salary expenses	Pension expenses	Pension allowance for salary above EUR 114,866	Private use company car[1]	Social expenses	Total
Jeroen Rijpkema, Chair	320	30	36	10	16	**412**
Willem Horstmann[2]	151	15	14	2	9	**191**
André Haag[3]	146	8	14	-	7	**175**
Carla van der Weerdt	257	26	25	5	13	**326**
Jacco Minnaar	230	23	20	5	13	**291**
Nico Kronemeijer	230	27	26	10	13	**306**
Total	**1,334**	**129**	**135**	**32**	**71**	**1,701**

1 This concerns a benefit in kind.
2 The Executive Board membership for Willem Horstmann commenced on 20 June 2022 and the amount of 2022 includes his compensation earned in the capacity as a Board Member of Triodos Bank N.V. from 20 June 2022 until 31 December 2022.
3 The Executive Board membership for André Haag ended on 29 May 2022 and the amount of 2022 includes his compensation earned until then.

The subsidiaries Triodos Bank UK Ltd. and Triodos Investment Management B.V. contributed EUR 400 thousand (2022: EUR 333 thousand) of the remuneration paid to the Executive Board.

There are no loans and advances provided to Executive Board members that were outstanding on 31 December 2023 and 31 December 2022. No other loans, advances or guarantees have been granted to members of the Executive Board, Supervisory Board members or members of the Board of SAAT. For reasons of principle, no share option scheme is offered to members of the Executive Board, Supervisory Board members or members of the Board of SAAT.

Development of the Executive Board remuneration, company performance and co-worker remuneration

The table below shows the annual change of compensation of members of the Executive Board, of the performance of the company, and of average remuneration on a full-time equivalent basis of co-workers of Triodos Bank other than members of the Executive Board over the five most recent financial years. The remuneration of members of the Executive Board and the remuneration of co-workers are not linked to company performance. This naturally has a limited effect on the correlation with the company performance.

Amounts in thousands of EUR	2019 Amount	2019 vs 2020	2020 Amount	2020 vs 2021	2021 Amount	2021 vs 2022	2022 Amount	2022 vs 2023	2023 Amount
Executive Board remuneration[1]									
Jeroen Rijpkema[2]					240	n/a	320	2.8%	329
Kees van Kalveen[3]									275
Carla van der Weerdt[4]	140	n/a	257	0%	257	0%	257	3.1%	265
Jacco Minnaar[5]					58	n/a	230	6.5%	245
Nico Kronemeijer[6]					56	n/a	230	6.5%	245
Marjolein Landheer[7]									243
Willem Horstmann[8]							151	n/a	30
André Haag[9]			250	0%	250	n/a	146		
Peter Blom[10]	312	2.6%	320	n/a	160				
Jellie Banga[11]	250	5.6%	264	n/a	110				
Pierre Aeby[12]	101								

Amounts in thousands of EUR	2019 Amount	2019 vs 2020	2020 Amount	2020 vs 2021	2021 Amount	2021 vs 2022	2022 Amount	2022 vs 2023	2023 Amount
Company performance									
Net profit	39,005	-30.3%	27,203	86.6%	50,759	-1.9%	49,794	55.0%	**77,175**
Return on equity in %	3.4%	-32.2%	2.3%	81.2%	4.1%	-3.7%	4.0%	52.7%	**6.1%**
Operating expenses/ total income	80%	0.3%	80%	0.1%	80%	-0.6%	80%	-9.1%	**73%**
Average co-worker remuneration[1]	61	2.5%	63	2.5%	64	3.0%	66	6.2%	**70**

1 The remuneration consists of the fixed salary expenses.
2 The Executive Board membership for Jeroen Rijpkema commenced on 21 May 2021 and the amount of 2021 includes his compensation earned from 1 April 2021 until 31 December 2021. Therefore, no percentage is included for 2021 vs 2022 as the high increase is caused by the fact of becoming Executive Board member during the year 2021.
3 The Executive Board membership for Kees van Kalveen commenced on 25 January 2023 and the amount of 2023 includes his compensation earned from 1 January 2023 until 31 December 2023. Therefore, no percentage is included for 2022 vs 2023 as the high increase is caused by the fact of becoming Executive Board member during the year 2023.
4 The Executive Board membership for Carla van der Weerdt commenced on 18 May 2019 and the amount of 2019 includes her compensation earned from 18 May 2019 until 31 December 2019. Therefore, no percentage is included for 2019 vs 2020 as the high increase is caused by the fact of joining the company. The increase of 2020 vs 2021 is caused by "private use company car" in 2021, no actual salary increase was granted.
5 The Executive Board membership for Jacco Minnaar commenced on 1 October 2021 and the amount of 2021 includes his compensation earned in the capacity as a Board Member of Triodos Bank N.V. from 1 October 2021 until 31 December 2021. Therefore, no percentage is included for 2021 vs 2022 as the high increase is caused by the fact of becoming Executive Board member during the year 2021.
6 The Executive Board membership for Nico Kronemeijer commenced on 1 October 2021 and the amount of 2021 includes his compensation earned in the capacity as a Board Member of Triodos Bank N.V. from 1 October 2021 until 31 December 2021. Therefore, no percentage is included for 2021 vs 2022 as the high increase is caused by the fact of becoming Executive Board member during the year 2021.
7 The Executive Board membership for Marjolein Landheer commenced on 25 January 2023 and the amount of 2023 includes her compensation earned from 1 January 2023 until 31 December 2023. Therefore, no percentage is included for 2022 vs 2023 as the high increase is caused by the fact of becoming Executive Board member during the year 2023.
8 The Executive Board membership for Willem Horstmann commenced on 20 June 2022 and ended on 25 January 2023. The amount shown in 2023 includes his compensation earned until 28 February 2023. Therefore, no percentage is included for 2022 vs 2023 as the high decrease is caused by the fact of leaving as a statutory board member of the Executive Board.
9 The Executive Board membership for André Haag commenced on 1 January 2020 and ended on 29 May 2022. The amount of 2022 includes his compensation earned until then. Therefore, no percentage is included for 2021 vs 2022 as the high decrease is caused by the fact of leaving the company.
10 The Executive Board membership for Peter Blom ended on 21 May 2021 and the amount of 2021 includes his compensation earned until then. Therefore, no percentage is included for 2020 vs 2021 as the high decrease is caused by the fact of leaving the company.
11 The Executive Board membership for Jellie Banga ended on 1 May 2021 and the amount of 2021 includes her compensation earned until then. Therefore, no percentage is included for 2020 vs 2021 as the high decrease is caused by the fact of leaving the company.
12 The Executive Board membership for Pierre Aeby ended on 1 May 2019 and the amount of 2019 includes his compensation earned until then. Therefore, no percentage is included for 2018 vs 2019 as the high decrease is caused by the fact of leaving the company.

Remuneration of the Supervisory Board in 2023

Remuneration paid to the Supervisory Board is set at the Annual General Meeting and the Annual Meeting of Depository Receipt Holders. Supervisory Board members who travel to a meeting outside their home country receive EUR 1,000 per return travel (to a maximum of EUR 12,000 per annum) as compensation for travelling time.

Remuneration paid to the Supervisory Board

Amounts in EUR	2023	2023	2023	2023	2022
	Remuneration	Remuneration Committees	Compensation for travel time	Total	Total
Mike Nawas (Chair, as per 20 May 2022)	30,000	4,000	2,000	36,000	33,692
Sébastien d'Hondt	20,000	5,640	9,000	34,640	37,500
Susanne Hannestad	20,000	5,000	11,000	36,000	37,000
Daniëlle Melis	20,000	9,000	2,000	31,000	29,530
Kristina Flügel (as per 11 October 2022)	20,000	5,000	12,000	37,000	11,504
Aart Jan de Geus (Chair, until 20 May 2022)	-	-	-	-	12,384
Ernst-Jan Boers (until 20 May 2022)	-	-	-	-	10,972
Dineke Oldenhof (until 20 May 2022)	-	-	-	-	9,397
Willem Horstmann (as per 1 August 2023)	8,342	2,459	1,000	11,801	-
	118,342	**31,099**	**37,000**	**186,441**	**181,979**

The following fees apply (per annum):
EUR 30,000 Chair of the Supervisory Board
EUR 20,000 Member of the Supervisory Board
EUR 6,000 Chair of the Audit and Risk Committee
EUR 5,000 Member of the Audit and Risk Committee
EUR 5,000 Chair of the Nomination and Remuneration Committee
EUR 4,000 Member of the Nomination and Remuneration Committee

Remuneration of the SAAT Board in 2023

The remuneration paid to members of the independent Stichting Administratiekantoor Aandelen Triodos Bank (SAAT) Board is set at the Annual General Meeting and the Annual Meeting of Depository Receipt Holders. SAAT Board members who travel to a meeting outside their home country receive EUR 1,000 per return travel (to a maximum of EUR 12,000 per annum) as compensation for travelling time.

Amounts in EUR	2023	2023	2023	2022
	Remuneration	Compensation for travel time	Total	Total
Alexander Rinnooy Kan (Chair, as per 1 January 2023)	10,000	-	10,000	-
Jolande Sap (Chair, per 20 May 2022 until 31 December 2022)	7,000	1,000	8,000	9,832
Koen Schoors	7,000	3,000	10,000	11,000
Mercedes Valcarel (until 26 May 2023)	2,800	2,000	4,800	14,000
Tarique Arsiwalla	7,000	-	7,000	9,000
Roelien Ritsema van Eck	7,000	-	7,000	8,000
Josephine de Zwaan (Chair, until 20 May 2022)	-	-	-	6,836
	40,800	**6,000**	**46,800**	**58,668**

The following fees apply (per annum):
EUR 7,000 Member of the Board of SAAT
EUR 10,000 Chair of the Board of SAAT

Remuneration of Identified Staff and all co-workers

Remuneration of Identified Staff in 2023
As of 15 March 2021, regulation (EU) 2021/637 has become applicable, implementing technical standards with regard to public disclosures. Based on Article 17 of this regulation, new templates should be used on disclosures of remuneration policies to comply with Article 450 of regulation (EU) No 575/2013. For all information on remuneration of Identified Staff, we refer to our Pillar 3 report which complies with (EU) 2021/637 Article 17 disclosure of remuneration policies.

Ratio highest to median salary

	Ratio highest to median salary[1]				
	2023	**2022**	**2021**	**2020**	**2019**
The Netherlands	4.2	4.3	4.5	4.6	4.6
Belgium	2.7	2.8	2.9	2.8	2.8
United Kingdom[2]	5.1	5.3	5.2	6	6
Spain	5.2	5.3	5.3	5.5	5.6
Germany	2.7	2.7	2.8	2.9	2.6
France[3]	n/a	n/a	n/a	n/a	2.7
Total	**4.9**	**5.1**	**5.2**	**5.5**	**5.6**

[1] Ratio of the highest-paid co-worker's full-time salary to the median full-time salary of all co-workers compiled at 31 December of the reporting year (the median is defined excluding the maximum full-time salary in line with GRI Standards).
[2] The ratio of the increase of the highest salary to the increase in the median salary grew substantially in 2019 in the United Kingdom. This is due to an increase in the salary of the Managing Director as a result of the conversion of the United Kingdom branch to a subsidiary. This change has a significant impact on the Managing Director's responsibilities.
[3] Ratio highest to median salary is 0.0 due to the closure of the France agency in 2020.

Ratio increase highest salary to increase median salary

	Ratio increase highest salary to increase median salary[1]				
	2023	2022	2021	2020[2]	2019
The Netherlands	0.4	0.0	0.0	0	0.5
Belgium	0.6	0.2	0.2	0	1.4
United Kingdom[3]	0.9	1.1	1.1	0	8.4
Spain	0.5	0.0	0.0	0	1.2
Germany	1.0	0.7	0.7	0	1.5
France[4]	n/a	n/a	n/a	n/a	0
Total	**0.4**	**0.0**[5]	**0.0**[6]	**0**	**0.9**

[1] Ratio of percentage increase for the highest-paid co-worker to the median percentage increase for all co-workers (the median is defined excluding the increase of the maximum full-time salary in line with GRI Standards).
[2] There have been no increases to the highest salaries for 2020.
[3] The ratio of the increase of the highest salary to the increase in the median salary grew substantially in 2019 in the United Kingdom. This is due to an increase in the salary of the Managing Director as a result of the conversion of the United Kingdom branch to a subsidiary. This change has a significant impact on the Managing Director's responsibilities.
[4] Ratio highest to median salary is 0.0 in 2019 since there have been no increase to the highest salary due to the anticipated closure of the France agency in 2020.
[5] The total ratio increase highest salary to increase median salary in 2022 is 0.0, as there is no increase to the highest salary within Triodos.
[6] The total ratio increase highest salary to increase median salary in 2021 is 0.0, as there is no increase to the highest salary within Triodos.

In-control statement

The Executive Board is responsible for designing, implementing and maintaining an adequate system for internal controls over financial reporting. Financial reporting is the product of a structured process carried out by various functions and banking entities under the direction and supervision of the financial management of Triodos Bank.

The Executive Board is responsible for the risk management and compliance functions. The risk management function works together with management to develop, embed and monitor adherence to risk policies and procedures involving identification, measurement, assessment, mitigation and monitoring of financial and non-financial risks. The compliance function plays a key role in monitoring Triodos Bank's adherence to internal policies and external rules and regulations. The adequate functioning of the risk management and compliance functions as part of the internal control system are frequently discussed in the Audit and Risk Committee of the Supervisory Board. It is further supported by Triodos Bank's risk culture as a key element of the bank's risk management framework.

Triodos Bank's internal audit function provides independent and objective assurance of Triodos Bank's corporate governance, internal controls, compliance and risk management systems. The Executive Board, under the supervision of the Supervisory Board and its Audit and Risk Committee, is responsible for determining the overall internal audit annual plan and for monitoring the integrity of risk management systems.

The risk management framework is an important element in the in-control statement process. The continuously changing environment that Triodos Bank operates in requires regular review and update to its control framework.

The risk management and control structures provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the fair presentation of Triodos Bank's financial statements.

For more detailed information on the relevant risks for Triodos Bank, the risk management framework and the risk appetite, please refer to the Risk management chapter.

Driebergen-Rijsenburg, 13 March 2024

Triodos Bank Executive Board:

Jeroen Rijpkema, Chair
Kees van Kalveen
Marjolein Landheer[1]
Jacco Minnaar
Nico Kronemeijer

[1] Marjolein Landheer temporarily replaces Carla van der Weerdt, who stepped down from her role as CRO in October 2023 following a period of illness.

UNI2 Microcredito promotes financial inclusion in Colombia and provides opportunities for those at risk of exclusion.

Consolidated Financial Statements

Consolidated balance sheet

As at 31 December

Before appropriation of profit Amounts in thousands of EUR	Note[1]	2023	2022
ASSETS			
Cash and cash equivalents	1	2,141,020	2,581,140
Loans and advances to banks	2	273,794	332,493
Loans and advances to customers	3	11,079,963	10,619,676
Debt securities at amortised cost	4	2,187,575	1,689,780
Investment securities	5	49,672	45,718
Intangible assets	6	48,220	51,225
Property and equipment	7	80,451	88,691
Investment property	8	6,387	6,739
Right-of-use assets	9	12,194	13,327
Non-trading derivatives	10	207,888	295,696
Deferred tax assets	30	12,867	13,185
Current tax receivable	30	1,728	1,475
Other assets	11	65,092	55,753
Non-current assets held for sale	12	8,720	5,582
Total assets		**16,175,571**	**15,800,480**
LIABILITIES			
Deposits from banks	13	670,045	337,087
Deposits from customers	14	13,759,099	13,816,340
Lease liabilities	9	12,801	13,924
Non-trading derivatives	10	34,708	1,249
Deferred tax liabilities	30	8,308	8,355
Current tax liabilities	30	22,645	12,213
Other liabilities	15	100,816	81,700
Provisions	16	18,159	17,488
Subordinated debt	17	260,431	259,884
Total liabilities		**14,887,012**	**14,548,240**

Before appropriation of profit Amounts in thousands of EUR	Note[1]		2023		2022
EQUITY					
Share capital	18		723,353		723,353
Share premium reserve	18		200,811		200,811
Translation reserve	18		-4,641		-4,426
Cost of hedging reserve	18		490		369
Fair value reserve	18		6,173		4,032
Other reserve	18		47,005		49,568
Retained earnings	18		255,722		233,715
Result for the period	18	77,175		49,794	
Interim dividends	18	-17,529		-4,976	
Unappropriated result for the period	18		59,646		44,818
Total equity			**1,288,559**		**1,252,240**
Total equity and liabilities			**16,175,571**		**15,800,480**
Contingent liabilities	19		50,771		49,072
Irrevocable facilities	20		1,587,205		1,853,167
			1,637,976		**1,902,239**

[1] These are the references to the notes to the consolidated financial statements. These notes form an integral part of the consolidated financial statements.

Consolidated profit and loss account

For the years ended 31 December

Amounts in thousands of EUR	Note[1]	2023	2022
INCOME			
Interest income	21	483,784	287,879
Interest expense[2]	22	-127,588	-34,986
Net interest income		**356,196**	**252,893**
Investment income	23	**695**	**616**
Fee and Commission income	24	125,143	134,289
Fee and Commission expense	24	-12,861	-13,386
Net fee and commission income		**112,282**	**120,903**
Net result from other financial instruments at FVTPL	25	-3,709	-100
Other income	26	836	796
Other income		**-2,873**	**696**
Total income		**466,300**	**375,108**
EXPENSES			
Personnel expenses	27	183,233	166,836
Other administrative expenses	27	125,227	107,777
Amortisation and value adjustments of intangible assets	28	18,306	13,908
Depreciation and value adjustments of property and equipment	28	12,229	11,573
Operating expenses		**338,995**	**300,094**
Impairment result on financial instruments	29	21,288	8,127
Total expenses		**360,283**	**308,221**
Operating result before taxation		**106,017**	**66,887**
Taxation on operating result[2]	30	-28,842	-17,093
Net profit		**77,175**	**49,794**

Amounts in thousands of EUR	**Note[1]**	**2023**	**2022**
Profit attributable to:			
Owners of Triodos Bank		**77,175**	**49,794**
Average number of issued shares in circulation		14,213,365	14,216,421
Amounts in EUR			
Earnings per share for profit attributable to the equity holders of the parent entity[3]		5.43	3.50
Dividend per share		4.07[4]	2.11

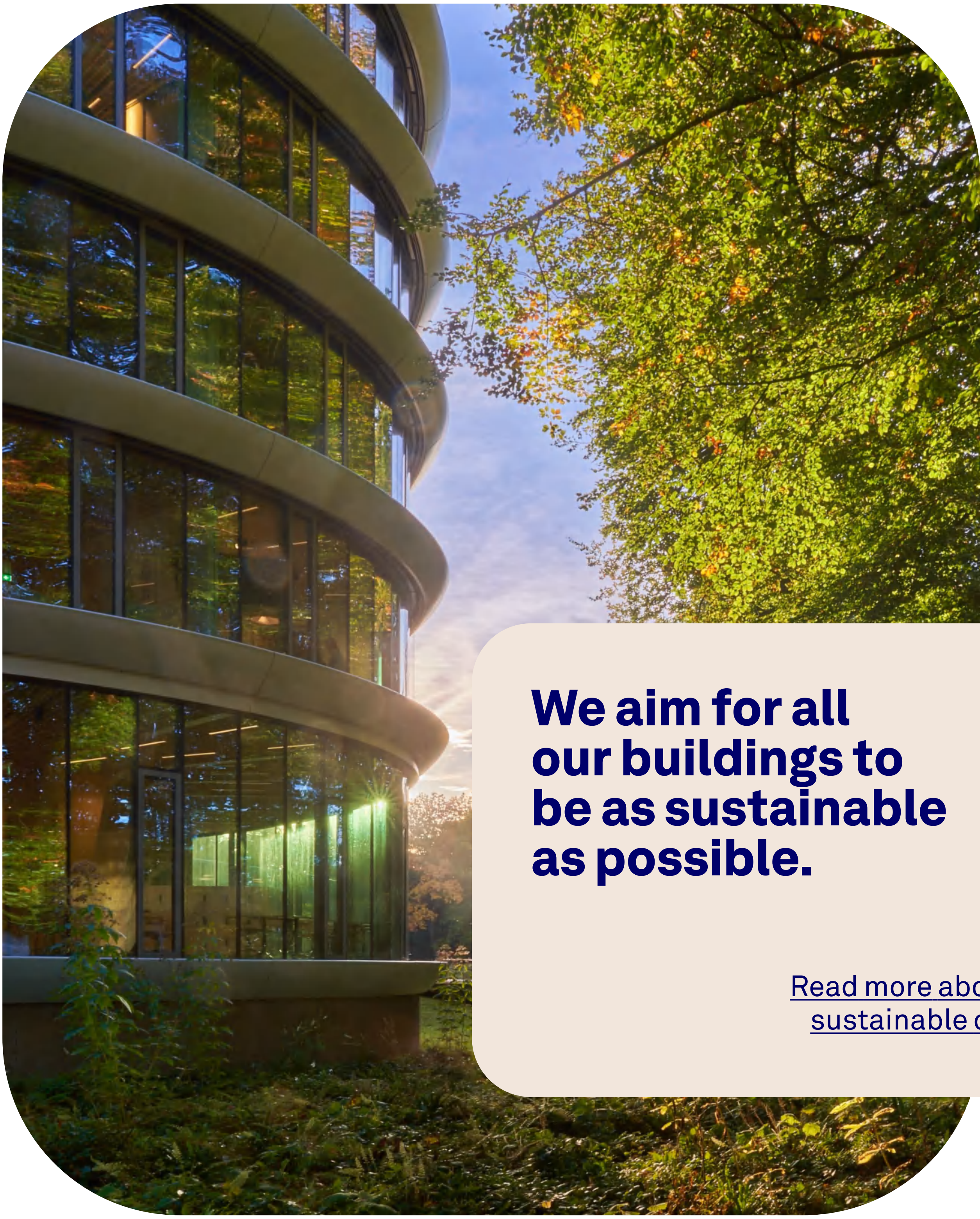
[1] These are the references to the notes to the consolidated financial statements. These notes form an integral part of the consolidated financial statements.
[2] The accounting for the conditional indexation commitment on insured accrued rights of employees and former employees in the Netherlands has been changed retrospectively. For more information on this, please refer to the General Accounting Policies.
[3] The net profit per share is calculated by dividing the net profit by the average number of issued shares in circulation during the financial year.
[4] For the year result of 2023, Triodos Bank proposes a final dividend of EUR 2.84 per Depository Receipt. This proposed final dividend is on top of the interim dividend of EUR 1.23 per Depository Receipt that was paid out in September 2023.

Consolidated statement of comprehensive income

For the years ended 31 December

Amounts in thousands of EUR	Note[1]	2023	2022
Net profit		**77,175**	**49,794**
Other comprehensive income that will not be reclassified to profit or loss			
Actuarial gain / loss on pension liability[2]	16	**-39**	**6,578**
Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income	5	**2,686**	**5,279**
Related tax		**-617**	**-3,026**
Total items that will not be reclassified to profit or loss		**2,030**	**8,831**
Other comprehensive income that will be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		-215	56
Foreign operations – cost of hedging		121	252
Total items that will be reclassified to profit or loss		**-94**	**308**
Other comprehensive income for the year, net of tax		**1,936**	**9,139**
Total comprehensive income for the year, net of tax		**79,111**	**58,933**
Total comprehensive income attributable to:			
Owners of Triodos Bank		79,111	58,933

1 These are the references to the notes to the consolidated financial statements. These notes form an integral part of the consolidated financial statements.
2 The accounting for the conditional indexation commitment on insured accrued rights of employees and former employees in the Netherlands has been changed retrospectively. For more information on this, please refer to the General Accounting Policies.



We aim for all our buildings to be as sustainable as possible.

Read more about our sustainable offices

Consolidated statement of changes in equity

Amounts in thousands of EUR	Share capital	Share premium
Equity as at 1 January 2023	**723,353**	**200,811**
Result for the period		
Actuarial gain / loss on pension liability		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Total comprehensive income	**-**	**-**
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Interim dividend		
Transfer to other reserve for development costs		
Dividend tax on withdrawn own Depository Receipts		
Purchasing or sale of own Depository Receipts[1]		
Equity as at 31 December 2023	**723,353**	**200,811**

[1] In seven Spanish legal claims with individual Depository Receipt holders the purchase transactions, including any received dividend, have been reversed.

Consolidated statement of changes in equity

Translation reserve	Cost of hedging reserve	Fair value reserve	Other reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,426	**369**	**4,032**	**49,568**	**233,715**	**44,818**	**1,252,240**
					77,175	**77,175**
				-111		**-111**
-215						**-215**
	121					**121**
		2,141				**2,141**
-215	**121**	**2,141**	**-**	**-111**	**77,175**	**79,111**
						-
						-
				19,797	-19,797	**-**
					-25,021	**-25,021**
						-
					-17,529	**-17,529**
			-2,563	2,563		**-**
						-
				-242		**-242**
-4,641	**490**	**6,173**	**47,005**	**255,722**	**59,646**	**1,288,559**

Amounts in thousands of EUR	Share capital	Share premium
Equity as at 1 January 2022	**723,353**	**200,811**
Adjustment opening balance[1]		
Equity as at 1 January 2022	**723,353**	**200,811**
Result for the period		
Actuarial gain / loss on pension liability[1]		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Total comprehensive income	**-**	**-**
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Extraordinary dividend		
Interim dividend		
Transfer to other reserve for development costs		
Dividend tax on withdrawn own Depository Receipts		
Purchasing or sale of own Depository Receipts		
Equity as at 31 December 2022	**723,353**	**200,811**

[1] The accounting for the conditional indexation commitment on insured accrued rights of co-workers and former co-workers in the Netherlands has been amended. As a result, Equity

Translation reserve	Cost of hedging reserve	Fair value reserve	Other reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,482	**117**	**82**	**46,431**	**233,051**	**50,759**	**1,250,122**
				-11,890		**-11,890**
-4,482	**117**	**82**	**46,431**	**221,161**	**50,759**	**1,238,232**
					49,794	**49,794**
				4,881		**4,881**
56						**56**
	252					**252**
		3,950				**3,950**
56	**252**	**3,950**	**-**	**4,881**	**49,794**	**58,933**
						-
						-
				25,169	-25,169	**-**
					-25,590	**-25,590**
						-
				-14,359		**-14,359**
					-4,976	**-4,976**
			3,137	-3,137		**-**
						-
						-
-4,426	**369**	**4,032**	**49,568**	**233,715**	**44,818**	**1,252,240**

has decreased by EUR 11,890 as of 1 January 2022 and EUR 6,958 at the end of 2022. For more information refer to the General Accounting Policies.

Consolidated cash flow statement

For the years ended 31 December

Amounts in thousands of EUR	Note	2023	2022
Operating activities			
Net profit		77,175	49,794
Net profit adjustments for:			
Depreciation	28	10,759	11,481
Amortisation	28	16,949	13,908
Amortisation premium and discount debt securities	4	-6,699	9,528
Impairment losses on financial instruments	29	21,288	8,127
Interest expense on lease liabilities	9	315	345
Revaluation participating debt (investment securities)	5	-464	663
Value adjustments property and equipment (incl. leases)		1,470	92
Value adjustments intangible assets		1,357	-
Movements in provisions	16	311	-4,199
Taxation on operating result	30	28,842	17,144
Tax paid	30	-24,486	-13,125
Net cash flows from business operations		**126,817**	**93,758**
Changes in:			
Loans and advances to banks	2	24,653	-25,684
Loans and advances to customers	3	-389,409	-734,588
Debt securities at amortised cost	4	-484,374	-236,910
Deposits from banks	13	332,958	-1,271,219
Deposits from customers	14	-57,241	531,268
Other operating activities		38,909	49,342
Net cash flows from operational activities		**-407,687**	**-1,594,033**

Amounts in thousands of EUR	Note	2023	2022
Investment activities			
Investment in investment securities	5	-804	-5,866
Divestment in investment securities	5	-	5,428
Investment in intangible assets	6	-15,273	-16,902
Investment in property and equipment	7	-4,589	-2,678
Divestment in property and equipment	7	384	7,176
Cash flows from investment activities		**-20,282**	**-12,842**
Financing activities			
Issuance of debt issued and other borrowed funds	17	-	-
Payments of lease liabilities	9	-3,202	-3,398
Increase share capital	18	-	-
Payment of cash dividend	18	-42,550	-44,925
Purchase of Depository Receipts of own shares	18	-242	-
Cash flows from financing activities		**-45,994**	**-48,323**
Net change in cash and cash equivalents		**-473,963**	**-1,655,198**
Cash and cash equivalents at the beginning of the year		2,767,412	4,422,865
Effect of exchange rate fluctuations on cash and cash equivalents held		-181	-255
Cash and cash equivalents at the end of the year		**2,293,268**	**2,767,412**
On demand deposits with central banks		2,141,020	2,581,140
On demand deposits with banks		152,248	186,272
Cash and cash equivalents at the end of the year		**2,293,268**	**2,767,412**
Additional information on operational cash flows from interest and dividends			
Interest paid		-57,669	-13,237
Interest received		459,950	274,668
Dividend received		695	616

Notes to the consolidated financial statements

General

Corporate information

Triodos Bank, having its legal address at De Reehorst, Hoofdstraat 10a, in Driebergen-Rijsenburg, the Netherlands, is a public limited liability company (N.V.) under Dutch law (Chamber of Commerce 30062415). Triodos Bank's mission is to make money work for positive change in society. We are in business to help create a society that promotes the quality of life of all its members on a thriving planet, and that has human dignity at its core. This is what sets us apart and defines our position in the financial sector.

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 13 March 2024.

Basis of preparation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the relevant articles of Part 9 of Book 2 of the Dutch Civil Code. These consolidated financial statements relate to the 43rd financial year of Triodos Bank N.V. since the establishment of Triodos Bank.

The financial statements have been prepared on a going concern basis. The bank has a resilient capital base. The capital and liquidity ratios currently remain well above the minimum required levels and are expected to stay well above these minimum levels, even in adverse scenarios. Triodos Bank performs capital and liquidity stress tests as part of the internal risk management processes. Triodos Bank demonstrates that its capital and liquidity levels are adequate to absorb high-impact low probability prolonged stress scenarios. This is due to the current capital and liquidity buffers, prudent risk appetite setting and a set of effective and proven management actions that can be taken in the early warning phase.

The impact of current developments, high inflation and low GDP growth remains unpredictable, both for the economy and the future performance of Triodos Bank. However, there is no material uncertainty regarding the financial condition of the company, based on the current knowledge and scenario analysis made. In preparing the consolidated financial statements, management has assessed Triodos Bank's ability to continue as a going concern and has concluded that there are no material uncertainties which would cast significant doubt over the ability of the bank to continue to operate as a going concern.

The principal general accounting policies are summarised below and the specific accounting policies are outlined in the relevant notes. The accounting policies have been applied consistently throughout the year, unless stated otherwise. All amounts have been rounded to the nearest thousand, unless stated otherwise. Amounts may not add up due to rounding.

General accounting policies

New and amended standards and interpretations

Triodos Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the consolidated financial statements of Triodos Bank.

Amendments effective on or after 1 January 2023 relevant to Triodos Bank are:

- Amendments to IAS 8 - Definition of Accounting Estimates (issued in February 2021, effective 1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (issued in February 2021, effective 1 January 2023)

The amendments do not have an impact on the financial statements.

Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduced a definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

When the aforementioned arises in the periods beginning on or after 1 January 2023, Triodos Bank will apply this standard when applicable. These amendments have no effect on the consolidated financial statements of Triodos Bank.

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Triodos Bank will apply the amendments to their accounting policy disclosures in the Annual Report 2023.

These amendments have no effect on the consolidated financial statements of Triodos Bank.

Upcoming changes to IFRS relevant for Triodos Bank

The following changes to IFRS are effective on or after 1 January 2024 and are applicable for Triodos Bank:

- Amendment to IFRS 16 'Leases' – Leases on sale and leaseback (issued in September 2022, effective 1 January 2024).
- Amendments to IAS 21 - Lack of Exchangeability (issued in August 2023, effective 1 January 2024).

Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16 to address the gap on how the lease liability should be subsequently measured in case of a sale and leaseback where the transaction qualifies as a ‘sale’ under IFRS 15 and the lease payments include variable lease payments that do not depend on an index or rate. The amendments to IFRS 16 are applicable for annual periods beginning on or after 1 January 2024 and should be applied retrospectively.

Triodos Bank has not entered into a sale and leaseback transaction such that the amendment is not expected to have an impact on the interim condensed consolidated financial statements.

Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. The amendments to IAS 21 are applicable for annual periods beginning on or after 1 January 2024 and should not be applied retrospectively but with an adjustment to retained earnings at initial application.

Triodos Bank does not have exposures or transactions in currencies where exchangeability is lacking such that the amendment is not expected to have an impact on the interim condensed consolidated financial statements.

Consolidation principles

The consolidated financial statements include the financial information of Triodos Bank and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial information of subsidiaries are fully consolidated in the consolidated financial statements from the date that control commences until the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

List of consolidated entities of Triodos Bank N.V.:

- Legal Owner Triodos Funds B.V. in Zeist, participating interest 100%, group company, fully consolidated. Legal Owner Triodos Funds B.V. is the legal owner of Triodos Fair Share Fund and holds for the account and risk of the participants in this fund the fund assets in its name;
- Triodos IMMA BVBA in Brussels, participating interest 100%, group company, fully consolidated. Triodos IMMA BVBA acts as proxy holder for the Belgian branch for mortgage mandates on the Belgian market.;
- Triodos Investment Management B.V. in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos Bank UK Ltd in Bristol, participating interest 100%, group company, fully consolidated.

Other controlled entities:

- Sinopel 2019 B.V. in Amsterdam, fully consolidated.

Critical judgements and estimates

The preparation of the consolidated financial statements requires Triodos Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and the contingent assets and liabilities at the balance sheet date, and the reported income and expenses for the financial year. Triodos Bank uses estimates, assumptions and judgements which can have a significant impact on the amounts recognised in the financial statements in applying these accounting policies. These estimates and assumptions are based on the most recent information available, and the actual amounts may differ in the future. The principal estimates and assumptions relate to:

- Allowance for expected credit losses on financial instruments measured at amortised cost and fair value through other comprehensive income
- Fair values of financial assets and financial liabilities
- Provisions
- Residual value of our circular built own property ("De Reehorst")

Estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised or in the period of revision and future periods if the revision impacts both the reporting period and future periods.

The judgements and assumptions involved in the accounting policies that are considered by the Executive Board to be the most important to these financial statements are discussed in the relevant notes.

Correction comparative financial information

Conditional indexation commitment in relation to Triodos collective insured defined benefit plan

At 31 December 2023, a pension liability has been recorded for the conditional indexation commitment on the accrued rights of co-workers and former co-workers in the Netherlands which are insured with Nationale Nederlanden N.V..

Triodos Bank had placed its collective insured defined benefit plan in the Netherlands with Nationale Nederlanden N.V. until 1 January 2019. A defined contribution pension plan became effective from 1 January 2019. All accrued pensions (for active co-workers / participants and for former participants and retirees in the Netherlands) remained with Nationale Nederlanden N.V.. There was no transfer of accrued pension entitlements and rights to the new pension scheme. A final indexation was contributed to this collective insured defined benefit plan in 2019. The position of Triodos Bank was that after this arrangement there were no future obligations in respect of this collective insured defined benefit plan.

Advice obtained in 2023 following contact with participants made Triodos Bank aware that the decision to stop the indexation of the collective insured defined benefit plan per 1 January 2019 may not be in line with an article of the Dutch collective labour agreement for banks and could interfere with the standards of good employer practice as defined more specifically in later case law. Therefore, Triodos Bank has reconsidered the point of view taken in 2019 that there are no future obligations in respect of the collective insured defined benefit plan after 2018.

This reconsideration has been reflected in the comparative 2022 figures in these financial statements. Equity and the result of 2022 have therefore been amended as follows:

Amounts in thousands of euros	2022 before amendment	Amendment opening balance	Amendment in 2022	2022 after amendment
Equity	1,259,395	-11,890	4,735[1]	1,252,240
Provisions	7,845	16,024	-6,381	17,488
Deferred tax liabilities	10,843	-4,134	1,646	8,355
Net profit	49,940		-146	49,794
Net profit per share	3.51		-0.01	3.50

[1] Of which EUR 146 thousand is a negative effect on the net result.

Functional and presentation currency

These consolidated financial statements are presented in euro, which is Triodos Bank's functional currency.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies at the spot exchange rates on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising from translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in Other comprehensive Income (OCI):

- Equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI.
- Foreign currency contracts or a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see hedge of net investment in a foreign operation).
- Qualifying cash flow hedges to the extent that the hedge is effective.

Business operations abroad

The assets and liabilities of foreign operations are translated into euros at the spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the spot exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and accumulated in the foreign currency translation reserve (translation reserve), except to the extent that the translation difference is allocated to Non-controlling interest (NCI).

Financial instruments

This section sets out the general accounting policies regarding the recognition and measurement of each financial instrument. The accounting policies specific to each type of financial instrument are included in each relevant note.

Triodos Bank recognises financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers initially on the trade date, i.e. the date on which Triodos Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e. purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. Triodos Bank recognises deposits from customers when funds are transferred to the bank.

On initial recognition, financial instruments are measured at fair value. Subsequently they are classified in one of the following categories. Financial liabilities cannot be reclassified. Financial assets are only reclassified where there has been a change in the business model.

Designated as at fair value through profit or loss

A financial instrument may be designated as at fair value through profit or loss (hereafter 'FVTPL') only if such designation:

- Eliminates or significantly reduces a measurement or recognition inconsistency.
- Applies to a group of financial assets, financial liabilities or both, that Triodos Bank manages and evaluates on a fair value basis.
- Relates to a financial liability that contains an embedded derivative which is not evidently closely related to the host contract.

Financial assets that are designated on initial recognition as being at fair value through profit or loss are recognised at fair value, with transaction costs being recognised in profit or loss, and are subsequently measured at fair value. Gains and losses are recognised in profit or loss as they arise.

Amortised cost financial assets

A financial instrument may be measured at amortised cost if:

- The asset is held within a business model whose objective is solely to hold assets to collect contractual cash flows.
- The contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the outstanding balance.

Triodos Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective, being the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

The business model assessment is based on reasonably expected scenarios without taking 'worst-case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the original expectations, Triodos Bank does not change the classification of the remaining financial assets held in that business model. Instead such information is incorporated when assessing the newly originated or newly purchased financial assets going forward. Triodos Bank solely reclassifies financial assets when and only when its business model for managing assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

A second step of the classification process is the assessment of the contractual terms of the financial asset to identify whether they meet the SPPI test. ‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). Interest should be in line with a basic lending arrangement and may include the consideration received for the time value of money, the credit risk associated with the principal amount outstanding during a particular period of time, liquidity risk, administrative costs, and a profit margin. Triodos Bank considers the contractual terms of the instrument to assess whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the SPPI condition. In this assessment, Triodos Bank considers relevant factors such as the currency in which the financial asset is denominated, prepayment options, interest tenor, as well as linkage to energy labels and bio-based mortgages. In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Equity instruments at fair value through other comprehensive income

Upon initial recognition, Triodos Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at fair value through other comprehensive income (hereafter 'FVOCI') when they meet the definition of equity and are not held for trading. This classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when Triodos Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Fair value through profit or loss

A financial liability is measured at fair value if it arises from: a financial guarantee contract; a commitment to lend at below market rates; an obligation arising from the failed sale of an asset; or a contingent consideration for a business acquisition. Fair value through profit or loss is the default classification for a financial asset.

Amortised cost financial liabilities

All financial liabilities that are not subsequently measured at fair value are measured at amortised cost, with interest accounted for using the effective interest rate method.

Application

To determine the appropriate method for subsequent measurement, an assessment is made of the business model of each portfolio of financial instruments. Business models are assessed at portfolio level, being the level at which they are managed. This is expected to result in the most consistent classification of assets because it aligns with the stated objectives of the portfolio, its risk management and the ability to monitor sales of assets from a portfolio. The criteria for classifying cash flows as solely principal and interest are assessed against the contractual terms of a facility, with attention to leverage features, prepayment and extension terms, and triggers that might reset the effective rate of interest.

Impairment of financial assets

Allowances for expected credit losses (ECL) are calculated for all financial assets at amortised cost or FVOCI, regardless of whether they are in default.

Triodos Bank calculates ECL based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation of the effective interest rate (EIR). A cash shortfall is the difference between the cash flows that are due to the entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD.

The allowance for expected credit losses is the outcome of the formula: PD x LGD x EAD.

Assets are classified into the following categories in line with IFRS 9:

- Stage 1: Assets that have not had a significant increase in credit risk since initial recognition. For these assets, 12-month expected credit loss (ECL) is recognised and interest income is calculated on the gross carrying amount of the asset. 12-month ECLs are the expected credit losses that result from default events that are expected within 12 months after the reporting date.
- Stage 2: For assets that have experienced a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment, lifetime ECLs are recognised and interest income is still calculated on the gross carrying amount of the asset. Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- Stage 3: For assets that have objective evidence of impairment at the reporting date, lifetime ECLs are recognised and interest income is calculated on the net carrying amount.
- Purchased or originated credit impaired (POCI): For assets that have objective evidence of impairment at purchase or origination, lifetime ECLs are recognised and interest income is calculated using the credit adjusted effective interest rate on the net carrying amount.

Expected credit losses are a probability weighted estimate of credit losses, considering various scenarios.

For doubtful debtors scenarios are specific to the circumstances of the debtor, whereas for all other debtors the scenarios are based on macroeconomic conditions.

To determine the stage 1 and 2 ECL, Triodos Bank uses a model. Stage 3 provisions for defaults in business lending are determined on an individual basis. Stage 3 provisions for mortgage loans are determined with the use of a model where the main input is the collateral value. Refer to the sections Critical judgements and estimates (see page 220) and Credit risk (see page 334) for further information.

Significant increase in credit risk

When a financial instrument has a significant increase in credit risk since initial recognition, Triodos Bank transfers the instrument from stage 1 to stage 2. After a financial asset has been transferred to stage 2, if its credit risk is no longer considered to have significantly increased relative to its initial recognition, the financial asset will move back to stage 1. In determining whether the risk of default on a financial instrument has increased significantly since initial recognition, Triodos Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Triodos Bank's historical experience and expert credit assessment and including forward-looking information, resulting in a credit risk grade, with an internal rating for larger corporate clients.

Triodos Bank allocates each exposure a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applies the judgement of experienced credit risk professionals. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Making use of general moratoria without conditions, is in itself not a trigger for significant increase in credit risk, but it could indicate a significant increase of credit risk.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates. For example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Corporate exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes.	Internally collected data on customer behaviour e.g. utilisation of overdraft facilities.	Payment record. This includes overdue status as well as a range of variables about payment ratios. Overdue payments can increase credit risk grade, with days past due over 90 days resulting in default status.
Data from credit reference agencies, press articles, changes in external credit ratings.	Affordability metrics.	Utilisation of the granted limit.
Quoted bond and credit default swap (CDS) prices for the borrower where available.	External data from credit reference agencies, including industry-standard credit scores.	Requests for and granting of forbearance.
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.		Existing and forecast changes in business, financial and economic conditions.

The internal credit rating system comprises 14 ratings as explained in the impairment of financial assets accounting policy:
- Loans with initial ratings 1-3 are considered to exhibit a significant increase in credit risk if they are downgraded by four grades.
- Loans with initial ratings 4-7 are considered to exhibit a significant increase in credit risk if they are downgraded by three grades.
- Loans with initial ratings 8-9 are considered to exhibit a significant increase in credit risk if they are downgraded by two grades.
- Loans with initial ratings 10-12 are considered to exhibit a significant increase in credit risk if they are downgraded by one grade.
- Loans with ratings of 14 are considered to be in default. Therefore a downgrade of a loan with rating 13 would put it in default.

Within the credit risk policy clients with total business loans above EUR 250 thousand are rated on an individual basis at least annually. Clients with retail mortgage loans and or total business loans below EUR 250 thousand have no rating appointed. Note that for the unrated business and unrated retail portfolios not all triggers are applicable, as not all information is available. However, as additional staging rule, if the loan has been 30 days or more past due in the last 12 months, it will be transferred to stage 2. The frequency depends on the debtor's creditworthiness, the degree of market exposure and the market in which the debtor operates. The credit committee discusses and, if necessary, takes action with respect to overdue payments from debtors. If there is any doubt regarding the continuity of the debtor's core operations and/or a debtor fails to settle agreed interest and repayment instalments for a prolonged period, this debtor falls under the category of defaulted and will be managed intensively.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default (PD) as at the reporting date.
- The remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

Triodos Bank uses four objective criteria for determining whether there has been a significant increase in credit risk:

- Quantitative test based on movement in PD.
- Qualitative indicators, for example placement of a loan on a watchlist.
- A backstop of 30 days past due.
- If an exposure is intensively managed.

Additionally, if based on expert judgement it is deemed that these criteria do not cover all increases in credit risk, a management overlay may be applied. Refer to the 'Critical judgement and estimate' section related to ECL below for any management overlays.

Triodos Bank determines probability of default based on its internal credit rating system for its larger corporate client, which comprises 14 grades. The table below includes the weighted average PD used in the ECL calculation per internal credit rating as determined at the end of current year.

Grading	12-month weighted-average PD
Grade 1	0.04%
Grade 2	0.08%
Grade 3	0.19%
Grade 4	0.45%
Grade 5	0.93%
Grade 6	1.78%
Grade 7	3.37%
Grade 8	5.68%
Grade 9	8.36%
Grade 10	13.16%
Grade 11	13.20%
Grade 12	29.81%
Grade 13	51.48%
Grade 14	In default

Loans are assessed at inception and subsequently periodically reassessed. Movements in the internal credit rating provide the basis to determine whether a significant increase in credit risk has occurred. The credit quality of all counterparties is reviewed and rated at least annually. In addition, Triodos Bank's focus on relationship management supports early identification of risk factors.

Mortgages do not have individual ratings. Individual mortgages have a significant increase in credit risk if they have payments of more than 30 days past due. The significant increase of credit risk of the remaining mortgages is assessed using a collective approach.

Definition of default
Triodos Bank considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to Triodos Bank in full, without recourse by Triodos Bank to actions such as realising security (if any is held).
- The borrower is more than 90 days past due on any material credit obligation to Triodos Bank.

Overdrafts are considered as being past due when:

- The customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.
- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, Triodos Bank considers indicators that are:

- Qualitative: e.g. breaches of covenant.
- Quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to Triodos Bank.
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Generating the term structure of PD
Credit risk grades are a primary input into the determination of the term structure of PD for exposures. Triodos Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

Triodos Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Write-offs
Impaired loans are written off when Triodos Bank concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write-off is determined on a case-by-case basis. Such loans are reviewed regularly and write-off will be prompted by bankruptcy, insolvency, renegotiation and similar events.

For all other financial instruments write-offs, if any, are also determined on a case-by-case basis.

Critical judgement and estimate related to ECL

The estimation of the ECL is a critical estimate and includes several critical judgements as set out below.

Triodos Bank records an allowance for expected credit loss for all loans and other financial assets not held at fair value through profit or loss, together with loan commitments and financial guarantee contracts.

The measurement of credit impairment under the expected credit loss model depends on management's assessment of whether a significant increase in credit risk has occurred for each financial asset, its economic forecasts including the probability of each of these, and its modelling of expected performance of each financial asset and its associated collateral in each economic scenario. Significant increase in credit risk requires critical judgement, whereas the economic forecasts and the expected performance are significant estimates that are reflected in the probability of default and the loss given default.

Significant increase in credit risk
Triodos Bank's approach to determining whether a significant increase in credit risk has occurred is, in large part, based on its internal credit rating system. This determination of what downgrade in internal credit rating constitutes a significant increase in credit risk is a significant judgement.

Economic forecasts
Any impact of future outlook is calculated with the use of macroeconomic scenarios. Triodos Bank formulates three economic scenarios: a base case scenario and two less likely scenarios (Up scenario and Down scenario). The base case is aligned with information used by Triodos Bank for other purposes such as strategic planning and budgeting. The macroeconomic scenarios impact the probability of default and the collateral value. The collateral value is used to determine the loss given default.

In developing these macroeconomic scenarios, Triodos Bank uses significant judgement. Triodos Bank has incorporated the current economic environment, including its expected future outlook into the macroeconomic scenarios. Triodos Bank uses an independent forecaster to create its macroeconomic scenarios, which includes economic data and forecasts published by governmental bodies, monetary authorities and supranational organisations such as the OECD and the International Monetary Fund.

The economic scenarios used as at 31 December 2023 included the following Real GDP growth for the years ending 31 December 2024 to 2025 and the long-term growth for the years after 2025. The Real GDP growth is the forecasted GDP growth, corrected for the forecasted inflation. This is a critical estimate.

	Weight	2024	2025	2026	Long-term
Base scenario	40%	1.4%	2.0%	2.0%	1.0%
Up scenario	30%	3.7%	1.8%	1.9%	1.0%
Down scenario	30%	-4.8%	2.5%	3.3%	1.0%

The weighting per scenario reflects the belief of market participants of the likelihood of the occurrence of the scenarios. The weighting is reassessed on a quarterly basis. The 2022 weightings were Base scenario (40%), Up scenario (30%) and Down scenario (30%).

Triodos Bank performed a sensitivity analysis related to the macroeconomic forecasts, focusing on the key driver, Real GDP growth. The sensitivity analysis had the following outcome:

Amounts in thousands of EUR	Impact on ECL
GDP growth +2%	-1,396
GDP growth +1%	-951
GDP growth +0.5%	-557
GDP growth -0.5%	840
GDP growth -1%	2,254
GDP growth -2%	7,131

Loan performance in different macroeconomic conditions
The performance of each loan in stages 1 and 2 in the different macroeconomic scenarios is determined by its sector and its geographic location. The geography determines the relevant macroeconomic forecast and the sensitivity to the economy is determined by the client's sector. The sector sensitivities are set at either none, low, medium, or high. Based on these parameters, the PD and LGD of the clients are adjusted up or downwards, depending on the economic forecast, e.g. in case the forecast is a deteriorating economic situation the PD and LGD are scaled up to reflect this.

The economic forecast consist of various macro-economic indicators, most importantly GDP growth and market rate change (for business portfolios) and unemployment and house price index (for mortgage portfolios). The maximum PD impact depends on the sensitivity and is provided in the table below in number of notches downgrade equivalents. For example, if GDP correlation of an exposure is low and the GDP declines by -1%, the PD of that exposure is the PD of the rating of the exposure increased by 1 notch. The impact of notches can be seen in the table where PD percentages are shown.

Measurement unit of impact	Number of notches
Low	+1 notch
Medium	+2 notch
High	+3 notch

Predicted relationships between macroeconomic scenario's and default and loss given default rates on the ECL are critical estimates that have been developed based on management judgement and analysis of historical data.

Environmental, Social and Governance (ESG) risks in ECL
ESG risks, as further described in the board report on page 148, potentially pose additional credit risk and should therefore be incorporated in the ECL model. Because the starting point of Triodos Bank's lending process is its sustainable and values-based mission, Triodos Bank's exposure to climate transition, social and governance risks is considered limited. However, as a result of climate change, Triodos Bank's portfolio is exposed to physical climate risks. Physical risk events, such as floods and wildfires, may result in an elevated probability of default and an increase in loss given default due to potential damages to collateral. The potential impact of ESG risks on ECL is quantified in the group's climate risk stress test and materiality assessment, which are part of our ICAAP and ILAAP. Triodos Bank is committed to enhance the integration of ESG risks within its ECL framework. In 2024, Triodos Bank will continue to mature its approach on the integration of ESG risk management across every aspect of the bank.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. Triodos Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Triodos Bank has transferred the financial asset if, and only if, either:

- Triodos Bank has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows, but it has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement. Pass-through

arrangements are transactions whereby Triodos Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
  - Triodos Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
  - Triodos Bank cannot sell or pledge the original asset other than as security to the eventual recipients.
  - Triodos Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, Triodos Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- Triodos Bank has transferred substantially all the risks and rewards of the asset, or
- Triodos Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. Control is transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of continuing involvement, in which case, the associated liability is also recognised. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that have been retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that could be required to pay.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Modified assets and liabilities

Triodos Bank can make concessions or modifications to original terms of loans either due to commercial renegotiations or due to distressed restructurings with a view to maximise recovery.

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, Triodos Bank records a modification gain or loss. A modification is considered to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial asset of, or greater than, 10%.

Derecognition due to substantial modification of terms and conditions
Triodos Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as stage 1 for ECL measurement purposes, unless the new loan is deemed to be credit impaired at recognition date triggering POCI classification.

When assessing whether or not to derecognise a loan to a customer Triodos Bank considers a range of qualitative factors including:

- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- Restructuring

Forbearance
When the borrower is in financial difficulty, rather than taking possession or otherwise enforcing collection of collateral, the terms of the loan(s) can be modified. Triodos Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and Triodos Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and agreeing new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between stage 2 and stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired stage 3 forborne asset until it is collected or written off.

Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing.
- The probation period of two years has passed from the date the forborne contract was considered performing.
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period.
- The customer does not have any contracts that are more than 30 days past due.

Embedded derivatives

Derivatives embedded in contracts shall be separated from the host contract and accounted for separately at fair value if all the below criteria are met:

- The host contract is not a financial asset in scope of IFRS 9.
- The hybrid contract is not measured at fair value through profit or loss.
- The embedded derivative would meet the definition of a stand-alone derivative.
- The embedded derivative is not closely related to the host contract.

Impairment of non-financial assets

At each balance sheet date, Triodos Bank assesses whether there is any indication that its assets, other than financial instruments, are impaired. If any such indication exists, it estimates the recoverable amount of the asset and the impairment loss if any. If an asset does not generate cash flows that are independent from those of other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of future cash flows from the asset or cash-generating unit discounted at a rate that reflects market interest rates adjusted for risks specific to the asset or cash-generating unit that have not been taken into account in estimating future cash flows. If the recoverable amount of an intangible or tangible asset is less than its carrying value, an impairment loss is recognised immediately in profit or loss and the carrying value of the asset reduced by the amount of the loss.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill cannot be reversed.

Securitisation

Triodos Bank has one retained residential mortgage-backed securitisation (RMBS) called Sinopel 2019 B.V. (“Sinopel”).

A securitisation is a transaction where a pool of assets is sold to a special purpose vehicle. The special purpose vehicle issues notes with different tranches to finance the purchase price of the assets. With Sinopel, Triodos Bank structured a retained RMBS whereby Triodos Bank is the sole buyer of the issued notes and has, as such, not transferred any credit risk. Through the retained RMBS, Triodos Bank strengthens its financial resilience and gains additional access to (central bank) liquidity by pledging the notes as collateral with the Dutch Central Bank or by selling the notes under repurchase agreements. The Sinopel RMBS is collateralised by Dutch residential mortgage loans. The structure is fully compliant with the new Simple Transparent Standardised EU regulation. For notes issued by Sinopel 2019 B.V., the following ECAIs were involved: DBRS Ratings Limited and S&P Global Ratings Europe. As there is no risk transfer with the Sinopel transaction, the securitisation exposures (notes) are not risk weighted separately. The securitised assets (mortgage loans) are taken into account as if they were not securitised. Triodos Bank consolidates Sinopel in its annual accounts.

Apart from the Sinopel transaction, Triodos Bank is not active as originator, investor or sponsor of securitisation exposures. As a result, Triodos Bank does not hold any re-securitisation positions and does not provide securitisation related services to any other SPV.

The notes of the securitisation are partially placed at the Dutch Central Bank to be able to use a credit line and partially sold under a repurchase transaction. The carrying amount of the financial assets placed at the Dutch Central Bank is EUR 932.4 million (2022: 1,597.4 million) and the carrying amount of the financial assets sold under a repurchase transaction is EUR 624.6 million (2022: nil).

Under the repurchase agreement, Sinopel notes have been sold and will be repurchased at a predetermined price. All risks and rewards of the financial assets remain with Triodos Bank such that the assets remain on-balance and a deposit from banks is recognised as liability. For additional information on this transaction, please refer to disclosure 13 Deposits from banks on page 267.

Cash flow statement

The cash flow statement sets out the movement in Triodos Bank's funds, broken down into operating activities, investment activities and financing activities. The funds consist of cash and the on-demand deposits with banks. The cash flow statement is produced using the indirect method and gives details of the source of cash and cash equivalents over the course of the year. The cash flows are analysed into cash flows from operations, including banking activities, investment activities and financing activities.

Movements in loans and receivables and interbank deposits are included in the cash flow from operating activities. Investment activities are composed of acquisitions, sales and redemptions in respect of financial investments, as well as property and equipment. The issuing of shares and the borrowing and repayment of long-term funds are treated as financing activities. Cash flows arising from foreign currency transactions are translated into euros using the exchange rates at the date of the cash flows.

Notes to the consolidated balance sheet

Assets

1 Cash and cash equivalents

The balance sheet value of the cash and cash equivalents as at 31 December can be broken down as follows:

Amounts in thousands of EUR	2023	2022
On demand deposit Dutch Central Bank	1,270,266	1,717,962
On demand deposit Belgian Central Bank	145,746	278,042
On demand deposit German Central Bank	142,299	7,469
On demand deposit Spanish Central Bank	256,616	170,719
On demand deposit United Kingdom Central Bank	324,900	405,870
Interest receivable	1,193	1,078
Balance sheet value as at 31 December	**2,141,020**	**2,581,140**

More detailed information regarding cash and cash equivalents can be found in the Risk management chapter, section Liquidity risk, with quantitative information starting on page 349.

Accounting policy

Cash and cash equivalents comprises cash with central banks. Cash and cash equivalents are carried at amortised cost on the balance sheet.

2 Loans and advances to banks

Amounts in thousands of EUR	2023	2022
On demand deposits with banks	152,248	186,272
Deposits with banks	121,162	146,027
Interest receivable	413	201
Allowance for ECL	-29	-7
Balance sheet value as at 31 December	**273,794**	**332,493**

Received cash collateral regarding interest rate swaps and forward currency contracts is presented as loans and advances to banks. The increase in received cash collateral from EUR 79.2 million at year-end 2022 to EUR 97.0 million at the end of 2023 is mainly caused by fair value changes in interest rate swaps.

An amount of EUR 119.9 million of the deposits is encumbered (2022: EUR 144.7 million) mainly under derivatives and repurchase transactions. There were no subordinated deposits (2022: nil). All other deposits can be freely disposed of.

The balance sheet value of the loans and advances to banks as at 31 December can be broken down as follows by residual maturity:

Amounts in thousands of EUR	2023	2022
On demand	152,661	186,444
1 to 3 months	1,244	1,358
Encumbered assets without a maturity	119,889	144,691
Balance sheet value as at 31 December	**273,794**	**332,493**

Accounting policy

Loans and advances to banks are financial instruments initially measured at fair value including any incremental direct transaction costs. The loans and advances to banks are held to collect the contractual cash flows and meet the SPPI criteria. Therefore, subsequent measurement is at amortised cost, using the effective interest method in accordance with the Financial instruments paragraph in the accounting principles on page 222 .

3 Loans and advances to customers

Loans and advances to customers at amortised cost:

	2023				
Amounts in thousands of EUR	**Gross carrying amount**	**Allowance for ECL**	**Carrying amount**	**Net interest**	**Effective interest rate**
Business loans	6,231,426	-49,320	6,182,106	248,732	4.01%
Mortgage lending[1]	4,896,839	-1,772	4,895,067	120,435	2.58%
Short term loans[2]	-	-	-	90	0.30%
Current accounts and credit cards	144,553	-1,646	142,907	7,125	4.75%
Fair value hedge accounting	-176,219	-	-176,219	-	-
Interest receivables	36,102	-	36,102	-	-
Balance sheet value as at 31 December	**11,132,701**	**-52,738**	**11,079,963**	**376,382**	**3.47%**

[1] EUR 624.6 million (2022: nil) of mortgages have been pledged under a repurchase agreement. For further information, please refer to note 13.
[2] These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

	2022				
Amounts in thousands of EUR	**Gross carrying amount**	**Allowance for ECL**	**Carrying amount**	**Net interest**	**Effective interest rate**
Business loans	6,270,426	-47,927	6,222,499	172,417	2.77%
Mortgage lending	4,447,170	-1,414	4,445,756	67,306	1.67%
Short term loans[1]	60,000	-	60,000	-61	-0.06%
Current accounts and credit cards	159,036	-1,876	157,160	5,178	3.04%
Fair value hedge accounting	-289,691	-	-289,691	-	-
Interest receivables	23,952	-	23,952	-	-
Balance sheet value as at 31 December	**10,670,893**	**-51,217**	**10,619,676**	**244,840**	**2.36%**

[1] These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

The expected credit loss allowance (ECL) is 0.47% of the total loan portfolio gross carrying amount as per 31 December 2023 (31 December 2022: 0.48%).

The annual incurred loss rate, which is the stage 3 impairment expense over the average loan book per 31 December 2023, is 21bps (2022: 8bps).

The movements of the ECL of Loans and Advances to customers for 2023 is presented below. A further breakdown of the movements of the ECL split between ECL on business loans, current accounts and mortgages along with comparative data is included below.

Amounts in thousands of EUR	2023			
	Stage 1	Stage 2	Stage 3	Total
Balance sheet value at 1 January	6,314	5,695	39,208	51,217
Net remeasurement of allowance for expected credit losses	-82	-2,082	23,292	21,128
of which:				
- Effect of transition between stages	1,349	-1,103	510	756
- Macroeconomic forward-looking impact	-273	-368	-	-641
- Individual loan or advance behaviour	-1,142	-621	22,782	21,019
- Update ECL model	-16	10	-	-6
Net portfolio growth	675	-727	-	-52
Write-offs	-	-	-19,785	-19,785
Exchange rate differences	15	41	174	230
Balance sheet value as at 31 December	**6,922**	**2,927**	**42,889**	**52,738**

Amounts in thousands of EUR	2022			
	Stage 1	Stage 2	Stage 3	Total
Balance sheet value at 1 January	8,675	3,418	36,887	48,980
Net remeasurement of allowance for expected credit losses	-2,750	1,859	8,180	7,289
of which:				
- Effect of transition between stages	-907	2,660	510	2,263
- Macroeconomic forward-looking impact	-2,567	-470	-	-3,037
- Individual loan or advance behaviour	353	99	7,670	8,122
- Update ECL model	371	-430	-	-59
Net portfolio growth	463	503	-	966
Write-offs	-	-	-5,490	-5,490
Exchange rate differences	-74	-85	-369	-528
Balance sheet value as at 31 December	**6,314**	**5,695**	**39,208**	**51,217**

The total ECL provision of EUR 51.2 million per 31 December 2022 increased by EUR 1.5 million to EUR 52.7 million per 31 December 2023. The increase was mainly due to an increase in stage 3 of EUR 3.7 million which was partly offset by a decrease in stage 2 of EUR 2.8 million. The decrease in stage 2 is mainly caused by the movement of exposures out of stage 2. Due to the stabilisation on the inflation and the individual assessments of each exposure throughout 2023, the management overlay for exposures in the construction phase was removed. This management overlay pushed each exposure in the construction phase into stage 2 for year-end 2022. The removal of this overlay has a large impact due to the relatively large ECL on these exposures due to low collateral values.

Stage 3 showed an increase of EUR 3.7 million which was caused by an increase in stage 3 of EUR 23.2 million, offset by write-offs of EUR 19.7 million. This has resulted in a net loss in the profit or loss account of EUR 21.1 million (2022: a net loss of EUR 8.1 million). The sharp increase is mainly due to two large, defaulted exposures.

More detailed information regarding the allowance for ECL and the impairment gain/loss recognised in the profit or loss accounts can be found in the Risk Management chapter, section Credit risk, with quantitative information starting on page 338.

The movement of the ECL of Loans and advances is further split below between the movement of the ECL for Business loans and current accounts and the movement of the ECL for Mortgages.

The following table shows the movements within the ECL on business loans and current accounts. The allowance for expected credit losses in this table includes ECL on off-balance sheet loan commitments for certain retail products such as credit cards and overdrafts, because Triodos Bank determines the ECL per exposure, including any loan commitment component.

ECL loans and advances to customers at amortised cost - Business loans and current accounts	**2023**			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	5,622	5,281	38,900	49,803
Net remeasurement of allowance for expected credit losses	-36	-2,051	22,908	20,821
of which:				
- Effect of transition between stages	1,350	-1,085	497	762
- Macroeconomic forward-looking impact	-311	-407	-	-718
- Individual loan or advance behaviour	-1,102	-603	22,411	20,706
- Update ECL model	27	44	-	71
Net portfolio growth	637	-740	-	-103
Write-offs	-	-	-19,785	-19,785
Exchange rate differences	15	41	174	230
Balance at 31 December	**6,238**	**2,531**	**42,197**	**50,966**

ECL loans and advances to customers at amortised cost – Mortgages	**2023**			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	692	414	308	1,414
Net remeasurement of allowance for expected credit losses	-46	-31	384	307
of which:				
- Effect of transition between stages	-1	-18	13	-6
- Macroeconomic forward-looking impact	38	39	-	77
- Individual loan or advance behaviour	-40	-18	371	313
- Update ECL model	-43	-34	-	-77
Net portfolio growth	38	13	-	51
Balance at 31 December	**684**	**396**	**692**	**1,772**

ECL loans and advances to customers at amortised cost - Business loans and current accounts	2022			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	8,058	3,057	36,787	47,902
Net remeasurement of allowance for expected credit losses	-2,670	1,904	7,972	7,206
of which:				
- Effect of transition between stages	-906	2,642	497	2,233
- Macroeconomic forward-looking impact	-2,534	-415	-	-2,949
- Individual loan or advance behaviour	400	108	7,475	7,983
- Update ECL model	370	-431	-	-61
Net portfolio growth	308	405	-	713
Write-offs	-	-	-5,490	-5,490
Exchange rate differences	-74	-85	-369	-528
Balance at 31 December	**5,622**	**5,281**	**38,900**	**49,803**

ECL loans and advances to customers at amortised cost – Mortgages	2022			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	617	361	100	1,078
Net remeasurement of allowance for expected credit losses	-80	-45	208	83
of which:				
- Effect of transition between stages	-1	18	13	30
- Macroeconomic forward-looking impact	-33	-55	-	-88
- Individual loan or advance behaviour	-47	-9	195	139
- Update ECL model	1	1	-	2
Net portfolio growth	155	98	-	253
Balance at 31 December	**692**	**414**	**308**	**1,414**

Loans and advances to customers classified by residual maturity:

Amounts in thousands of EUR	2023	2022
Payable on demand	146,837	160,530
1 to 3 months	439,515	451,023
3 months to 1 year	1,060,989	972,909
1 to 5 years	3,840,059	3,672,590
Longer than 5 years	5,592,563	5,362,624
Balance sheet value as at 31 December	**11,079,963**	**10,619,676**

A total amount of EUR 4.7 million (2022: EUR 5.6 million) of the loans and advances to customers is subordinated.

As part of the interest rate risk management, Triodos Bank entered into interest rate swaps to hedge the interest risk on fixed interest rate loans. Please see Non-trading derivatives and hedge accounting (see page 371) for additional information.

A breakdown related to received collateral, relevant industries, sectors and per geographic region can be found in the pillar 3 report 2023 which can be found on the website of Triodos Bank.

Accounting policy

Loans and advances to customers are financial instruments initially measured at fair value including any incremental direct transaction costs. The loans and advances to customers are held to collect the contractual cash flows and meet the SPPI criteria. Therefore, subsequent measurement is at amortised cost, using the effective interest method in accordance with the Financial instruments paragraph in the accounting principles on page 222.

Critical judgement and estimates

Triodos Bank determines the ECL which is a critical estimate and includes critical judgements. For more details on the critical judgement and estimate of ECL, refer to Financial instruments (see page 222).

4 Debt securities at amortised cost

Amounts in thousands of EUR	2023	2022
Dutch government bonds	9,978	9,940
Belgian government bonds	50,100	76,843
Spanish government bonds	88,704	98,356
United Kingdom government bonds	176,005	153,157
Other bonds	1,851,402	1,343,430
Interest receivable	11,200	7,736
Fair value hedge accounting	219	350
Allowance for ECL	-33	-32
Balance sheet value as at 31 December	**2,187,575**	**1,689,780**

Debt securities with a nominal amount of EUR 418.5 million are placed at the Dutch Central Bank (2022: EUR 975.9 million) and can be used for a credit line.

Up to 2020, as part of the interest rate risk management, Triodos Bank entered into interest rate swaps to hedge the interest risk on fixed interest rate bonds. These hedge relationships were discontinued as Triodos Bank now applies macro fair value hedge accounting on its loans and advances to customers. The fair value hedge adjustment on debt securities will amortise over the remaining lifetime of the dedesignated hedge relationship.

The movement in debt securities at amortised cost is as follows:

Amounts in thousands of EUR	**2023**	**2022**
Balance sheet value as at 1 January	1,689,780	1,483,378
Acquisitions	859,432	745,581
Repayments	-378,522	-507,669
Amortisation difference between acquisition price and redemption value	7,105	-9,122
Exchange rate differences	6,448	-21,069
Interest receivable movement	3,464	-1,002
Fair value hedge accounting movement	-131	-295
Net movement in allowance for ECL	-1	-22
Balance sheet value as at 31 December	**2,187,575**	**1,689,780**

The increase in debt securities is mainly caused by an increase in other bonds of EUR 508 million. Other bonds consist of European regional government and corporate bonds, listed and non-listed. Debt securities including other bonds are specified below.

Interest-bearing securities as shown in the table below are valued at amortised cost. This is the book value without the components interest receivable, fair value hedge accounting and the allowance for ECL.

Amounts in thousands of EUR	**2023**			
Issuer	**Listed**	**Non-listed**	**Maturity <1 year**	**Maturity >1 year**
Total public sector entities	1,862,370	40,598	438,800	1,464,168
Total non-public sector entities	269,221	4,000	22,646	250,575
Total	**2,131,591**	**44,598**	**461,446**	**1,714,743**

Amounts in thousands of EUR	2022			
Issuer	Listed	Non-listed	Maturity <1 year	Maturity >1 year
Total public sector entities	1,420,178	41,253	403,222	1,058,209
Total non-public sector entities	214,295	6,000	14,716	205,579
Total	**1,634,473**	**47,253**	**417,938**	**1,263,788**

Accounting policy

All debt securities at amortised cost are held in the investment portfolio. These are financial instruments initially measured at fair value including any incremental direct transaction costs. The debt securities are held to collect the contractual cash flows and meet the SPPI criteria. Therefore, subsequent measurement is at amortised cost, using the effective interest method in accordance with the Financial instruments paragraph in the accounting principles on page 222.

5 Investment securities

Amounts in thousands of EUR	2023	2022
Participating interests designated at fair value through OCI	39,519	35,990
Participating debt at fair value through profit or loss	229	190
Associates at equity value	9,815	9,436
Participating equity at fair value through OCI	109	102
Balance sheet value as at 31 December	**49,672**	**45,718**

As part of its mission, Triodos Bank wishes sustainable banking to create more and more impact over the world. In this respect, Triodos Bank provides equity funding to like-minded financial institutions in order to increase growth of the sustainable banking sector. Equity funding is provided to Transactie Monitoring Nederland B.V. and Visa inc. to conduct our banking business. The bank cannot exercise any significant influence on its participating interests. These investments are of a strategic nature and are not held for trading. The instruments classified as equities, being the participating interests, are designated to be accounted for at fair value though OCI. The instruments classified as debt, being the participating debt, are mandatorily designated to be accounted for at fair value through profit or loss.

The participating interests designated at fair value through OCI can be broken down as follows:

Amounts in thousands of EUR	2023		2022	
	Participating interest	Carrying amount	Participating interest	Carrying amount
Participating interests designated at fair value through OCI				
Amalgamated Bank, New York[1]	2.4%	17,709	2.4%	15,618
Merkur Cooperative Bank., Copenhagen[1]	5.7%	3,434	3.6%	3,127
Cultura Sparebank, Oslo[1]	1.1%	53	1.2%	95
GLS Gemeinschaftsbank eG, Bochum[1]	1.4%	10,050	1.5%	10,050
Banca Popolare Etica, Padova[1]	0.1%	138	0.1%	133
Ekobanken Medlemsbank, Järna[1]	0.5%	50	0.5%	49
Social Enterprise Finance Australia Limited, Sydney	4.5%	62	4.5%	1
Bpifrance Financement S.A., Maisons-Alfort.	0.0%	135	0.0%	151
Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. (FMO), The Hague[1]	2.0%	1,051	2.0%	1,051
Thrive Renewables Plc, Bristol	5.2%	4,120	5.4%	3,605
Transactie Monitoring Nederland B.V., Amsterdam	3.0%	1,704	3.0%	1,209
La Société d'Investissement France Active (SIFA), Montreuil	0.1%	301	0.1%	295
Visa Inc., San Francisco[1]	0.0%	612	0.0%	506
Bolsa Social, Madrid	4.7%	100	4.7%	100
Balance sheet value as at 31 December		**39,519**		**35,990**

[1] Credit institution

The associates at equity value can be broken down as follows:

Amounts in thousands of EUR	2023		2022	
	Participating interest	Carrying amount	Participating interest	Carrying amount
Associates at equity value				
Triodos Emerging Markets Renewable Energy Fund, Luxembourg	11.9%	4,303	12.3%	4,211
Triodos Microfinance Fund, Luxembourg[1]	1.4%	5,512	1.4%	5,225
Balance sheet value as at 31 December		**9,815**		**9,436**

[1] Sustainability – Finance – Real Economies SICAV-SIF public limited liability company (SFRE SIF) merged into Triodos Microfinance Fund (TMF) at 16 September 2022. As a result of the merger, SFRE SIF ceased to exist and Triodos Bank received shares in TMF equal in value to the previous investment in SFRE SIF. The investment in TMF is classified as associate as this is a Triodos Investment Fund.

The movement in the participating interest designated at fair value through OCI is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	35,990	30,143
Increase of capital	804	594
Revaluation	3,088	4,873
Exchange rate differences	-363	380
Balance sheet value as at 31 December	**39,519**	**35,990**

The movement in the participating debt at fair value through profit or loss is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	190	5,463
Revaluation	39	-542
Repayment of capital	-	-156
Divestments[1]	-	-5,272
Exchange rate differences	-	697
Balance sheet value as at 31 December	**229**	**190**

[1] Sustainability – Finance – Real Economies SICAV-SIF public limited liability company (SFRE SIF) merged into Triodos Microfinance Fund (TMF) as at 16 September 2022. As a result of the merger, SFRE SIF ceased to exist and Triodos Bank received shares in TMF equal in value to the previous investment in SFRE SIF. The investment in TMF is classified as associate at equity value as this is a Triodos Investment Fund.

When a new fund is originated, Triodos Investment Management may decide to provide seed capital to get the fund started. Depending on the fund and its needs, this may be an investment for less than one year or for a longer period. In 2021, Triodos Emerging Markets Renewable Energy Fund was originated in which seed capital was invested. The investment classifies as an associate and is accounted for using the equity method.

The movement in the associates at equity value is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	9,436	4,285
Acquisitions[1]	-	5,272
Revaluation	379	-121
Balance sheet value as at 31 December	**9,815**	**9,436**

[1] Sustainability – Finance – Real Economies SICAV-SIF public limited liability company (SFRE SIF) merged into Triodos Microfinance Fund (TMF) at 16 September 2022. As a result of the merger, SFRE SIF ceased to exist and Triodos Bank received shares in TMF equal in value to the previous investment in SFRE SIF. The investment in TMF is classified as associate at equity value as this is a Triodos Investment Fund.

Accounting policy

Investment securities include participating interests in other financial institutions either in equity or debt form, and this includes seed capital investments in own investment funds that are classified as associates. The participating interests in equity are designated at FVOCI as these are strategic long-term investments. The participating interest in debt form is measured at FVTPL as these do not meet the SPPI criteria. The participating interest in associates is measured using the equity method.

For securities that are listed on an active stock exchange, the fair value will be deemed to be equal to the most recently published stock exchange price. If the security is not listed on an active stock exchange or where there is no regular price quotation, the fair value will be determined as accurately as possible using all available data, including an annual report audited by an external independent auditor, interim financial information from the institution and any other relevant data provided to Triodos Bank.

Unrealised and realised changes in the value of investment securities at FVOCI are recognised in other comprehensive income and will not be recycled to profit or loss. Unrealised and realised changes in the value of investment securities at FVPL are recognised in profit or loss.

Critical judgement and estimates
Triodos Bank determines the fair values of those financial instruments measured at FVOCI and FVTPL periodically which is a critical estimate. For more details on the measurement of fair values refer to Fair value of financial instruments (see page 364).

6 Intangible assets

Amounts in thousands of EUR	2023	2022
Development costs for information systems	46,962	49,369
Management contracts	554	756
Computer software	704	1,100
Balance sheet value as at 31 December	**48,220**	**51,225**

Development costs for information systems

Development costs for information systems contain costs for internally developed intangible assets related to the bank's IT systems in the Netherlands, Spain and Germany.

The movement in the development costs for information systems is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	99,074	81,816
Cumulative amortisation as at 1 January	-49,705	-35,712
Balance sheet value as at 1 January	**49,369**	**46,104**
Internal development	15,184	16,449
Amortisation	-16,260	-13,117
Impairments	-1,357	-
Exchange rate differences	26	-67
Balance sheet value as at 31 December	**46,962**	**49,369**
Purchase value as at 31 December	114,068	99,074
Cumulative amortisation as at 31 December	-67,106	-49,705
Balance sheet value as at 31 December	**46,962**	**49,369**

Management contracts

Management contracts relate to contracts for the management of funds by Triodos Investment Management. When it acquired its participating interest in Triodos Investment Management in 2006, Triodos Bank paid EUR 4 million for this to Stichting Triodos Holding. No impairment was recognised based on the remaining usefulness of the contracts.

The movement in management contracts is as follows:

Amounts in thousands of EUR	**2023**	**2022**
Purchase value as at 1 January	4,030	4,030
Cumulative amortisation as at 1 January	-3,274	-3,073
Balance sheet value as at 1 January	**756**	**957**
Amortisation	-202	-201
Balance sheet value as at 31 December	**554**	**756**
Purchase value as at 31 December	4,030	4,030
Cumulative amortisation as at 31 December	-3,476	-3,274
Balance sheet value as at 31 December	**554**	**756**

Computer software

Computer software relates to software that has been purchased. The movement in computer software is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	4,478	4,088
Cumulative amortisation as at 1 January	-3,378	-2,845
Balance sheet value as at 1 January	**1,100**	**1,243**
Purchases	89	453
Amortisation	-487	-590
Impairments	-	-
Exchange rate differences	2	-6
Balance sheet value as at 31 December	**704**	**1,100**
Purchase value as at 31 December	4,570	4,478
Cumulative amortisation as at 31 December	-3,866	-3,378
Balance sheet value as at 31 December	**704**	**1,100**

Accounting policy

Intangible assets are stated at cost, less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss over the asset's estimated economic life using the straight-line method that best reflects the pattern of economic benefits. These estimated useful economic lives are:

Internally developed assets: 5 to 10 years

- Computer software: 3 to 5 years
- Management contracts: 20 years

Direct costs relating to internally developed assets are capitalised once technical feasibility and economic viability have been established. These costs include co-worker costs and the costs of materials and services. Capitalisation of costs ceases when the asset is capable of operating as intended.

During and after development, accumulated costs are annually reviewed for impairment triggers. If there is an impairment trigger, any impairments will be recognised in the profit or loss in line with the impairment accounting policy for non-financial assets as included on page 231.

The development costs for the banking system will be amortised over the estimated useful life from the moment the system is used, to a maximum of 10 years.

Management contracts paid by Triodos Bank when acquiring the participating interest in Triodos Investment Management B.V. will be written off over a period of 20 years to October 2026. The remaining depreciation period is three years as at the end of 2023.

Computer software that has been purchased will be written off over its useful life. This period will not exceed five years.

7 Property and equipment

Amounts in thousands of EUR	2023	2022
Property for own use	61,622	68,905
Equipment	18,829	19,786
Balance sheet value as at 31 December	**80,451**	**88,691**

The movement in property for own use is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	77,960	80,297
Cumulative revaluation as at 1 January	-	-1,596
Cumulative depreciation as at 1 January	-9,055	-7,185
Balance sheet as at 1 January	**68,905**	**71,516**
Purchases	14	-
Depreciation	-1,964	-2,009
Impairments	-	-
Transfer to held for sale	-5,575	-
Exchange rate differences	242	-602
Balance sheet value as at 31 December	**61,622**	**68,905**
Purchase value as at 31 December	69,658	77,960
Cumulative depreciation as at 31 December	-8,036	-9,055
Balance sheet value as at 31 December	**61,622**	**68,905**

Triodos Bank in Spain owns two buildings located at José Echegaray in Las Rozas Madrid. It has been decided to sell one of the buildings as a consequence of the new way of working. This way of working entails a combination of working from home and working from the office. This decision triggered an impairment because the carrying value of the building will no longer be recovered through its continuing use, but through the sale of the property. An impairment loss of EUR 1.5 million is recorded in profit or loss statement. The impairment is recognised to adjust the carrying value to the fair value less cost of disposal. An external valuation report is used to estimate the fair value less cost of disposal. The building is expected to be sold during 2024, such that the building will be reclassified to assets held for sale.

The movement in equipment is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	57,393	57,930
Cumulative depreciation as at 1 January	-37,607	-34,782
Balance sheet value as at 1 January	**19,786**	**23,148**
Purchases	4,575	2,678
Sales	-178	-4
Depreciation	-5,607	-6,080
Impairments	214	144
Exchange rate differences	39	-100
Balance sheet value as at 31 December	**18,829**	**19,786**
Purchase value as at 31 December	55,043	57,393
Cumulative depreciation as at 31 December	-36,214	-37,607
Balance sheet value as at 31 December	**18,829**	**19,786**

Fully depreciated equipment with a total purchase value of EUR 4.5 million (2022: EUR 2.4 million) has been disposed of.

Accounting policy

Items of property and equipment are stated at cost, less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight-line basis so as to write off the depreciable amount of each item of property and equipment over its estimated useful life. The depreciable amount is the cost of an asset, less its residual value. Land for own use is not depreciated.

The estimated useful lives of Triodos Bank's property and equipment are:

- Property and leasehold property: 40 years (or lease term if shorter)
- Machinery: 3 to 5 years
- Furniture and fixtures: 5 years

The residual value and useful life of property and equipment are reviewed at each balance sheet date and updated for any changes to previous estimates.

Property under development is valued at the lower of the expenditure and the expected realised value upon completion. The expenditure consists of payments made to third parties. The difference between the proceeds on disposal of equipment and net carrying value is recognised in the profit or loss account under Other income.

Property and equipment are annually reviewed for impairment triggers. If there is an impairment trigger, any impairments will be recognised in the profit or loss accounts in line with the impairment accounting policy for fixed assets as included on page 231.

Critical judgement and estimates

In December 2019, Triodos Bank moved in the Netherlands to the newly developed office building De Reehorst. The innovative design is based on circular economy and biomimicry principles. The design and production of materials are based on natural structures. The building is re-mountable and modular, built with sustainable and reusable materials.

Within common accounting policies, the residual value of owned offices is set at zero as information on residual value is lacking. Because this building is circular and set up to have value in the future, Triodos Bank has investigated the residual value. This was captured in a report from a third-party circular demolition company, calculating the value of several reuseable components. The value is achieved if the components are remounted as a whole in a new building, considering costs for removing. Based on this report Triodos Bank currently estimates the residual value of De Reehorst at EUR 3.0 million.

The residual value gets its value from the market in which components from the building can be reused. This market is currently in development and new building initiatives using reuseable materials as a starting point are few. Developments on these fronts and other changes (e.g. CO_2 tax) can impact the residual value of De Reehorst in the future.

8 Investment property

Triodos Bank sometimes repossesses assets which come from acquisition in public auctions. These assets are collaterals of an executed loan. A part of the repossessed assets, however, will not be sold immediately because Triodos Bank has opted to add value by renting out these assets. These are therefore presented as investment property.

The movement in investment property is as follows:

Amounts in thousands of EUR	2023	2022
Acquisition value as at 1 January	8,699	10,463
Cumulative depreciation as at 1 January	-1,960	-2,558
Balance sheet as at 1 January	**6,739**	**7,905**
New foreclosed assets	15	35
Sales	-206	-1,037
Depreciation	-161	-164
Impairments	-	-
Balance sheet value as at 31 December	**6,387**	**6,739**
Purchase value as at 31 December	8,462	8,699
Cumulative depreciation as at 31 December	-2,075	-1,960
Balance sheet value as at 31 December	**6,387**	**6,739**

Leases as lessor

Triodos Bank leases out its investment properties for the purpose of adding value to the repossessed assets. Triodos Bank has recognised the following items in the profit or loss account.

Amounts in thousands of EUR	2023	2022
Rental income	68	70
Operating expenses	-135	-238
Total result on investment properties	**-67**	**-168**

Accounting policy

Investment properties comprise land and buildings that are not occupied for use by, or in the operations of, Triodos Bank, nor for sale in the ordinary course of business, but are held primarily to earn rental income and/or for capital appreciation. Investment property is initially measured at cost and subsequently stated at cost, less accumulated depreciation and impairment losses. Depreciation is determined in accordance with the accounting principles as stated in 7 Property and equipment. Investment properties are annually reviewed for impairment triggers. If there is an impairment trigger, any impairments will be recognised in the profit or loss accounts in line with the impairment accounting policy for fixed assets as included on page 231.

Any gain or loss on the disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. When the use of a property changes such that it is reclassified as property and equipment, its carrying value at the date of reclassification becomes its cost for subsequent accounting.

9 Leases

Triodos Bank leases many assets including land and buildings, vehicles, and IT equipment. Information about leases for which Triodos Bank is a lessee is presented below.

Right-of-use assets

	2023				2022			
Amounts in thousands of EUR	**Property**	**Vehicles**	**Other**	**Total**	**Property**	**Vehicles**	**Other**	**Total**
Balance sheet value as at 1 January	11,996	907	424	**13,327**	15,095	1,258	381	**16,734**
Depreciation	-2,312	-661	-54	**-3,027**	-2,460	-700	-55	**-3,215**
Additions	1,228	1,219	-	**2,447**	1,613	349	318	**2,280**
Exchange rate differences	25	-	-	**25**	-65	-	-	**-65**
Disposals	-544	-34	-	**-578**	-2,187	-	-220	**-2,407**
Balance sheet value as at 31 December	**10,393**	**1,431**	**370**	**12,194**	**11,996**	**907**	**424**	**13,327**

Lease liabilities

Amounts in thousands of EUR	2023				2022			
	Property	Vehicles	Other	Total	Property	Vehicles	Other	Total
Less than one year	979	527	56	**1,562**	2,250	733	56	**3,039**
More than one year	10,005	914	320	**11,239**	10,333	180	372	**10,885**
Balance sheet value as at 31 December	**10,984**	**1,441**	**376**	**12,801**	**12,583**	**913**	**428**	**13,924**

The table below shows the maturity analysis for contractual undiscounted cash flows.

Amounts in thousands of EUR	2023				2022			
	Property	Vehicles	Other	Total	Property	Vehicles	Other	Total
Less than one year	1,562	571	56	**2,189**	2,454	490	56	**3,000**
One to five years	4,743	871	233	**5,847**	5,514	421	372	**6,307**
More than five years	8,559	-	108	**8,667**	5,557	-	-	**5,557**
Undiscounted lease liabilities as at 31 December	**14,864**	**1,442**	**397**	**16,703**	**13,525**	**911**	**428**	**14,864**

Amounts recognised in profit or loss

Amounts in thousands of EUR	2023	2022
Depreciation	-3,027	-3,214
Interest on lease liabilities	-315	-345
Expenses of short-term leases	-28	-25
Expenses of low-value assets	-37	-20
Sub-lease income	28	48

Amounts recognised in the statement of cash flows

Amounts in thousands of EUR	2023	2022
Total cash outflow for leases	3,267	3,443

Real estate leases

Triodos Bank leases land and buildings for its office space. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. Some leases provide for additional rent payments that are based on changes in local price indices.

Other leases

Triodos Bank leases vehicles and equipment, with lease terms of generally three to five years. Triodos Bank also leases IT equipment with contract terms of generally one to three years. Leases with a contract term of less than one year and/or a value of less than EUR 5 thousand or EUR equivalent are considered short term and/or leases of low-value items.

Triodos Bank has elected not to recognise right-of-use assets and lease liabilities for short-term and low-value leases.

Accounting policy

As a lessee
Triodos Bank assesses whether a contract is a lease or contains a lease at inception of a contract. Triodos Bank recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, Triodos Bank recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, Triodos Bank uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.
- Lease payments to be made under reasonably certain extension options.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Triodos Bank remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are annually reviewed for impairment triggers. If there is an impairment trigger, any impairments will be recognised in the profit or loss accounts in line with the impairment accounting policy for non-financial assets as included on page 231.

Whenever Triodos Bank incurs an obligation for costs to restore a leased asset to the condition required by the terms and conditions of the lease, a provision is recognised.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that Triodos Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The periodic impact in the profit or loss accounts are the depreciation charges on the right-of-use assets and the interest charges on the lease liability.

Triodos Bank elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss.

As a lessor
Triodos Bank enters into lease agreements as a lessor with respect to some of its office space.

Leases for which Triodos Bank is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Triodos Bank does not act as a lessor for any finance leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, Triodos Bank allocates the consideration under the contract to each component.

Judgement and estimate

The lease liabilities are initially measured at the present value of the future lease payments, discounted at the lessee's incremental borrowing rate (IBR) given that the interest rate implicit in the lease cannot be readily determined. The IBR is the rate of interest that Triodos Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what Triodos Bank 'would have to pay', which requires estimation and inherently involves significant judgement when no observable rates are available. Triodos Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as Triodos Bank's stand-alone credit rating).

10 Non-trading derivatives

Additional hedge accounting disclosures are part of the financial risk management paragraph, please see note Non-trading derivatives and hedge accounting (see page 371) for additional information.

As part of the interest rate risk management, Triodos Bank entered into interest rate swaps to hedge the interest risk on fixed interest rate loans. The fair value of the interest rate swaps with a positive value at the end of the year is represented on the asset side of the balance sheet and the interest rate swaps with a negative value on the liability side. A breakdown of derivatives by remaining term to maturity and fair value is presented below:

Non-trading derivative assets

2023		Notional amount			
Amounts in thousands of EUR	Total	<= 1 year	> 1 year <= 5 years	> 5 years	Fair value
OTC currency contracts:					
Forwards	180,353	180,353	-	-	268
OTC interest rate contracts:					
Interest rate swaps (hedge accounting only)	1,264,600	23,500	86,100	1,155,000	207,620
Total derivatives	**1,444,953**	**203,853**	**86,100**	**1,155,000**	**207,888**
Average IRS rates		0.53%	0.21%	0.64%	

2022		Notional amount			
Amounts in thousands of EUR	Total	<= 1 year	> 1 year <= 5 years	> 5 years	Fair value
OTC currency contracts:					
Forwards	227,721	227,721	-	-	5,011
Non-deliverable forwards	1,418	1,418	-	-	375
OTC interest rate contracts:					
Interest rate swaps (hedge accounting only)	1,415,600	36,000	84,600	1,295,000	290,310
Total derivatives	**1,644,739**	**265,139**	**84,600**	**1,295,000**	**295,696**
Average IRS rates		0.27%	0.34%	0.74%	

Triodos Bank applies macro fair value hedge accounting, in which the interest rate swaps (IRS) are the hedging instruments. Triodos Bank only enters into these contracts for the purpose of hedging the interest rate risk, no derivatives are used for trading purposes. In 2023, Triodos Bank entered into additional interest rate swaps to further mitigate the interest rate risk. See page 358 for further information on interest rate risk for Triodos Bank.

In order to hedge the currency risk of the investment funds of Triodos Investment Management, Triodos Bank entered into non-deliverable currency contracts with third parties and entered into back-to-back non-deliverable currency contracts with the investment funds, including a small margin. As the investment funds are not consolidated, both the long and back-to-back short positions are on-balance. In 2017, Triodos Bank stopped entering into new currency contract for the investment funds due to new regulation. The last non-deliverable currency contracts with third parties and investment funds of Triodos Investment Management matured in 2023.

Non-trading derivative liabilities

2023 Amounts in thousands of EUR	Notional amount Total	<= 1 year	> 1 year <= 5 years	> 5 years	Fair value
OTC currency contracts:					
Forwards	-	-	-	-	-
OTC interest rate contracts:					
Interest rate swaps (hedge accounting only)	673,000	-	38,000	635,000	34,708
Total derivatives	**673,000**	**-**	**38,000**	**635,000**	**34,708**
Average IRS rates			2.89%	3.03%	

2022 Amounts in thousands of EUR	Notional amount Total	<= 1 year	> 1 year <= 5 years	> 5 years	Fair value
OTC currency contracts:					
Forwards	5,605	5,605	-	-	879
Non-deliverable forwards	1,418	1,418	-	-	370
OTC interest rate contracts:					
Interest rate swaps (hedge accounting only)	-	-	-	-	-
Total derivatives	**7,023**	**7,023**	**-**	**-**	**1,249**
Average IRS rates		n/a	n/a	n/a	

The forward currency contracts relate mainly to GBP contracts that Triodos Bank entered for a notional amount of EUR 180.3 million (2022: EUR 222.1 million) for hedging the currency risk of the UK subsidiary equity participation of Triodos Bank.

Accounting policy

Derivative financial instruments, consisting of foreign currency forward contracts and interest rate swaps, are initially recognised at fair value, with subsequent fair value movements recognised in profit or loss. Triodos Bank uses interest rate swaps and foreign exchange forwards as derivatives for hedging purposes. Fair values of interest rate swaps are determined by discounted cash flows against prevailing market interest rates. Foreign exchange forwards fair values are determined by the movement of the foreign exchange rate. Changes in the fair value are included in the profit or loss account.

The effective portion of fair value movements of those derivatives in a cash flow or net investment hedge relationship are recognised in OCI and recycled to the profit or loss when the related result on the hedged item is recognised in profit or loss.

Hedge accounting
Triodos Bank elected, as a policy choice permitted by IFRS 9, to continue to apply hedge accounting in accordance with IAS 39. Triodos Bank designates certain derivatives held for risk management as well as certain non-trading derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, Triodos Bank formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. Triodos Bank makes an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within the effective range. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk of the hedging instrument and the hedged item during the period for which the hedge is designated, are expected to offset in a range of 80% to 125%.

Triodos Bank uses derivatives (principally interest rate swaps) for economic hedging purposes in the management of its asset and liability portfolios. The objective of economic hedging is to enter into positions with an opposite risk profile to an identified exposure to reduce that risk exposure. In addition to economic hedging, Triodos Bank also applies hedge accounting. The hedge accounting types are discussed below. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate. If the hedged item is derecognised, any remaining adjustment to the carrying amount is recognised as part of the derecognition gain/loss.

Fair value hedges
Triodos Bank applies macro fair value hedge accounting to the hedges that are in place to hedge the changes in fair value due to changes in interest rates of its longer-term fixed rate financial assets. Under this hedging strategy, interest rates swaps are designated as hedging instruments, which are in an economic hedge relationship with a portfolio of loans and mortgages as hedged item to cover the fair value risk due to changes in interest rate. For additional information on the hedge relationship, refer to Non-trading derivatives and hedge accounting (see page 371).

Net investment hedge of a foreign operation
Triodos Bank hedges part its net investment in Triodos Bank UK Limited, its subsidiary in the United Kingdom. The hedged risk is the foreign currency exposure arising from the net investment. Triodos Bank designates the hedged risk as the risk of the GBP spot changes against EUR, in order to reduce fluctuations in the value of the net investment in its subsidiaries due to movements in the GBP exchange rate. Triodos Bank makes use of foreign exchange forward contracts to hedge this risk. The derivatives are recorded at fair value on the balance sheet.

The fair value movements of these contracts are determined by the changes in spot foreign exchange rate, and the basis spread. The basis spread is the difference between the spot and forward rate in the contract. Triodos Bank elects to use the cost of hedging method for changes in the basis spread and records these in a separate component within equity. The spot rate changes are, together with the changes in the hedge risk, recognised in the translation reserve through OCI. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in profit and loss. The amount recognised in OCI is fully or partially reclassified to profit and loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

Critical judgement and estimates

Triodos Bank determines the fair values of those financial instruments measured at FVOCI and FVTPL periodically, which is a critical estimate. For more details on the measurement of fair values refer to Fair value of financial instruments (see page 364).

11 Other assets

The balance sheet value of other assets as at 31 December can be broken down as follows:

Amounts in thousands of EUR	2023	2022
Receivable regarding the deposit guarantee scheme	2,700	2,700
Other prepayments and accrued income	44,720	36,782
Other	18,143	16,759
Allowance for ECL	-471	-488
Balance sheet value as at 31 December	**65,092**	**55,753**

The other assets fall due within one year for an amount of EUR 44 million (2022: EUR 40 million).

Accounting policy

Other assets are recognised initially at fair value and subsequently measured at amortised cost.

Critical judgement and estimates

Triodos Bank determines the ECL which is a critical estimate and includes critical judgements. For more details on the critical judgement and estimate of ECL, refer to Financial instruments (see page 222).

12 Non-current assets held for sale

The balance sheet value of assets held for sale as at 31 December can be broken down as follows:

Amounts in thousands of EUR	2023	2022
Repossessed assets	4,381	4,750
Own property held for sale	4,339	-
Shares in investment funds held for sale	-	832
Balance sheet value as at 31 December	**8,720**	**5,582**

Triodos Bank can acquire the collateral under non-performing loans. All assets acquired are real estate. It is the intention of Triodos Bank to dispose of these assets as they are not part of the primary business of the bank. If permitted by the underlying contracts of the acquired assets, these assets are presented as real estate for sale, using an estate agent.

Triodos Investment Management has provided seed capital to a new investment fund in March 2022 to improve the product offering and exit within a year.

The disclosure regarding the addition to the assets held for sale as required by IFRS 5 is included in note 7 Property and equipment.

Amounts in thousands of EUR	2023	2022
Cumulative impairments on assets held for sale	-2,441	-928
Total for the year	**-2,441**	**-928**

Accounting policy

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The condition for such classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition.

Non-current assets classified as held for sale are initially measured as the lower of:

- Carrying amount
- Fair value less costs to sell

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Equity and liabilities

13 Deposits from banks

Amounts in thousands of EUR	2023	2022
Deposits from banks	497,446	52,191
Cash collateral received	170,925	284,881
Interest payable	1,674	15
Balance sheet value as at 31 December	**670,045**	**337,087**

The deposits from banks includes two repurchase agreement and one liquidity facility for a total amount of EUR 450 million which were transacted in 2023.

The remainder of the deposits from banks concerns deposits received from Kreditanstalt für Wiederaufbau, Germany and Landwirtschaftliche Rentenbanken, Germany for interest-subsidised loans in the renewable energy sector.

Deposits from banks classified by residual maturity can be broken down as follows:

Amounts in thousands of EUR	2023	2022
Payable on demand	170,925	284,881
1 to 3 months	255,595	80
3 months to 1 year	201,131	-
1 to 5 years	19,694	29,730
Longer than 5 years	22,700	22,396
Balance sheet value as at 31 December	**670,045**	**337,087**

Accounting policy

Deposits from banks are initially measured at fair value less incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

To determine the accounting treatment of a repurchase agreement, the economic substance of the transaction must be determined. If substantially all risks and rewards of the sold assets remain with Triodos Bank, the assets will not be derecognised and a deposit from banks is recognised, measured at amortised cost. If substantially all risks and rewards do not remain with Triodos Bank, the sold assets are derecognised upon sale.

14 Deposits from customers

Amounts in thousands of EUR	2023	2022
Business clients:		
Saving accounts	1,661,092	1,498,252
Fixed term deposits	355,099	161,675
Current accounts	2,568,584	3,084,816
Retail clients:		
Saving accounts	6,494,269	6,427,318
Fixed term deposits	819,830	381,480
Current accounts	1,783,646	2,254,477
Interest payable	76,579	8,322
Balance sheet value as at 31 December	**13,759,099**	**13,816,340**

Deposits from customers classified by residual maturity can be broken down as follows:

Amounts in thousands of EUR	2023 Business clients	2023 Retail clients	2023 Total	2022 Business clients	2022 Retail clients	2022 Total
Payable on demand	4,221,275	7,719,731	**11,941,006**	4,473,609	8,575,777	**13,049,386**
1 to 3 months	153,241	681,211	**834,452**	209,317	173,656	**382,973**
3 months to 1 year	202,441	586,688	**789,129**	45,726	202,683	**248,409**
1 to 5 years	30,865	141,529	**172,394**	16,344	93,341	**109,685**
Longer than 5 years	2,613	19,505	**22,118**	2,608	23,279	**25,887**
Balance sheet value as at 31 December	**4,610,435**	**9,148,664**	**13,759,099**	**4,747,604**	**9,068,736**	**13,816,340**

Accounting policy

Deposits from customers are initially measured at fair value less incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

15 Other liabilities

The balance sheet value of the other liabilities as at 31 December can be broken down as follows:

Amounts in thousands of EUR	2023	2022
Other liabilities	27,104	20,909
Other accruals and deferred income	73,712	60,791
Balance sheet value as at 31 December	**100,816**	**81,700**

The other liabilities fall due within one year for an amount of EUR 89 million (2022: EUR 81 million).

Accounting policy

On initial recognition other liabilities are recognised at fair value. After initial recognition other liabilities are recognised at the amortised cost, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

16 Provisions

Amounts in thousands of EUR	2023	2022
Net pension liability[1]	9,800	9,643
ECL on loan commitments and financial guarantee contracts issued	1,497	1,297
Other provisions	6,862	6,548
Balance sheet value as at 31 December	**18,159**	**17,488**

[1] The accounting for the conditional indexation commitment on insured accrued rights of co-workers and former co-workers in the Netherlands has been amended. As a result, the comparative figure has been added. For more information refer to the General Accounting Policies.

The other provisions mainly consist of the provisions for restructuring and legal proceedings.

An amount of EUR 6 million (2022: EUR 5 million) can be classified as shorter than one year.

The movement in the net pension liability provision is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January[1]	9,643	16,024
Amortisation	435	197
Release	-278	-6,578
Balance sheet value as at 31 December[1]	**9,800**	**9,643**

[1] The accounting for the conditional indexation commitment on insured accrued rights of co-workers and former co-workers in the Netherlands has been amended. As a result, the comparative figure has been added. For more information refer to the General Accounting Policies.

The movement in the other provisions is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	6,548	4,368
Addition	4,133	6,363
Withdrawal	-1,039	-231
Release	-2,783	-3,950
Exchange rate differences	3	-2
Balance sheet value as at 31 December	**6,862**	**6,548**

Loan commitments issued result in issued loans when offers are signed or when commitments are used. The following table shows the movements within the ECL on loan commitments and financial guarantee contracts issued.

ECL loan commitments and financial guarantee contracts issued	2023		
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Total**
Balance at 1 January	686	611	1,297
Net remeasurement of allowance for expected credit losses	306	-254	52
of which:			
- Macroeconomic forward-looking impact	305	-244	61
- Update ECL model	-	-	-
- Individual commitment behaviour	1	-10	-9
Net portfolio growth	120	34	154
Foreign exchange and other movements	-2	-4	-6
Balance at 31 December	**1,110**	**387**	**1,497**

ECL loan commitments and financial guarantee contracts issued		2022	
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Total**
Balance at 1 January	1,124	292	1,416
Net remeasurement of allowance for expected credit losses	-24	368	344
of which:			
- Macroeconomic forward-looking impact	-171	348	177
- Update ECL model	49	-55	-6
- Individual commitment behaviour	98	75	173
Net portfolio growth	-421	-66	-487
Foreign exchange and other movements	7	17	24
Balance at 31 December	**686**	**611**	**1,297**

Accounting policy

Triodos Bank recognises a provision when it has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Defined benefit pension liability
The net defined benefit pension liability is the defined benefit liability minus the fair value of the plan assets. The present value of an entity's defined benefit pension liability is determined using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately in building up the final obligation. The defined benefit pension obligation is determined using the actuarial valuation method.

Movements due to actuarial gains and losses are recognised directly in OCI, net of tax. Current service costs, past service costs and settlements are recognised in the profit and loss accounts. An interest expense over the net defined benefit pension liability is recognised in the profit and loss accounts and will be dependent on the carrying value of the net defined benefit pension liability and the market interest rate.

The amount of the actual future indexation will be at the discretion of Triodos Bank and will be determined annually by the Executive Board. The decision for the amount of indexation will be based on actual inflation rates. The estimate is sensitive to the interest rate which is used to discount future cash flows.

Critical judgement and estimates

Triodos Bank determines the ECL which is a critical estimate and includes critical judgements. For more details on the critical judgement and estimate of ECL, refer to Financial instruments (see page 222).

17 Subordinated debt

Amounts in thousands of EUR	2023	2022
Subordinated Tier 2 instruments:		
Subordinated Green Bond (institutional investors)	248,742	248,336
Subordinated Bond (retail investors)	6,569	6,432
Interest payable	5,120	5,116
Balance sheet value as at 31 December	**260,431**	**259,884**

In 2021, Triodos Bank realised the placement of a subordinated Green Bond to institutional investors. The Green Bond has a nominal value of EUR 250 million, a tenor of 10.25 years, and a coupon of 2.25% for the first five and a quarter years after which there is an option to redeem the bond early. If the bond is not redeemed early, the interest rate is reset to maturity at 2.4% above the annual Euro mid swap rate. The Green Bond has been placed below nominal value at 99.497%. The placement of the Green Bond results in an increase of the Tier 2 Capital which is a diversification of the Total Capital of Triodos Bank.

The Green Bond has been issued taking into account the ICMA Green Bond Principles, Climate Bond Initiative Standards and the EU Taxonomy recommendations. It has been assessed by a Second Party Opinion as best market practice on all components. This confirms Triodos Bank's ambition to 'finance change and change finance' and underlines its position as frontrunner in sustainable banking.

The 10-year Triodos Bank UK bond (retail investors) was issued in 2020 by Triodos Bank UK. The bond was issued at nominal value in GBP. The annual interest coupon is 4% for the first five years, after which there is an option to redeem the bond early. If the bond is not redeemed early, the interest rate is reset to maturity at 3.9% above the Bank of England base rate. The bonds are subordinated to all other liabilities.

Accounting policy

Subordinated debt is initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

18 Equity

Share capital

The equity stated on the consolidated balance sheet is equal to that stated on the parent company balance sheet. The authorised capital totals to an amount of EUR 1.5 billion and is divided into 30 million ordinary shares, each with a nominal value of EUR 50. At year-end, there were 14,467,056 ordinary shares (2022: 14,467,056 shares), each of EUR 50, issued to and fully paid up by Stichting Administratiekantoor Aandelen Triodos Bank (SAAT). As at the same date, SAAT had also issued 14,467,056 Depository Receipts (2022: 14,467,056 Depository Receipts), each with a nominal value of EUR 50.

The purchasing and reissuing of Depository Receipts for own shares is charged or credited respectively to the Other reserves. Any balance remaining after the reissuing of all own Depository Receipts purchased shall be placed at the disposal of the Annual General Meeting. At year-end 2023, Triodos Bank has purchased 254,712 of its own Depository Receipts. More details on capital ratios are included in the Pillar 3 report which can be found on the Triodos Bank website.

The movement in the number of shares is as follows:

Amounts in thousands of EUR	**2023**	**2022**
Number of shares as at 1 January	14,467,056	14,467,056
Number of shares as at 31 December	**14,467,056**	**14,467,056**

Share premium reserve

This item includes the share premium reserve, which is composed of deposits that exceed the nominal capital. The full balance of the share premium reserve has been recognised as such for tax purposes.

Translation reserve

The translation reserve includes the currency translation result of foreign operations and the effective portion of the net investment hedge on foreign operations.

Cost of hedging reserve

The cost of hedging reserve relates to the forward component of the net investment hedges which are recognised as cost of hedging.

Fair value reserve

The fair value reserve relates to the unrealised value adjustments in respect of the acquisition price for participating interests.

Other reserve

The other reserve is a regulatory reserve for in-house developed intangible assets and is not available for distribution to shareholders. The movement in the other reserve for development costs of internally developed intangible assets is as follows:

Amounts in thousands of EUR	**2023**	**2022**
Development costs	47,005	49,568
Balance sheet value as at 31 December	**47,005**	**49,568**

The following table shows the movement in the other reserve related to the in-house developed intangibles assets.

Amounts in thousands of EUR	**2023**	**2022**
Balance sheet value as at 1 January	49,568	46,431
Transfer of other reserve	-2,563	3,137
Balance sheet value as at 31 December	**47,005**	**49,568**

Retained earnings

The movement in retained earnings includes purchasing of own Depository Receipts, the addition of prior year profit appropriation to retained earnings, and the payment of extraordinary dividend. At year-end 2023, Triodos Bank had purchased 254,712 own Depository Receipts amounting to EUR 21,863 thousand (2022: 250,634 own Depository Receipts amounting to EUR 21,556 thousand).

Profit appropriation

As set out in the Articles of Association, the appropriation of profit is as follows:

Part of the profit as reported in the adopted profit and loss account shall be used by the Executive Board to form or add to the reserves to the extent that this is deemed desirable. The remaining profit shall be distributed to the shareholders, unless the General Meeting decides otherwise.

The proposed appropriation of profit is based on the number of Depository Receipts issued as at 31 December 2023, minus the number of Depository Receipts purchased by Triodos Bank. The final proposal will be submitted at the Annual General Meeting.

The proposed appropriation of profit (in thousands of EUR) is as follows:

Amounts in thousands of EUR	**2023**
Net profit	77,175
Addition to the retained earnings	-19,331
Dividend (EUR 4.07 per Depository Receipt, including EUR 1.23 interim dividend)[1]	**57,844**

[1] Interim dividend of EUR 1.23 per Depository Receipt was paid out in September 2023.

For the year result of 2023, Triodos Bank proposes a final dividend of EUR 2.84 per Depository Receipt, equivalent to a 75% payout ratio (the percentage of total profit distributed as dividends). This proposed final dividend is on top of the interim dividend of EUR 1.23 per Depository Receipt that has been paid out in September 2023. The proposed final dividend has been approved by the Dutch Central Bank.

Off-balance sheet liabilities

19 Contingent liabilities

Financial guarantees

This item relates to credit substitute guarantees and non-credit-substitute guarantees that are partly secured by blocked accounts for the same amount.

Amounts in thousands of EUR	2023	2022
Credit substitute guarantees	29,742	26,990
Non-credit substitute guarantees	21,029	22,082
Total contingent liabilities	**50,771**	**49,072**

Credit substitute guarantees are guarantees issued to customers for loans provided to these customers by other banks. Non-credit substitute guarantees are guarantees to customers for all other obligations of these customers to third parties. For example:

- Obligations to purchase sustainable goods, such as wind turbines.
- Obligations to decommission equipment or reinstate property (mostly related to project finance provided by Triodos Bank).

Legal proceedings

Triodos Bank is involved in a number of legal proceedings. Management assesses the outcome of litigation matters and takes provisions when expected losses with respect to such matters are more likely than not and the expected outflow of resources can be reliably estimated. If a provision cannot be recognised, and the outflow or economic benefits is not remote, a contingent liability is recognised. The legal proceedings in Spain in relation to Depository Receipts that have not had a verdict in first instance are regarded by Triodos Bank as contingent liabilities, as per end of 2023. For more information on legal proceedings pending, please refer to Legal proceedings on page 303.

Accounting policy

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the profit and loss, and an ECL allowance. The premium received is recognised in the profit and loss in Net fee and commission income on a straight-line basis over the life of the guarantee.

A contingent liability is a possible obligation that arises from past events. The outflow of economic benefits arising from this obligation is either not probable or cannot be measured reliably. Contingent liabilities are not recognised in the consolidated balance sheet but are rather disclosed in the notes.

20 Irrevocable facilities

These relate to the total liabilities in respect of irrevocable undertakings, which may lead to a further loan.

Amounts in thousands of EUR	2023	2022
Undrawn debit limits on current accounts and credit cards	320,453	377,270
Accepted loans not yet paid out	1,171,544	1,400,467
Valid loan offers not yet accepted	93,630	74,393
Other facilities	1,578	1,037
Total irrevocable facilities	**1,587,205**	**1,853,167**

Accounting policy

Irrevocable facilities are undrawn debit limits on current accounts and credit cards, accepted loans not yet paid out, valid loan offers not yet accepted and other facilities.

Accepted loans not yet paid out and valid loan offers not yet accepted are in the scope of the ECL requirements as these contain credit risk and are therefore part of the overall credit risk exposure.

The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the consolidated balance sheet. The ECL provision is recognised in note 16 Provisions on page 270.

Other off-balance sheet liabilities

In addition to the contingent liabilities and irrevocable facilities reported off-balance sheet, the deposit guarantee scheme and the investor compensation scheme are applicable as stated in Article 3:259 of the Financial Supervision Act in the Netherlands. From May 2019, the funds entrusted from the United Kingdom are insured under the Financial Services Compensation Scheme as defined by the Financial Services and Markets Act 2000 in the United Kingdom. The funds entrusted insured under the deposit guarantee scheme in the Netherlands amounts to EUR 9,113 million (2022: EUR 9,214 million) and in the United Kingdom EUR 1,608 million (GBP 1,394 million, 2022: EUR 1,316 million or GBP 1,165 million). In 2016, the annual ex-ante contribution to the Deposit Guarantee Fund started in the Netherlands in order to reach a target level of 0.8% of the insured funds entrusted in the Netherlands in 2024. The contribution to the Deposit Guarantee Fund amounts to EUR 9 million in 2023 (2022: EUR 13 million).

Other off-balance sheet commitments

The off-balance sheet commitments as at 31 December can be broken down as follows:

2023 Amounts in thousands of EUR	Annual amount	Average year of contract
Software use	7,449	2.18
Service relating payment and other banking transactions	8,523	1.00
Services relating property management	157	1.00
Service relating providing temporary co-workers	3,009	1.00
Audit services	3,000	2.00
Balance sheet value as at 31 December	**22,138**	**1.53**

2022 Amounts in thousands of EUR	Annual amount	Average year of contract
Software use	6,494	2.29
Service relating payment and other banking transactions	9,210	1.00
Services relating property management	66	1.00
Service relating providing temporary co-workers	1,744	1.00
Audit services	2,900	1.00
Balance sheet value as at 31 December	**20,414**	**1.41**

Notes to the consolidated statement of profit and loss

Income

21 Interest income

Amounts in thousands of EUR	2023	2022
Loans and advances to customers	376,383	244,948
Loans and advances to banks	75,220	15,304
Debt securities at amortised cost	31,777	11,556
Negative interest expense on TLTRO III	-	9,757
Negative interest expense deposits from customers	61	5,683
Other interest income	343	631
Total interest income	**483,784**	**287,879**

The interest income includes income derived from loans and related transactions, as well as related commissions, which by their nature are similar to interest payments. The interest income on debt securities at amortised cost includes no sales result in 2023 (2022: nil).

The negative interest expense on TLTRO III relates to the negative interest on the TLTRO III funding received from the ECB under Deposits from banks. Triodos Bank repaid the TLTRO early on 23 November 2022.

Accounting policy

Interest income on financial instruments is determined using the effective interest rate method. The effective interest rate allocates the interest income over the expected life of the asset or liability at the rate that exactly discounts all estimated future cash flows to equal the instrument's initial carrying amount.

Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instrument's yield, and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

Triodos Bank calculates interest income on financial assets, other than those considered credit impaired, by applying the effective interest rate to the gross carrying amount. When a financial asset becomes credit impaired and is therefore regarded as stage 3, the interest income is calculated by applying the effective interest rate to the net amortised cost.

22 Interest expense

Amounts in thousands of EUR	2023	2022
Deposits from customers	-102,222	-12,070
Subordinated liabilities	-6,294	-6,297
Deposits from banks	-13,914	-1,041
Negative interest income loans and advances to banks	-	-8,175
Negative interest income debt securities	-684	-1,463
Other interest expense	-4,474	-5,940
Total interest expense	**-127,588**	**-34,986**
Net interest income	**356,196**	**252,893**

During 2023, interest rates on deposits from customers have continued to increase resulting in a sharp increase in interest expense on deposits from customers.

Negative interest income loans and advances to banks mainly related to negative interest paid on cash at central banks up to July 2022. As of July 2022 and throughout 2023, there was a positive deposit rate on cash held at central banks. The positive interest received on cash held at central banks is recorded in interest income.

In the other interest expense, a total of EUR 3.6 million (2022: EUR 3.7 million) was included for the interest on currency forward contracts.

Accounting policy

Interest expense on financial instruments is determined using the effective interest rate method. The effective interest rate allocates the interest expense over the expected life of the asset or liability at the rate that exactly discounts all estimated future cash flows to equal the instrument's initial carrying amount.

23 Investment income

Amounts in thousands of EUR	2023	2022
Dividend from investment securities	695	616
Total investment income	**695**	**616**

Accounting policy

Investment income includes the dividend income from investments in equity instruments designated at fair value through other comprehensive income (FVOCI). Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

24 Net fee and commission income

Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated fee and commission income with the Group's reportable segments.

The fees and commission presented in this note include income of EUR 14.4 million (2022: EUR 15.7 million) relating to financial assets and financial liabilities not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets and financial liabilities.

Asset management fees include fees earned by Triodos Bank on trust and fiduciary activities in which Triodos Bank holds or invests assets on behalf of its customers.

In 2023 we issued new debit cards for our business customers in the Netherlands.

Read more

	Reportable s							
	Bank Netherlands		Bank Belgium		Bank United Kingdom		Bank Spain	
Amounts in thousands of EUR	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Transaction fee securities	**890**	1,249	**-**	-	**-**	-	**-**	-
Payment transactions	**21,513**	24,415	**122**	121	**197**	187	**3,791**	4,004
Lending	**5,313**	6,760	**2,410**	2,076	**1,312**	1,550	**3,543**	2,715
Asset Management	**11,721**	12,230	**2,572**	2,493	**-**	-	**-**	-
Management fees	**-**	-	**3,481**	3,442	**685**	844	**326**	315
Other commission income	**-**	-	**-**	-	**2,818**	2,550	**2,516**	2,934
Total fee and commission income from contracts with customers	**39,437**	**44,654**	**8,585**	**8,132**	**5,012**	**5,131**	**10,176**	**9,968**
Financial guarantee contracts and loan commitments	**71**	68	**-**	-	**-**	-	**303**	362
Total fee and commission income	**39,508**	**44,722**	**8,585**	**8,132**	**5,012**	**5,131**	**10,479**	**10,330**
Commission to agents	**-**	-	**-**	-34	**-**	-	**-3**	-5
Asset Management	**-602**	-441	**-**	-	**-**	-	**-**	-
Other commission expense	**-**	-	**-545**	-1,472	**-2,647**	-2,322	**-3,374**	-2,680
Total fee and commission expense	**-602**	**-441**	**-545**	**-1,506**	**-2,647**	**-2,322**	**-3,377**	**-2,685**
Net fee and commission income	**38,906**	**44,281**	**8,040**	**6,626**	**2,365**	**2,809**	**7,102**	**7,645**

The decrease of the net fee and commission income is mainly caused by ending charging fees on savings accounts in the Netherlands and less management fee earned by Triodos Investment Management.

segments

Bank Germany		Total banking activities		Investment Management		Head Office including TRMC		Total	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
-	-	890	1,249	-	-	-	-	890	1,249
2,767	2,634	28,390	31,361	-	-	-	-	28,390	31,361
1,237	1,940	13,815	15,041	-	-	-	-	13,815	15,041
380	491	14,673	15,214	-	-	-	-	14,673	15,214
100	65	4,592	4,666	55,424	59,160	1,440	1,476	61,456	65,302
1	1	5,335	5,485	-	-	-	3	5,335	5,488
4,485	5,131	67,695	73,016	55,424	59,160	1,440	1,479	124,559	133,655
210	204	584	634	-	-	-	-	584	634
4,695	5,335	68,279	73,650	55,424	59,160	1,440	1,479	125,143	134,289
-211	-	-214	-39	-	-	-	-	-214	-39
-18	-	-620	-441	-3,523	-4,532	-	-	-4,143	-4,973
-1,321	-1,533	-7,887	-8,007	-448	-218	-169	-149	-8,504	-8,374
-1,550	-1,533	-8,721	-8,487	-3,971	-4,750	-169	-149	-12,861	-13,386
3,145	3,802	59,558	65,163	51,453	54,410	1,271	1,330	112,282	120,903

Accounting policy

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. Triodos Bank recognises income when it transfers control over a service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related income recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Income recognition
Transaction fee securities	Fee charged to customers for processing security transactions. Fee is charged when the transaction is settled.	Income related to transactions is recognised at the point in time when the transaction takes place.
Payment transactions: Current and savings account subscriptions	Fee charged for opening and maintaining current and savings accounts. Fee is charged on a monthly basis for each month the account is active.	Income related to transactions is recognised at the point in time when the transaction takes place.
Payment transactions: Transaction fees	Fee charged for processing payment transactions of customers. Fee is charged when the transaction is processed.	Income related to transactions is recognised at the point in time when the transaction takes place.
Lending	Fee charged as part of the lending process, not an integral part of the effective interest rate. These fees are charged either at the start of the loan or during the lifetime.	Income related to transactions is recognised at the point in time when the transaction takes place.
Asset management	Asset management fees include fees earned by Triodos Bank on trust and fiduciary activities in which the Triodos Bank holds or invests assets on behalf of its customers. Payment is due on at least quarterly basis.	Income from account service and servicing fees is recognised over time as the services are provided, at the latest on the moment of payment.
Management fees	Asset management fees include fees earned by Triodos Investment Management on asset management activities for clients or funds managed by Triodos Investment Management. Payment is due on at least quarterly basis.	Income from account service and servicing fees is recognised over time as the services are provided, at the latest on the moment of payment.
Other	These are other fees charged to clients. Payment is mostly due when transactions are settled.	Income related to transactions is recognised at the point in time when the transaction takes place.

25 Net result from other financial instruments at FVTPL

Amounts in thousands of EUR	2023	2022
Hedge accounting ineffectiveness	742	1,245
Fair value movement of derivatives not yet in a hedge relationship	-4,777	-1,461
Fair value movement of participating debt at fair value through profit or loss	326	116
Net result from other financial instruments at FVTPL	**-3,709**	**-100**

For further details on hedge accounting, refer to Non-trading derivatives and hedge accounting (see page 371) within the risk management section.

Accounting policy

Net result from other financial instruments at FVTPL includes the fair value movements of derivatives not yet designated in a hedge relationship, ineffectiveness related to hedge accounting, transaction results on foreign exchange forwards and net result on investments in debt instruments designated at fair value through profit or loss, including the related interest income.

26 Other income

Amounts in thousands of EUR	2023	2022
Exchange results on foreign currency transactions	-38	39
Transaction results on currency forward contracts	8	17
Realised results assets not in use[1]	81	219
Income assets not in use[1]	68	70
Modification result	-231	268
Other income	948	183
Total other income	**836**	**796**

[1] Assets not in use relates to acquired collateral on written off loans.

For further information on the hedge accounting ineffectiveness, please refer to Non-trading derivatives and hedge accounting (see page 371).

The other income relates to fees for other services performed and results from asset disposals.

Expenses

27 Personnel and other administrative expenses

Amounts in thousands of EUR	2023	2022
Personnel expenses		
• salary expenses	121,026	108,681
• pension expenses	15,514	14,005
• social security expenses	20,646	18,979
• temporary co-workers	26,516	26,351
• other staff costs	11,484	10,080
• capitalised co-worker costs	-11,953	-11,260
Total personnel expenses	**183,233**	**166,836**
Average number FTEs during the year	**1,693.2**	**1,632.6**

Amounts in thousands of EUR	2023	2022
Other administrative expenses		
• IT costs	24,067	19,165
• external administration costs	14,317	13,101
• fees for advice	31,936	20,936
• advertising charges	11,088	8,030
• office costs	5,498	6,150
• accommodation expenses	4,809	5,128
• fees for independent auditor	2,967	2,476
• travel and lodging expenses	2,557	1,546
• other expenses	12,096	12,902
Total other operating administrative expenses	**109,335**	**89,434**
Regulatory expenses	15,892	18,343
Total other administrative expenses	**125,227**	**107,777**
Operating expenses/total income	**73%**	**80%**
Operating expenses excluding regulatory expenses/total income	**69%**	**75%**

Accounting policy

Expenses are recorded at the moment when they are incurred, or over time if the expense relates to a period.

Pension expenses

Amounts in thousands of EUR	2023	2022
Pension expenses, defined contribution schemes	15,514	14,005
Total pension expenses	**15,514**	**14,005**

The pension expenses for the defined contribution schemes are based on the contributions owed for the financial year.

Accounting policy

Defined contribution plan
Triodos Bank has a number of defined contribution pension schemes. Premiums are paid based on a contractual and voluntary basis to insurance companies on a defined contribution basis. Premiums are recognised as employee cost when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

Defined benefit plan
Those pension plans that do not meet the definition of a defined contribution plan are treated as a defined benefit plan. In the Netherlands, there is a constructive indexation obligation. While in Belgium, the law has a minimum yield requirement. Changes to the actuarial provision are charged to the other comprehensive income and are not recycled to the profit and loss accounts in subsequent periods. The increase in the provision due to the passage of time is recognised as interest expense. For further information on the actuarial provision, please refer to disclosure 16 Provisions on page 270 .

Pension scheme per country

Triodos Bank's pension scheme in the Netherlands is a defined contribution scheme. The commitment to the participating co-workers consists of paying the outstanding contribution to a maximum of the gross annual salary of EUR 128,810.

In the Netherlands, co-workers of related parties also participate in the pension scheme. The total pension commitment and the resulting expenses are reported here in note 27. Part of the expenses are charged to the respective related parties, based on their share of the total salaries of the participating co-workers.

The Triodos Bank pension schemes in the United Kingdom, Spain and Germany are defined contribution schemes that have been placed with life insurance companies in those countries. The commitment to the participating co-workers consists of paying any outstanding contribution. Participation in the pension scheme is obligatory for co-workers in Belgium, Spain and the United Kingdom. In Belgium, the pension scheme is considered a defined benefit scheme for which the co-workers' contribution is 2% of salary and the employer's contribution is 6%. In Spain, the pension contribution is 1.5% of salary, paid in full by the employer. In the United Kingdom, the co-workers' contributions are optional with those who opt to do so contributing between 1% and 66% of their salary, and the employer's contribution amounts to 8% or 12% of salary depending on length of service.

In Germany, participation in the pension scheme is voluntary. The co-workers' contribution is 3.33% of their salary and the employer's contribution is 6.67%. In Germany, 98% of the co-workers participate in the pension scheme.

Independent auditor's fees

The table below specifies the fees of the PricewaterhouseCoopers Accountants N.V. ('PwC Accountants NV') audit firm that relates to services concerning the financial year. The comparable figures 2022 have been adjusted to take into account the invoices received after the reporting period.

The column Other PwC network specifies the fees that were invoiced by PwC units with the exception of PwC Accountants NV.

2023 Amounts in thousands of EUR	PwC Accountants N.V.	Other PwC network	Total PwC network
Audit of the financial statements	1,866	791	2,657
Other audit-related engagements	80	230	310
Other non-audit services	-	-	-
Total	**1,946**	**1,021**	**2,967**

2022 Amounts in thousands of EUR	PwC Accountants N.V.	Other PwC network	Total PwC network
Audit of the financial statements	1,285	651	1,936
Other audit-related engagements	295	245	540
Other non-audit services	-	-	-
Total	**1,580**	**896**	**2,476**

Our independent auditor, PwC Accountants N.V., has rendered, for the period to which our statutory audit 2023 relates, in addition to the audit of the statutory financial statements the following services to the bank and its branches or subsidiaries.

Other audit services required by law or regulatory requirements:

- Statutory audits of controlled entities
- Audit of the regulatory returns to be submitted to the Dutch Central Bank and the National Bank of Belgium
- Assurance engagement on cost price models to be submitted to the Netherlands Authority for the Financial Markets (AFM)
- Assurance engagement on segregation of assets to be submitted to the AFM
- Client Money and Custody Asset (CASS) Assurance Report to the Financial Conduct Authority (FCA)
- Agreed upon procedures on interest rate risk to the Dutch Central Bank
- ISAE type II on deposit guarantee scheme reporting to the Dutch Central Bank

Other audit services:

- Assurance engagements on sustainability information and the sustainability report
- ISAE type II engagement relating to Triodos Investment B.V.
- Assurance engagement on credit claims to the Dutch Central Bank
- Assurance engagement on credit claims to the Spanish Central Bank
- Review engagement on the interim condensed consolidated financial statements as of and for the six-month period ended 30 June 2023

Regulatory expenses

The regulatory expenses can be broken down as follows:

Amounts in thousands of EUR	2023	2022
Banking tax	3,460	3,454
Deposit guarantee scheme	8,992	12,998
Single resolution fund	3,440	1,891
Total regulatory expenses	**15,892**	**18,343**

28 Depreciation, amortisation and value adjustments of property and equipment, and intangible assets

Amounts in thousands of EUR	2023	2022
Amortisation of intangible fixed assets	16,949	13,908
Impairment of intangible fixed assets	1,357	-
Amortisation and impairment charge for the year	**18,306**	**13,908**
Depreciation of property and equipment	7,571	8,103
Impairment of property and equipment	-214	-142
Total depreciation of right-of-use assets	3,027	3,214
Assets held for sale value adjustments	1,684	234
Depreciation of investment properties	161	164
Depreciation and impairment charge for the year	**12,229**	**11,573**

29 Impairment result on financial instruments

Amounts in thousands of EUR	2023	2022
Allowance for expected credit loss	21,288	8,127
Total impairment result on financial instruments for the year	**21,288**	**8,127**

30 Taxation on operating result

Total taxation expense

Amounts in thousands of EUR	2023	2022
Taxation to be paid	**29,188**	**13,517**
Origination and reversal of temporary differences	-339	3,576
Changes in tax rates	-7	-
Deferred taxation	**-346**	**3,576**
Total taxation expense	**28,842**	**17,093**

Current tax receivable and payable

Amounts in thousands of EUR	2023	2022
Corporate tax receivable	1,308	1,113
Other tax receivable	420	362
Current tax receivable	**1,728**	**1,475**

Amounts in thousands of EUR	2023	2022
Corporate tax payable	10,751	5,335
Other tax payable	11,894	6,878
Current tax payable	**22,645**	**12,213**

Amounts recognised in OCI

Amounts in thousands of EUR	2023 Before tax	2023 Tax (expense) benefit	2023 Net of tax	2022 Before tax	2022 Tax (expense) benefit	2022 Net of tax
Other comprehensive income that will not be reclassified to profit and loss						
Revaluation gains/(losses) on equity instruments designated at FVOCI and actuarial gain / loss on pension liability	2,647	-617	2,030	11,857	-3,026	8,831
Other comprehensive income that will be reclassified to profit and loss						
Foreign operations – foreign currency translation differences	-215	-	-215	56	-	56
Foreign operations – cost of hedging	121	-	121	252	-	252
Total items that will be reclassified to profit and loss	**-94**	**-**	**-94**	**308**	**-**	**308**
Total amounts recognised in OCI	**2,553**	**-617**	**1,936**	**12,165**	**-3,026**	**9,139**

The other comprehensive income for Triodos Bank consists of revaluations of equity instruments at fair value through OCI, actuarial result on a pension liability in the Netherlands and Belgium and foreign currency translation differences. The equity instruments at fair value through OCI are part of investment securities (refer to note 5 Investment securities), for which any realised result will not subsequently be taken into the profit or loss.

The accounting for the conditional indexation commitment on insured accrued rights of employees and former employees in the Netherlands has been changed retrospectively. As a result, an additional actuarial gain of EUR 4,881 has been recorded as other comprehensive income in 2022. For more information refer to the General Accounting Policies.

The foreign currency translation difference relates to the UK subsidiary for the part not subject to the net investment hedge. Tax on both of these items can be subject to the participation exemption under Dutch tax law.

Reconciliation of effective tax rate

Amounts in thousands of EUR	**2023**	**2022**
Result before taxation	106,017	66,887
Statutory tax rate	25.8%	25.8%
Statutory tax	**27,352**	**17,257**
Income non-taxable	-40	-41
Tax deduction not expensed	-3	-
Expenses non-deductible	2,958	2,040
Impact tax rate differences - statutory rate foreign jurisdictions	891	-434
Incentives for gifts, community investment and innovation	-1,104	-1,365
Other reconciling items	-1,212	-364
Effective tax	**28,842**	**17,093**
Effective tax rate	**27.2%**	**25.6%**

Triodos Bank's approach to tax reflects its values. It sees paying taxes not as a burden, but as a contribution to the societies that the bank operates in. As such, Triodos Bank is not striving to reduce the effective tax rate. Triodos Bank is subject to income taxes in other jurisdictions which levy corporate income tax at different rates compared to the Dutch statutory rate (25.8%). Additionally, local taxation rules can also lead to differences in the effective tax rate. The effective tax rate amounted to 27.2% in 2023 (2022: 25.6%).

Movement in deferred tax balances

2023				Balance as at 31 December		
Amounts in thousands of EUR	Net balance as at 1 January	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax assets	Deferred tax liabilities
Property and equipment, and intangible assets	-7,903	383	-	-7,520	1,505	9,025
Investment securities at FVOCI	-1,460	-75	-545	-2,080	-53	2,027
Effective interest method application	2,545	-335	-	2,210	2,210	-
Allowance for expected credit losses	2,429	532	-	2,961	2,961	-
Employee benefits[1]	2,624	271	-72	2,823	167	-2,656
Lease liability	125	13	-	138	56	-82
Loan modifications	29	-9	-	20	19	-1
Tax losses carried forward	5,161	-670	-	4,491	4,491	-
Other	1,280	236	-	1,516	1,511	-5
Tax assets (liabilities)	**4,830**	**346**	**-617**	**4,559**	**12,867**	**8,308**

[1] The accounting for the conditional indexation commitment on insured accrued rights of employees and former employees in the Netherlands has been amended. As a result, the deferred tax liabilities decreased with EUR 2,488 at the end of 2022. For more information refer to the General Accounting Policies.

2022				Balance as at 31 December		
Amounts in thousands of EUR	**Net balance as at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Property and equipment, and intangible assets	-6,380	-1,523	-	-7,903	1,435	9,338
Investment securities at FVOCI	-146	16	-1,330	-1,460	-53	1,408
Effective interest method application	4,791	-2,246	-	2,545	2,545	-
Allowance for expected credit losses	2,124	305	-	2,429	2,429	-
Employee benefits[1]	4,327	-6	-1,697	2,624	-	-2,624
Lease liability	123	2	-	125	46	-79
Loan modifications	38	-9	-	29	28	-1
Tax losses carried forward	6,036	-875	-	5,161	5,540	379
Other	520	760	-	1,280	1,215	-66
Tax assets (liabilities)	**11,433**	**-3,576**	**-3,027**	**4,830**	**13,185**	**8,355**

[1] The accounting for the conditional indexation commitment on insured accrued rights of employees and former employees in the Netherlands has been amended. As a result, the deferred tax liabilities decreased with EUR 2,488 at the end of 2022. For more information refer to the General Accounting Policies.

Deferred tax balances

	2023		2022	
Amounts in thousands of EUR	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Current balance	372	-739	303	1,822
Non-current balance	12,495	9,047	12,882	6,533
Total	**12,867**	**8,308**	**13,185**	**8,355**

For an amount of EUR 3.6 million (2022: EUR 5.5 million), the deferred tax asset relates to tax losses incurred by the German branch. It is anticipated that these German tax losses incurred will be fully recovered against future German taxable profits in the coming years. Based on the German corporate income tax code, tax losses have no expiration date. The remaining deferred tax asset relates to temporary differences between accounting and tax rules.

For an amount of EUR 9.2 million (2022: 9.4 million), the deferred tax liability relates to taxable temporary differences on self-developed software. From an accounting perspective these assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss over the asset's estimated economic life using the straight-line method that reflects the pattern of economic benefits. For Dutch tax purposes, the Dutch Corporate Income Tax Act 1969 allows companies to fully expense self-developed software in the year it is developed.

Fiscal unity

For Dutch corporate income tax purposes Triodos Bank, as a parent company, forms a fiscal unity with Triodos Investment Management, as subsidiary. The method chosen for the taxation set-off between Triodos Bank and its subsidiary is that of proceeding as if the legal entities were independently liable to pay Dutch corporate income tax. The legal entities are jointly and severally liable for the tax liabilities of the companies belonging to the fiscal unity.

Accounting policy

Income tax on the result for the year consists of current and deferred tax. Income tax is recognised in the statement of profit and loss and in the statement of Other comprehensive income in the period in which profits arise. Current tax is measured using tax rates enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The tax effects of income tax losses available for carry forward are recognised as an asset to the extent that it is probable that future taxable profits will be available against which these losses can be utilised.

Current tax receivables and payables are offset where there is a legally enforceable right to offset and where simultaneous treatment or settlement is intended. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset and where they relate to the same tax authority and arise within the same taxable entity.

Related parties

Triodos Bank enters into various transactions with related parties, as part of the normal course of business. Related parties of Triodos Bank include its subsidiaries, associates and key management personnel. Transactions between related parties include rendering or receiving of services, deposits, transfers under finance arrangements, and provisions of guarantees or collateral. All transactions with related parties took place at arm's length. There are no significant provisions for doubtful debts or individually significant bad debt expenses recognised on outstanding balances with related parties.

Overview of related parties transactions

Amounts in thousands of EUR	2023	2022
Deposits	38,811	103,381
Loans	10,160	24,531
Loan facilities and loan commitments (off-balance)	94,910	167,997
Commission income	58,880	64,438
Commission expenses	5,720	5,280
Interest income	232	1,403
Interest expense	368	23

Transactions with related parties

The commission income and commission expenses are related to fund management activities. The deposits and interest income are transactions following from regular banking activities, which are offered to the related parties at competitive rates. These transactions are interest fee and unsecured and are to be settled in cash.

The decrease of deposits and loan facilities and loan commitments (off-balance) relates to reduced positions with investment funds.

Loans

The loans granted to other related parties are provided to Hivos-Triodos Fund Foundation and Sun Roof Limited and are conducted on an arm’s length basis.

The EUR 10 million loan provided to Hivos-Triodos Fund Foundation matures on 1 January 2027. Furthermore, Hivos-Triodos Fund Foundation has an overdraft facility with an agreed limit of EUR 7.4 million.

The EUR 160 thousand loan provided to Sun Roof Limited matures on 10 November 2027. The guarantee offered to Sun Roof Limited has the value of EUR 444 thousand.

Loan commitments and facilities off balance

The loan commitments and facilities are off balance sheet credit facilities of Triodos Bank Netherlands that can be drawn upon by the other related parties. These facilities are secured by collateral in the form of fund assets that cover the facility provided in full.

Key management personnel compensation

Transactions with key management personnel are transactions with related parties. The members of the Executive Board, Supervisory Board and the Board of Stichting Administratiekantoor Aandelen Triodos Bank (SAAT) are considered to be key management personnel and their compensation is therefore included in the tables below.

The remuneration paid to the members of the Executive Board is as follows:

Amounts in thousands of EUR	2023	2022
Fixed salary expenses	1,632	1,334
Pension expenses	168	129
Pension allowance for salary above EUR 100,000	154	135
Private use company car	45	32
Social security expenses	94	71
Total compensation	**2,093**	**1,701**

The remuneration paid to the members of the Supervisory Board is as follows:

Amounts in thousands of EUR	2023	2022
Total compensation	**186**	**182**

The remuneration paid to the members of the Board of SAAT is as follows:

Amounts in thousands of EUR	2023	2022
Total compensation	**47**	**59**

Loans and advances to key management personnel

No loans, advances or guarantees have been granted to members of the Executive Board, Supervisory Board or of Board of SAAT during 2023 and 2022. For reasons of principle, no share option scheme is offered to members of the Executive Board, Supervisory Board or of the Board of SAAT.

Segregation of capital

Triodos Bank N.V. holds securities on behalf of its customers segregated from the assets and liabilities of the bank. A part of these securities are held by its related party Triodos Nominees Ltd.

The following securities are segregated from the assets and liabilities of the bank:

Amounts in thousands of EUR	2023	2022
Triodos Fair Share Fund	290,553	319,046
Triodos Groenfonds N.V.	478,479	485,666
Triodos Sicav I	654,772	628,292
Triodos Sicav II	7,844	7,820
Triodos Impact Strategies N.V.	187,799	173,351
Triodos Impact Strategies II N.V.	87,758	100,092
Total as at 31 December	**1,707,205**	**1,714,267**

Triodos Impact Strategies N.V. holds as at 31 December 2023 on behalf of its sub-fund Triodos Multi Impact Fund EUR 4,306 thousand (2022: 5,633 thousand) of securities Triodos Fair Share Fund and EUR 3,451 thousand (2022: 3,759 thousand) of securities Triodos Groenfonds N.V. These securities are included in the above-mentioned values of securities in Triodos Fair Share Fund and Triodos Groenfonds N.V.

Accounting policy

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control Triodos Bank are considered to be a related party. In addition, statutory directors and close relatives are regarded as related parties. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Legal proceedings

Triodos Bank is involved in a number of legal proceedings initiated by DR Holders. Management assesses the outcome of legal matters and takes provisions when expected outflow of economic resources with respect to such matters are more likely than not and the amount can be reliably estimated. Provisions are not recognised for matters against Triodos Bank for which an expected outflow of resources cannot be reliably estimated or that are not more likely than not to lead to an outflow of resources.

Civil proceedings by DR Holders

After the suspension of trading, the decision to pursue an MTF listing and the valuation of DRs for taxation purposes (which was lower than the last communicated net asset value), Triodos Bank received complaints and claims from certain DR Holders and was subject to negative media attention.

Multiple civil proceedings have been initiated against Triodos Bank by DR Holders. These proceedings are currently pending in Spain, the Netherlands, Belgium and Germany. The majority of the ongoing civil proceedings have been filed in Spain by individual DR Holders. Below is a summary of the ongoing legal proceedings against Triodos Bank.

Spain

Individual claims in proceedings on the merits
In Spain, as per 31 December 2023, 494 lawsuits of individual DR Holders in proceedings on the merits have been filed. The total number of DRs involved is 375,694. Plaintiffs claim primarily that they were not adequately informed on the risks and characteristics of DRs and that this gives right to annulment of the purchase or a right to compensation. As per 31 December 2023, there had been 118 judgements in first instance in proceedings on the merits in Spain. In 54 judgements, the plaintiff's claims were rejected. In 64 judgements, the claims of the plaintiff were granted. Triodos Bank has appealed in 60 of these judgements. In four cases Triodos has not appealed, and these judgements have become final and irrevocable. Two cases, have been settled out of court in 2023 and in one case the judgement has been provisionally executed although the case is still in appeal. If all judgements where the claims of the plaintiff were granted and where Triodos has appealed (60 cases and 49,320 DRs) were to become final, the costs which the plaintiffs may be entitled to are estimated at EUR 1.8 million. Triodos Bank has provided for these costs. In addition, the impact on equity for repurchasing own shares is estimated at EUR 3.8 million. At the start of the trading on the MTF, there were 7,597 Spanish DR Holders who held 2.1 million DRs.

The Netherlands

Proceedings before Enterprise Chamber
In the Netherlands, Triodos Bank is involved in inquiry proceedings before the Enterprise Chamber of the Amsterdam Court of Appeal. In October 2022, the Stichting Certificaathouders Triodos Bank (SCTB) filed a request for an inquiry into the management and state of affairs of Triodos Bank. The Vereniging van Effectenbezitters (VEB) joined the proceedings and supported SCTB's request. SCTB is a Dutch foundation that acts as an organisation representing the interests of a group of DR Holders. SCTB alleged that there are well-founded reasons to doubt the correctness of the policy and/or the correctness of the course of affairs of Triodos Bank in relation to the decisions concerning – amongst other things – the suspension of trading in DRs and the intended listing on the MTF. Triodos Bank filed a defence and denied the assertions of SCTB and VEB.

The Enterprise Chamber handed down its judgement on 16 March 2023 and rejected the request of SCTB and VEB for an inquiry into the management and state of affairs of Triodos Bank. As no appeal in cassation has been lodged, the judgement is a final decision.

Collective litigation threatened against Triodos Bank
Triodos Bank is aware that interest organisations in the Netherlands are currently gauging interest among DR Holders to participate in collective legal action against Triodos Bank. No collective legal action against Triodos Bank has been initiated per 31 December 2023.

Individual complaints and proceedings
As per 31 December 2023, a total of 21 individual DR Holders had lodged complaints with Kifid, the Dutch Institute for Financial Disputes that may give (binding) opinions on consumers' complaints about financial services. All except for two complaints have been closed. Main reasons include that the Kifid confirmed its previous ruling that claims are not admissible, or the complaint was withdrawn by the claimant. As at the date of this Annual Report, no complaints regarding complaints lodged by individual DR Holders have been upheld against Triodos Bank by Kifid.

Furthermore, two individual DR Holders have initiated legal proceedings as per 31 December 2023 of which one case is currently pending in the first instance.

Belgium

In Belgium, one individual DR Holder has initiated legal proceedings as per 31 December 2023. Triodos Bank has filed a defence. It is uncertain when judgements will be rendered.

Triodos Bank is aware that one interest organisation in Belgium is currently gauging interest among DR Holders to participate in collective legal action against Triodos Bank. No collective legal action in Belgium against Triodos Bank has been initiated as per 31 December 2023.

Germany

In Germany, one individual claim has been filed as per 31 December 2023. Triodos Bank filed a defence and it is uncertain when judgements will be rendered.

Other legal proceedings

Triodos Bank is not involved in any other material legal proceedings.

Subsequent events

There are no subsequent events that have a material impact on these financial statements.

Segment reporting

Key figures by banking entity and business unit

Basis for segmentation

Triodos Bank has the following branches and subsidiaries, which are reportable segments. These branches and subsidiaries operate in different countries and therefore are managed separately based on Triodos Bank's management and internal reporting structure.

Reportable segments	Operations
Bank Netherlands	Retail Banking, Business Banking and Private Banking
Bank Belgium	Retail Banking, Business Banking and Private Banking
Bank United Kingdom	Retail Banking and Business Banking
Bank Spain	Retail Banking and Business Banking
Bank Germany	Retail Banking and Business Banking
Investment Management	Impact investing taking place through investment funds or investment institutions bearing the Triodos Bank name
Head Office including TRMC	Unallocated Head Office activities and TRMC

Retail Banking: offer our customers products with a purpose including savings, payments, lending, private banking and investments.

Business Banking: lend money to organisations working to stimulate positive and lasting change.

Head Office is organised into the following main departments: ICT, Finance, Treasury, Risk Management, Compliance, HR, Group Audit, Corporate Strategy, Legal, Marketing & Communications. The majority of Group functions' costs are allocated to the businesses.

TRMC: The primary objective is to manage non-consolidated entities that lend, invest or donate money where themain goal to make pioneering, transformative initiatives possible.

Information about reportable segments

Information related to each reportable segment is set out on the next page.

Segment statement of profit or loss for the year 2023

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
External income			
Material items of income and expense			
- Net interest income	159,831	50,508	62,145
- Investment income			
- Net fee and commission income	38,906	8,040	2,365
- Net income from other financial instruments at FVTPL	-4,035		
- Other income	1	21	-57
- Net intercompany income	-3,753	-1,441	-321
Total segment income	**190,950**	**57,128**	**64,132**
- Operational expenses	-102,607	-42,599	-47,679
- Impairment result on financial instruments	-2,181	-197	-13,131
Total segment expenses	**-104,788**	**-42,796**	**-60,810**
Segment profit before tax	**86,162**	**14,332**	**3,322**
- Taxation on operating result	-22,272	-3,877	-142
Net profit	**63,890**	**10,455**	**3,180**
Operating expenses/total income	54%	75%	74%

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Total
71,502	23,077	**367,063**	456	-11,323	**356,196**
8		**8**		687	**695**
7,102	3,145	**59,558**	51,453	1,271	**112,282**
39		**-3,996**		287	**-3,709**
375	59	**399**	151	286	**836**
-1,081	226	**-6,370**	-843	7,213	**-**
77,945	**26,507**	**416,662**	**51,217**	**-1,579**	**466,300**
-57,806	-15,808	**-266,499**	-43,715	-28,781	**-338,995**
-4,154	-1,604	**-21,267**	-21	-	**-21,288**
-61,960	**-17,412**	**-287,766**	**-43,736**	**-28,781**	**-360,283**
15,985	**9,095**	**128,896**	**7,481**	**-30,360**	**106,017**
-5,090	-3,076	**-34,457**	-2,022	7,637	**-28,842**
10,895	**6,019**	**94,439**	**5,459**	**-22,723**	**77,175**
74%	60%	64%	85%		73%

Segment statement of profit or loss for the year 2022

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
External income			
Material items of income and expense			
- Net interest income	108,544	41,585	53,148
- Investment income			
- Net fee and commission income	44,281	6,626	2,809
- Net income from other financial instruments at FVTPL	-216		
- Other income	3	-	64
- Net intercompany income	-2,912	-1,288	-112
Total segment income	**149,700**	**46,923**	**55,909**
- Operational expenses	-98,169	-39,832	-38,323
- Impairment result on financial instruments	1,921	-1,987	-5,628
Total segment expenses	**-96,248**	**-41,819**	**-43,951**
Segment profit before tax	**53,452**	**5,104**	**11,958**
- Taxation on operating result	-13,677	-1,396	-1,172
Net profit	**39,775**	**3,708**	**10,786**
Operating expenses/total income	66%	85%	69%

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Total
46,393	13,451	**263,121**	-79	-10,149	**252,893**
8		**8**		608	**616**
7,645	3,802	**65,163**	54,410	1,330	**120,903**
2		**-214**		114	**-100**
808	67	**942**	-219	73	**796**
-946	522	**-4,736**	-1,383	6,119	**-**
53,910	**17,842**	**324,284**	**52,729**	**-1,905**	**375,108**
-46,188	-14,728	**-237,240**	-41,336	-21,518	**-300,094**
-2,880	430	**-8,144**	17	-	**-8,127**
-49,068	**-14,298**	**-245,384**	**-41,319**	**-21,518**	**-308,221**
4,842	**3,544**	**78,900**	**11,410**	**-23,423**	**66,887**
-1,404	-1,339	**-18,988**	-3,013	4,908	**-17,093**
3,438	**2,205**	**59,912**	**8,397**	**-18,515**	**49,794**
86%	83%	73%	78%		80%

Selected assets and liabilities per segment 2023

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
Loans and advances to customers	5,673,799	1,850,913	1,281,973
Number of loans and facilities	40,393	4,843	6,571
Total assets	8,511,843	2,255,718	2,189,128
Funds under management	818,471	1,265,834	-
Total assets under management	**9,330,314**	**3,521,552**	**2,189,128**
Deposits from customers	7,164,987	1,976,289	1,919,482
Number of accounts	478,355	81,141	113,594
Total liabilities	7,944,793	2,054,033	1,962,945
Average number of FTEs during the year	297.7	161.4	273.2

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Elimination intercompany transactions	Total
1,724,708	568,914	**11,100,307**	-	-	-20,344	**11,079,963**
12,572	16,501	**80,880**			-2	**80,878**
2,510,884	834,143	**16,301,716**	54,314	2,556,100	-2,736,559	**16,175,571**
26,327	5,014	**2,115,646**	5,701,726	67,481	-818,471	**7,066,382**
2,537,211	**839,157**	**18,417,362**	**5,756,040**	**2,623,581**	**-3,555,030**	**23,241,953**
2,022,716	689,494	**13,772,968**	-	-	-13,869	**13,759,099**
182,298	56,403	**911,791**	-	-	-6	**911,785**
2,326,528	767,122	**15,055,421**	15,020	1,265,925	-1,449,354	**14,887,012**
268.9	65.2	**1,066.4**	192.1	434.7		**1,693.2**

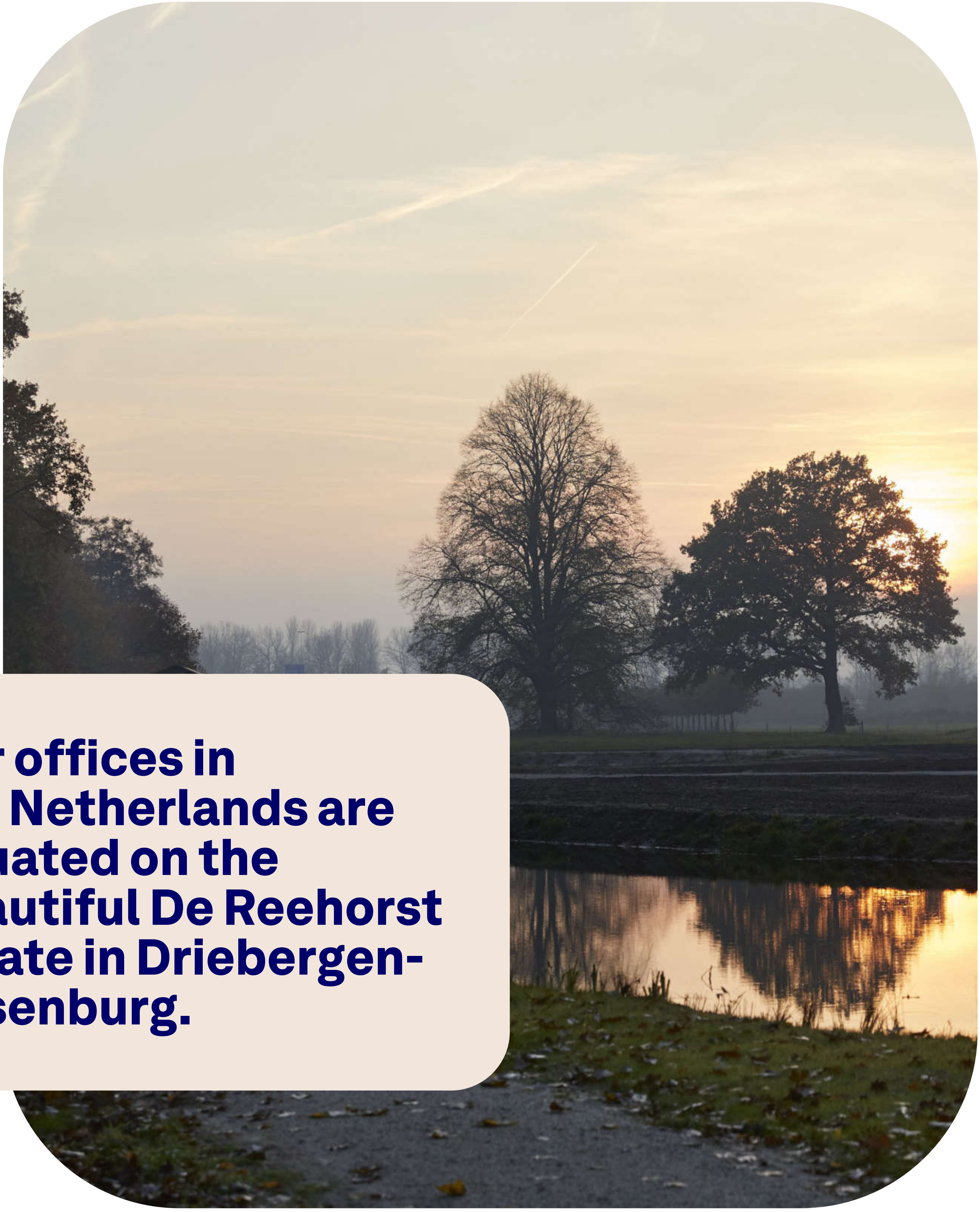
Selected assets and liabilities per segment 2022

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
Loans and advances to customers	5,214,023	1,829,243	1,266,514
Number of loans and facilities	39,270	4,575	7,960
Total assets	8,248,348	2,380,284	2,119,828
Funds under management	752,818	1,142,069	-
Total assets under management	**9,001,166**	**3,522,353**	**2,119,828**
Deposits from customers	6,886,605	2,099,797	1,854,532
Number of accounts	453,327	80,432	108,057
Total liabilities	7,660,623	2,175,092	1,898,337
Average number of FTEs during the year	311.1	162.8	252.2

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Elimination intercompany transactions	Total
1,799,215	538,462	**10,647,457**	-	-	-27,781	**10,619,676**
14,774	16,354	**82,933**			-2	**82,931**
2,476,645	925,555	**16,150,660**	49,228	2,406,732	-2,806,140	**15,800,480**
27,446	4,366	**1,926,699**	5,548,436	71,083	-752,818	**6,793,400**
2,504,091	**929,921**	**18,077,359**	**5,597,664**	**2,477,815**	**-3,558,958**	**22,593,880**
2,224,741	774,313	**13,839,988**	-	-	-23,648	**13,816,340**
186,970	55,828	**884,614**	-	-	-7	**884,607**
2,298,831	851,697	**14,884,580**	15,390	1,153,314	-1,505,044	**14,548,240**
275.0	65.7	**1,066.7**	205.8	360.1		**1,632.6**

Reconciliation of information on reportable segments to IFRS measures

Amounts in thousands of EUR	2023	2022
i. Revenues		
Total revenue for reportable segments	466,300	375,108
Unallocated amounts	-	-
Elimination of intersegment revenue	-	-
Consolidated revenue	**466,300**	**375,108**
ii. Profit before tax		
Total profit or loss for reportable segments	106,017	66,887
Unallocated amounts	-	-
Consolidated profit before tax	**106,017**	**66,887**
iii. Assets		
Total assets for reportable segments	16,175,571	15,800,480
Other unallocated amounts	-	-
Consolidated total assets	**16,175,571**	**15,800,480**
iv. Liabilities		
Total liabilities for reportable segments	14,887,012	14,548,240
Other unallocated amounts	-	-
Consolidated total liabilities	**14,887,012**	**14,548,240**



Our offices in the Netherlands are situated on the beautiful De Reehorst estate in Driebergen-Rijsenburg.

Key figures 2023 by country

Amounts in thousands of EUR	The Netherlands	Belgium
Names	Triodos Bank N.V., Legal Owner Triodos Funds B.V, Triodos Investment Management B.V., Sinopel 2019 B.V.	Triodos Bank N.V., Triodos IMMA BVBA
Nature of activities	Bank, Private Banking and Investment Management	Bank and Private Banking
Geographical location	Driebergen-Rijsenburg	Brussels
Total income	240,588	57,128
Operating expenses	-175,103	-42,599
Impairment losses on financial instruments	-2,202	-197
Segment profit before tax	**63,283**	**14,332**
Taxation on operating result	-16,657	-3,877
Net profit	**46,626**	**10,455**
Public subsidies received	-	-
Average number of FTEs during the year	924.5	161.4

United Kingdom	Spain	Germany	Total
Triodos Bank UK Ltd	Triodos Bank N.V.	Triodos Bank N.V.	
Bank	Bank	Bank	
Bristol	Madrid	Frankfurt	
64,132	77,945	26,507	466,300
-47,679	-57,806	-15,808	-338,995
-13,131	-4,154	-1,604	-21,288
3,322	**15,985**	**9,095**	**106,017**
-142	-5,090	-3,076	-28,842
3,180	**10,895**	**6,019**	**77,175**
-	-	-	-
273.2	268.9	65.2	1,693.2

Key figures 2022 by country

Amounts in thousands of EUR	The Netherlands	Belgium
Names	Triodos Bank N.V., Legal Owner Triodos Funds B.V, Triodos Investment Management B.V., Sinopel 2019 B.V.	Triodos Bank N.V., Triodos IMMA BVBA
Nature of activities	Bank, Private Banking and Investment Management	Bank and Private Banking
Geographical location	Driebergen-Rijsenburg	Brussels
Total income	200,524	46,923
Operating expenses	-161,023	-39,832
Impairment losses on financial instruments	1,938	-1,987
Segment profit before tax	**41,439**	**5,104**
Taxation on operating result	-11,782	-1,396
Net profit	**29,657**	**3,708**
Public subsidies received	-	-
Average number of FTEs during the year	876.9	162.8

United Kingdom	Spain	Germany	Total
Triodos Bank UK Ltd	Triodos Bank N.V.	Triodos Bank N.V.	
Bank	Bank	Bank	
Bristol	Madrid	Frankfurt	
55,909	53,910	17,842	375,108
-38,323	-46,188	-14,728	-300,094
-5,628	-2,880	430	-8,127
11,958	**4,842**	**3,544**	**66,887**
-1,172	-1,404	-1,339	-17,093
10,786	**3,438**	**2,205**	**49,794**
-	-	-	-
252.2	275.0	65.7	1,632.6

Tax paid by country

Amounts in thousands of EUR	The Netherlands	Belgium	United Kingdom	Spain	Germany	Total
2023						
Tax on Profit	12,677	3,920	1,305	4,979	1,021	23,902
Value-Added Tax (VAT)	15,381	1,865	4,276	3,286	639	25,447
Banking Tax	-	2,803	-	658	-	3,461
2022						
Tax on Profit	7,916	1,500	1,250	1,559	315	12,540
Value-Added Tax (VAT)	13,058	1,211	3,625	2,238	458	20,590
Banking Tax	-	2,755	-	702	-	3,457

Triodos Bank's approach to tax reflects its values. It sees paying taxes not as a burden, but as a contribution to the societies that the bank operates in. Taxes are an important instrument to fund education, infrastructure and systems. As such, companies should pay taxes as an important part of their role as a responsible business. The VAT included in the table above are the non-deductible VAT paid on invoices to suppliers.

Accounting policy

The segments (branches and subsidiaries) are reported in a manner consistent with the internal reporting provided to the Executive Board. The Executive Board is responsible for allocating resources and assessing performance. Segment profit before tax, as included in internal management reports reviewed by the Group's Management Committee, is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate within the same industries.

Segment assets, liabilities, income and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Transactions between segments are conducted at arm's length. All transactions between segments are eliminated as intercompany income and expenses. Segment assets, liabilities, income and results are measured based on our accounting policies. The geographical analyses are based on the location of the office from which the transactions are originated.

Lending by sector

Lending by sector provides information about the loans and facilities outstanding per sector and per reportable banking segment. Loans and current accounts relate to business banking. Mortgages are shown separately. Other facilities include private loans, other current accounts and credit cards.

The tables present the gross outstanding balance, the total ECL (stages 1, 2, and 3) and the net amount per sector. The gross outstanding balance includes interest receivable and the fair value hedge adjustment. The number of loans and facilities excludes the number of current accounts and credit cards with no overdraft balance. Of the number of accounts - loans and advances to customers stated in the key figures (refer to Key figures (see page 12)), 38,748 accounts relate to facilities that have no overdraft balances (2022: 41,355 accounts) and have therefore not been included in the lending by sector overviews. The percentage shown is the percentage of the net amount per sector compared to the total net amount.

Triodos Bank has developed a Group-wide impact vision in which five transition themes were identified as shown in the diagram below. The lending by sector tables have been rearranged to reflect these five transition themes. Although not included under specific transition themes in the tables, the residential mortgage portfolio contributes to the themes Resources (by innovating new forms of mortgages such as the bio-based mortgage), Energy (by taking energy certificates into account for the interest rate of mortgage products), and Societal (by advocating and enabling co-housing and social housing). For more information on these themes, refer to Five transition themes (see page 48).

Balance at 31 December 2023		Total				
Amounts in thousands of EUR		**Gross amount**	**ECL**	**Net amount**	**%**	**Number**
Energy	Renewable energy	1,465,563	-2,435	1,463,128	13.2	874
	Environmental technology	337,383	-5,935	331,448	3.0	343
		1,802,946	**-8,370**	**1,794,576**	**16.2**	**1,217**
Food	Organic farming	163,155	-5,097	158,058	1.4	562
	Organic food	97,468	-3,412	94,056	0.8	477
		260,623	**-8,509**	**252,114**	**2.2**	**1,039**
Resources	Sustainable property	944,012	-3,920	940,092	8.5	389
	Nature development and forestry	44,462	-137	44,325	0.4	56
	Retail non-food	23,480	-770	22,710	0.2	147
	Production	39,197	-453	38,744	0.3	131
	Professional services	64,637	-1,809	62,828	0.6	277
		1,115,788	**-7,089**	**1,108,699**	**10.0**	**1,000**
Societal	Social housing	535,148	-165	534,983	4.8	411
	Social projects	204,397	-1,249	203,148	1.8	453
	Development cooperation and fair trade	34,177	460-	33,717	0.3	45
	Municipality loans	54,955	-	54,955	0.5	9
		828,677	**-1,874**	**826,803**	**7.4**	**918**
Wellbeing	Healthcare	1,111,185	-7,722	1,103,463	10.0	1,309
	Education	328,980	-880	328,100	3.0	491
	Childcare	13,487	-162	13,325	0.1	56
	Arts and culture	469,034	-7,946	461,088	4.2	1,484
	Philosophy of life	75,059	-589	74,470	0.7	235
	Recreation	212,396	-3,493	208,903	1.9	393
		2,210,141	**-20,792**	**2,189,349**	**19.9**	**3,968**
Other	Residential mortgages	4,904,651	-1,773	4,902,878	44.2	19,394
	Other facilities	9,875	-4,331	5,544	0.1	14,594
		4,914,526	**-6,104**	**4,908,422**	**44.3**	**33,988**
	Total	**11,132,701**	**-52,738**	**11,079,963**	**100.0**	**42,130**

Balance at 31 December 2022		Total				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy[1]	1,560,693	-3,003	1,557,690	14.7	898
	Environmental technology[1]	230,209	-4,637	225,572	2.1	314
		1,790,902	**-7,640**	**1,783,262**	**16.8**	**1,212**
Food	Organic farming	168,305	-4,814	163,491	1.5	601
	Organic food	112,552	-4,989	107,563	1.0	565
		280,857	**-9,803**	**271,054**	**2.5**	**1,166**
Resources	Sustainable property	873,197	-2,498	870,698	8.2	393
	Nature development and forestry	33,420	-213	33,206	0.3	63
	Retail non-food	25,962	-1,369	24,593	0.2	152
	Production	33,875	-102	33,773	0.3	136
	Professional services	64,375	-1,754	62,621	0.6	310
		1,030,828	**-5,937**	**1,024,891**	**9.6**	**1,054**
Societal	Social housing	527,394	-151	527,243	5.0	420
	Social projects	192,604	-1,197	191,407	1.8	474
	Development cooperation and fair trade	39,141	-790	38,351	0.4	50
	Municipality loans	124,358	-22	124,336	1.2	12
		883,497	**2,160-**	**881,337**	**8.4**	**956**
Wellbeing	Healthcare	1,118,324	-7,354	1,110,970	10.5	1,367
	Education	309,944	-733	309,211	2.9	506
	Childcare	14,593	-22	14,571	0.1	60
	Arts and culture	496,751	-10,430	486,321	4.6	1,513
	Philosophy of life	77,036	-392	76,644	0.7	261
	Recreation	206,900	-4,206	202,694	1.9	416
		2,223,548	**-23,137**	**2,200,411**	**20.7**	**4,123**
Other	Residential mortgages	4,450,099	-1,802	4,448,297	41.9	18,348
	Other facilities	11,162	-738	10,424	0.1	14,717
		4,461,261	**-2,540**	**4,458,721**	**42.0**	**33,065**
	Total	**10,670,893**	**-51,217**	**10,619,676**	**100.0**	**41,576**

[1] Due to the reclassification of sectors, the net amount of EUR 30 million (equivalent to 27 loan facilities) has been moved from Renewable energy to Environmental technology.

Balance at 31 December 2023		The Netherlands				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy	395,947	-378	395,569	7.0	132
	Environmental technology	75,149	-997	74,152	1.3	50
		471,096	**-1,375**	**469,721**	**8.3**	**182**
Food	Organic farming	70,946	-48	70,898	1.3	235
	Organic food	25,536	-70	25,466	0.5	124
		96,482	**-118**	**96,364**	**1.8**	**359**
Resources	Sustainable property	279,532	-392	279,140	4.9	169
	Nature development and forestry	5,978	-37	5,941	0.1	6
	Retail non-food	4,716	-203	4,513	0.1	44
	Production	18,140	-169	17,971	0.3	33
	Professional services	28,196	-652	27,544	0.5	71
		336,562	**-1,453**	**335,109**	**5.9**	**323**
Societal	Social housing	30,601	-1	30,600	0.5	85
	Social projects	5,337	-2	5,335	0.1	18
	Development cooperation and fair trade	17,323	-397	16,926	0.3	10
	Municipality loans	-	-	-	-	-
		53,261	**-400**	**52,861**	**0.9**	**113**
Wellbeing	Healthcare	356,960	-1,611	355,349	6.3	443
	Education	15,929	-2	15,927	0.3	39
	Childcare	6,719	-4	6,715	0.1	22
	Arts and culture	141,207	-759	140,448	2.5	219
	Philosophy of life	12,477	-	12,477	0.2	46
	Recreation	57,322	-99	57,223	1.0	131
		590,614	**-2,475**	**588,139**	**10.4**	**900**
Other	Residential mortgages	4,111,281	-632	4,110,649	72.7	14,055
	Other facilities	1,267	-655	612	-	4,268
		4,112,548	**-1,287**	**4,111,261**	**72.7**	**18,323**
	Total	**5,660,563**	**-7,108**	**5,653,455**	**100.0**	**20,200**

Balance at 31 December 2022		The Netherlands				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy[1]	327,281	-490	326,791	6.3	128
	Environmental technology[1]	35,681	-207	35,474	0.7	45
		362,962	**-697**	**362,265**	**7.0**	**173**
Food	Organic farming	57,227	-105	57,122	1.1	225
	Organic food	22,959	-161	22,798	0.4	130
		80,186	**-266**	**79,920**	**1.5**	**355**
Resources	Sustainable property	266,701	-712	265,989	5.1	183
	Nature development and forestry	14,703	-30	14,673	0.3	7
	Retail non-food	4,994	-11	4,983	0.1	46
	Production	14,101	-67	14,034	0.3	35
	Professional services	25,183	-622	24,561	0.5	82
		325,682	**-1,442**	**324,240**	**6.3**	**353**
Societal	Social housing	41,750	-16	41,734	0.8	98
	Social projects	4,835	-2	4,833	0.1	20
	Development cooperation and fair trade	17,737	-712	17,025	0.3	14
	Municipality loans	60,045	-	60,045	1.2	3
		124,367	**-730**	**123,637**	**2.4**	**135**
Wellbeing	Healthcare	348,030	-260	347,770	6.7	473
	Education	15,680	-1	15,679	0.3	39
	Childcare	7,958	-1	7,957	0.2	28
	Arts and culture	169,775	-750	169,025	3.3	228
	Philosophy of life	12,702	-1	12,701	0.2	48
	Recreation	54,446	-212	54,234	1.0	146
		608,591	**-1,225**	**607,366**	**11.7**	**962**
Other	Residential mortgages	3,688,508	-613	3,687,895	71.1	13,026
	Other facilities	1,011	-92	919	-	3,942
		3,689,519	**-705**	**3,688,814**	**71.1**	**16,968**
	Total	**5,191,307**	**-5,065**	**5,186,242**	**100.0**	**18,946**

1 Due to the reclassification of sectors, the net amount of EUR 30 million (equivalent to 27 loan facilities) has been moved from Renewable energy to Environmental technology.

Balance at 31 December 2023		Belgium				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy	412,929	-1,479	411,450	22.2	342
	Environmental technology	35,467	-739	34,728	1.9	65
		448,396	**-2,218**	**446,178**	**24.1**	**407**
Food	Organic farming	3,735	-422	3,313	0.2	51
	Organic food	14,200	-955	13,245	0.7	112
		17,935	**-1,377**	**16,558**	**0.9**	**163**
Resources	Sustainable property	281,432	-1,043	280,389	15.1	115
	Nature development and forestry	3,890	-5	3,885	0.2	11
	Retail non-food	5,845	-445	5,400	0.3	29
	Production	6,763	-11	6,752	0.4	24
	Professional services	11,168	-137	11,031	0.6	74
		309,098	**-1,641**	**307,457**	**16.6**	**253**
Societal	Social housing	76,703	-98	76,605	4.1	57
	Social projects	24,213	-31	24,182	1.3	96
	Development cooperation and fair trade	2,888	-4	2,884	0.2	17
	Municipality loans	-	-	-	-	-
		103,804	**-133**	**103,671**	**5.6**	**170**
Wellbeing	Healthcare	204,775	-1,941	202,834	10.9	337
	Education	97,790	-209	97,581	5.3	210
	Childcare	2,815	-67	2,748	0.1	18
	Arts and culture	52,703	-932	51,771	2.8	203
	Philosophy of life	4,652	-6	4,646	0.3	25
	Recreation	36,342	-1,005	35,337	1.9	56
		399,077	**-4,160**	**394,917**	**21.3**	**849**
Other	Residential mortgages	583,051	-928	582,123	31.5	3,003
	Other facilities	9	-	9	-	35
		583,060	**-928**	**582,132**	**31.5**	**3,038**
	Total	**1,861,370**	**-10,457**	**1,850,913**	**100.0**	**4,880**

Balance at 31 December 2022		Belgium				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy	465,403	-1,616	463,787	25.4	360
	Environmental technology	34,872	-123	34,749	1.9	61
		500,275	**-1,739**	**498,536**	**27.3**	**421**
Food	Organic farming	4,067	-527	3,540	0.2	53
	Organic food	17,778	-1,068	16,710	0.9	144
		21,845	**-1,595**	**20,250**	**1.1**	**197**
Resources	Sustainable property	250,050	-594	249,456	13.7	110
	Nature development and forestry	5,966	-	5,966	0.3	11
	Retail non-food	6,065	-516	5,549	0.3	27
	Production	6,931	-7	6,924	0.4	25
	Professional services	7,787	-107	7,680	0.4	84
		276,799	**-1,224**	**275,575**	**15.1**	**257**
Societal	Social housing	81,005	-76	80,929	4.4	58
	Social projects	29,108	-29	29,079	1.6	111
	Development cooperation and fair trade	3,505	-12	3,493	0.2	18
	Municipality loans	-	-	-	-	-
		113,618	**-117**	**113,501**	**6.2**	**187**
Wellbeing	Healthcare	213,332	-2,152	211,180	11.4	316
	Education	100,550	-99	100,451	5.5	216
	Childcare	3,150	-18	3,132	0.2	18
	Arts and culture	56,746	-1,121	55,625	3.0	202
	Philosophy of life	5,150	-5	5,145	0.3	24
	Recreation	40,576	-1,213	39,363	2.2	59
		419,504	**-4,608**	**414,896**	**22.6**	**835**
Other	Residential mortgages	507,473	-990	506,483	27.7	2,726
	Other facilities	2	-	2	-	30
		507,475	**-990**	**506,485**	**27.7**	**2,756**
	Total	**1,839,516**	**-10,273**	**1,829,243**	**100.0**	**4,653**

Balance at 31 December 2023		United Kingdom				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy	237,630	-197	237,433	18.5	238
	Environmental technology	29,640	-304	29,336	2.3	54
		267,270	**-501**	**266,769**	**20.8**	**292**
Food	Organic farming	33,942	-790	33,152	2.6	142
	Organic food	7,680	-1,500	6,180	0.5	22
		41,622	**-2,290**	**39,332**	**3.1**	**164**
Resources	Sustainable property	14,577	-75	14,502	1.1	19
	Nature development and forestry	31,653	-1	31,652	2.5	17
	Retail non-food	8,696	-76	8,620	0.7	11
	Production	7,831	-22	7,809	0.6	7
	Professional services	13,779	-113	13,666	1.1	23
		76,536	**-287**	**76,249**	**6.0**	**77**
Societal	Social housing	397,623	-60	397,563	31.0	250
	Social projects	42,591	-418	42,173	3.3	76
	Development cooperation and fair trade	11,914	-59	11,855	0.9	7
	Municipality loans	-	-	-	-	-
		452,128	**-537**	**451,591**	**35.2**	**333**
Wellbeing	Healthcare	248,230	-691	247,539	19.3	108
	Education	93,117	-494	92,623	7.2	52
	Childcare	1,077	-	1,077	0.1	4
	Arts and culture	48,864	-5,917	42,947	3.4	63
	Philosophy of life	36,781	-326	36,455	2.8	106
	Recreation	27,311	-150	27,161	2.1	46
		455,380	**-7,578**	**447,802**	**34.9**	**379**
Other	Residential mortgages	-	-	-	-	-
	Other facilities	245	-15	230	-	700
		245	**-15**	**230**	**-**	**700**
	Total	**1,293,181**	**-11,208**	**1,281,973**	**100.0**	**1,945**

Balance at 31 December 2022		United Kingdom				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy	261,713	-513	261,200	20.6	252
	Environmental technology	21,056	-108	20,948	1.7	52
		282,769	**-621**	**282,148**	**22.3**	**304**
Food	Organic farming	33,987	-585	33,403	2.7	156
	Organic food	15,131	-721	14,410	1.1	26
		49,118	**-1,306**	**47,813**	**3.8**	**182**
Resources	Sustainable property	12,175	-3	12,171	1.7	19
	Nature development and forestry	9,651	-113	9,538	-	15
	Retail non-food	9,745	-293	9,452	0.7	9
	Production	7,378	-4	7,374	0.6	5
	Professional services	17,058	-133	16,925	1.3	23
		56,007	**-546**	**55,460**	**4.3**	**71**
Societal	Social housing	375,841	-43	375,798	29.7	246
	Social projects	39,006	-344	38,662	3.1	81
	Development cooperation and fair trade	15,391	-59	15,332	1.2	7
	Municipality loans	-	-	-	-	-
		430,238	**-446**	**429,792**	**34.0**	**334**
Wellbeing	Healthcare	255,888	-459	255,429	20.2	116
	Education	83,849	-342	83,507	6.6	46
	Childcare	1,106	-	1,106	0.1	4
	Arts and culture	51,055	-7,211	43,844	3.4	54
	Philosophy of life	38,390	-288	38,102	3.0	126
	Recreation	29,644	-595	29,049	2.3	50
		459,932	**-8,895**	**451,037**	**35.6**	**396**
Other	Residential mortgages	-	-	-	-	-
	Other facilities	314	-50	264	-	1,031
		314	**-50**	**264**	**-**	**1,031**
	Total	**1,278,378**	**-11,864**	**1,266,514**	**100.0**	**2,318**

Balance at 31 December 2023		Spain				
Amounts in thousands of EUR		**Gross amount**	**ECL**	**Net amount**	**%**	**Number**
Energy	Renewable energy	317,715	-	317,715	18.3	116
	Environmental technology	37,304	-3,571	33,733	2.0	129
		355,019	**-3,571**	**351,448**	**20.3**	**245**
Food	Organic farming	54,532	-3,837	50,695	2.9	134
	Organic food	49,317	-877	48,440	2.8	214
		103,849	**-4,714**	**99,135**	**5.7**	**348**
Resources	Sustainable property	179,113	-2,406	176,707	10.2	53
	Nature development and forestry	2,941	-94	2,847	0.2	22
	Retail non-food	4,223	-46	4,177	0.2	63
	Production	6,463	-251	6,212	0.4	67
	Professional services	11,494	-907	10,587	0.6	109
		204,234	**-3,704**	**200,530**	**11.6**	**314**
Societal	Social housing	30,221	-6	30,215	1.8	19
	Social projects	121,464	-751	120,713	7.0	257
	Development cooperation and fair trade	2,052	-	2,052	0.1	11
	Municipality loans	54,955	-	54,955	3.2	9
		208,692	**-757**	**207,935**	**12.1**	**296**
Wellbeing	Healthcare	246,345	-1,895	244,450	14.2	393
	Education	96,357	-167	96,190	5.6	166
	Childcare	2,876	-91	2,785	0.2	12
	Arts and culture	223,294	-200	223,094	12.9	990
	Philosophy of life	21,149	-257	20,892	1.2	58
	Recreation	66,166	-879	65,287	3.8	151
		656,187	**-3,489**	**652,698**	**37.9**	**1,770**
Other	Residential mortgages	210,319	-213	210,106	12.2	2,336
	Other facilities	6,468	-3,612	2,856	0.2	3,020
		216,787	**-3,825**	**212,962**	**12.4**	**5,356**
	Total	**1,744,768**	**-20,060**	**1,724,708**	**100.0**	**8,329**

Balance at 31 December 2022		Spain				
Amounts in thousands of EUR		**Gross amount**	**ECL**	**Net amount**	**%**	**Number**
Energy	Renewable energy	389,534	-94	389,440	21.6	113
	Environmental technology	32,735	-4,078	28,657	1.6	130
		422,269	**-4,172**	**418,097**	**23.2**	**243**
Food	Organic farming	73,024	-3,598	69,426	3.9	166
	Organic food	55,646	-3,037	52,609	2.9	259
		128,670	**-6,635**	**122,035**	**6.8**	**425**
Resources	Sustainable property	161,302	-1,169	160,133	8.9	44
	Nature development and forestry	3,100	-70	3,030	0.1	30
	Retail non-food	5,158	-549	4,609	0.3	70
	Production	5,465	-24	5,441	0.3	71
	Professional services	14,347	-892	13,455	0.7	121
		189,372	**-2,704**	**186,668**	**10.3**	**336**
Societal	Social housing	28,798	-16	28,782	1.6	18
	Social projects	117,467	-817	116,650	6.5	260
	Development cooperation and fair trade	2,508	-7	2,501	0.1	11
	Municipality loans	64,313	-22	64,291	3.6	9
		213,086	**-862**	**212,224**	**11.8**	**298**
Wellbeing	Healthcare	227,284	-2,876	224,408	12.5	422
	Education	82,276	-282	81,994	4.6	181
	Childcare	2,379	-3	2,376	0.1	10
	Arts and culture	216,647	-1,284	215,363	12.0	1,023
	Philosophy of life	20,794	-98	20,696	1.2	63
	Recreation	55,949	-2,025	53,924	3.0	150
		605,329	**-6,568**	**598,761**	**33.4**	**1,849**
Other	Residential mortgages	254,118	-199	253,919	14.1	2,596
	Other facilities	8,047	-536	7,511	0.4	3,144
		262,165	**-735**	**261,430**	**14.5**	**5,740**
	Total	**1,820,891**	**-21,676**	**1,799,215**	**100.0**	**8,891**

Balance at 31 December 2023		Germany				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Energy	Renewable energy	101,342	-381	100,961	17.7	46
	Environmental technology	159,823	-324	159,499	28.0	45
		261,165	**-705**	**260,460**	**45.7**	**91**
Food	Organic farming	-	-	-	-	-
	Organic food	735	-10	725	0.1	5
		735	**-10**	**725**	**0.1**	**5**
Resources	Sustainable property	189,358	-4	189,354	33.4	33
	Nature development and forestry	-	-	-	-	-
	Retail non-food	-	-	-	-	-
	Production	-	-	-	-	-
	Professional services	-	-	-	-	-
		189,358	**-4**	**189,354**	**33.4**	**33**
Societal	Social housing	-	-	-	-	-
	Social projects	10,792	-47	10,745	1.9	6
	Development cooperation and fair trade	-	-	-	-	-
	Municipality loans	-	-	-	-	-
		10,792	**-47**	**10,745**	**1.9**	**6**
Wellbeing	Healthcare	54,875	-1,584	53,291	9.4	28
	Education	25,787	-8	25,779	4.5	24
	Childcare	-	-	-	-	-
	Arts and culture	2,966	-138	2,828	0.5	9
	Philosophy of life	-	-	-	-	-
	Recreation	25,255	-1,360	23,895	4.2	9
		108,883	**-3,090**	**105,793**	**18.6**	**70**
Other	Residential mortgages	-	-	-	-	-
	Other facilities	1,886	-49	1,837	0.3	6,571
		1,886	**-49**	**1,837**	**0.3**	**6,571**
	Total	**572,819**	**-3,905**	**568,914**	**100.0**	**6,776**

Balance at 31 December 2022		Germany				
Amounts in thousands of EUR		**Gross amount**	**ECL**	**Net amount**	**%**	**Number**
Energy	Renewable energy	116,762	-290	116,472	21.6	45
	Environmental technology	105,865	-121	105,744	19.6	26
		222,627	**-411**	**222,216**	**41.2**	**71**
Food	Organic farming	-	-	-	-	1
	Organic food	1,038	-2	1,036	0.2	6
		1,038	**-2**	**1,036**	**0.2**	**7**
Resources	Sustainable property	182,968	-20	182,948	34.0	37
	Nature development and forestry	-	-	-	-	-
	Retail non-food	-	-	-	-	-
	Production	-	-	-	-	-
	Professional services	-	-	-	-	-
		182,968	**-20**	**182,948**	**34.0**	**37**
Societal	Social housing	-	-	-	-	-
	Social projects	2,188	-5	2,183	0.4	2
	Development cooperation and fair trade	-	-	-	-	-
	Municipality loans	-	-	-	-	-
		2,188	**-5**	**2,183**	**0.4**	**2**
Wellbeing	Healthcare	73,790	-1,607	72,183	13.4	40
	Education	27,589	-9	27,580	5.1	24
	Childcare	-	-	-	-	-
	Arts and culture	2,528	-64	2,464	0.5	6
	Philosophy of life	-	-	-	-	-
	Recreation	26,285	-161	26,124	4.9	11
		130,192	**-1,841**	**128,351**	**23.9**	**81**
Other	Residential mortgages	-	-	-	-	-
	Other facilities	1,788	-60	1,728	0.3	6,570
		1,788	**-60**	**1,728**	**0.3**	**6,570**
	Total	**540,801**	**-2,339**	**538,462**	**100.0**	**6,768**

Risk management

This section contains the information required by IFRS in relation to risk management. For further information on risk management, enterprise risk and non-financial risk see the Risk Management chapter.

Financial risk

Financial risk is an umbrella term for a variety of risk types directly associated with the balance sheet and financial performance of Triodos Bank. Financial risk is further divided into three types: credit risk, liquidity risk and market risk.

Credit risk

Credit risk management

Credit risk is the risk that a counterparty does not fulfil its financial obligations. Triodos Bank manages its credit risk at client and portfolio level. It operates within a predefined set of criteria for accepting credits. Credits are extended within the target markets and lending strategy in accordance with Triodos Bank's mission and expertise. Before accepting a credit facility, Triodos Bank assesses the customer's risk profile, cash flows, available collateral and the requested transaction, including an assessment of the integrity and reputation of the borrower or counterparty. Analysis of compliance with Triodos Bank's lending criteria is an integral part of each credit proposal.

Triodos Bank has developed an internal rating-based economic capital model that estimates a counterparty's probability of default and the expected loss of a credit exposure.

Credit risk organisational structure

Each banking business unit has a credit risk team headed by a Head of Credit Risk. The teams comprise of credit risk analysts and special asset managers. The heads of Credit Risk a direct reporting line to the Group Director Financial Risk Management and together manage all topics relating to credit risk locally and for the group. At Group level, a dedicated team is in place with credit analysts and data analysts.

At local and Group level, individual files have a second line review and the portfolio is monitored and reviewed on a continuous basis. The aggregated portfolio is monitored at Group level. The resulting analysis is provided to the Local Credit Committee and/or to the Central Credit Committee for decision-making on approvals for individual files, lending criteria for sectors and limits on sectors, countries or individual obligors.

Business units need to prove, both after initial implementation and in case of changes to policies, that requirements are met in local documentation. This is done by showing in which local documents each requirement is written down. Evidence of the implementation is derived from the key controls. Deviations from this policy should be approved through the monthly Central Credit Committee or Non-financial Risk Committee.

Key controls related to policies are defined in Triodos Bank's risk control self-assessment (RCSA), based on standardised process described in Triodos Bank's Corporate Lending Handbook. The key controls contain a risk-based subset of the requirements. The first line is responsible for enacting the key controls within its processes. Periodically, within the regular ORM cycle, key controls are tested for operational effectiveness by the first line. At the local level, management information dashboards are in place to monitor the risks on a continuous basis. Internal Audit performs regular audits on the lending activities.

Concentration risk

Loans are provided to retail clients, businesses and projects that contribute to achieving Triodos Bank's mission. Given this involves a small number of sustainable sectors, a certain level of sector concentration is inherent in the loan portfolio. Concentration in the existing sectors is acceptable as Triodos Bank has considerable expertise in these sectors, actively invests in further expanding its knowledge and actively diversifies through geographies.

Triodos Bank focuses primarily on the quality and diversification of its loan portfolio. Triodos Bank puts extra effort into identifying loans to frontrunners with a track record in their sectors, the entrepreneurs developing the sustainable industries of the future.

A diversified credit risk portfolio is the result of assets spread over debtors, sectors and geographies that are not inter- or intra-related. Triodos Bank maintains a set of concentration limits to manage concentration risks. The limits are based on the bank's capital base and reflect the risk appetite.

Triodos Bank measures and limits the following concentrations in its lending activities:

- Obligor exposures
- Group exposures
- Top 20 exposures excluding government and sub-government exposures
- Government exposures
- Sector exposures
- Non-bank financial intermediation (shadow banking) exposures
- Mortgage exposures
- Country exposures

Besides lending activities, Triodos Bank has established limits related to its investment portfolio:

- Maximum exposure on government and sub-governments
- Maximum exposure on supranational institutions
- Maximum exposure on banks and financial institutions

Sector concentrations

Triodos Bank is active in well-defined sectors where it has extensive expertise and that are in line with its mission. It has set limits on sectors, based on actual own funds, at Group and banking business unit level. Sector studies have shown relatively low correlations of risk drivers in the sectors that Triodos Bank finances in multiple countries.

At Group level, Triodos Bank categorises sector concentration limits into distinct tiers. Country-specific limits for each sector are determined by the Executive Board, factoring in the unique risks associated with each sector and country, based on annual sector analyses. Additionally, risk weighted asset (RWA) limits are established for various sectors and countries, considering these risks, the impact these sectors and countries generate, and the return on capital they provide.

Larger sectors hold strategic importance for Triodos Bank. They exhibit a well-balanced distribution across banking business units and countries, contributing to an overall low risk profile that warrants a higher consolidated concentration. Sector analyses are conducted on an annual basis and presented to the Central Credit Committee to facilitate timely responses to developments that may impact the portfolio's risk profile. Group Credit Risk may request sector updates at shorter intervals in the event of changes to a sector's risk profile.

Country concentrations

Triodos Bank is a European bank, acting under the European Banking Directive since 1993, with banking business units in four countries (the Netherlands, Belgium, Spain and Germany), a subsidiary in the United Kingdom and additional exposures in, among others, France and Ireland.

Triodos Bank does not set country limits for the countries it operates in as long as these countries have a credit rating of AA- or higher. Specific limits are defined for countries with a credit rating of A+ or lower.

Obligor risk

An obligor is a single legal entity that commits to the terms and conditions of a loan agreement. The obligor is thoroughly analysed based on meeting Triodos Bank's lending criteria and its capacity to repay a loan. The risk related to the obligor is that it fails to meet its contractual obligations. Obligors are rated through an internal rating methodology.

A thorough assessment of each obligor and the structure of its loan is made before any loan is provided. A review of approved credit is made once a year, as a minimum, to assess the evolution of the client's capacity to meet its obligations. The high quality of securities (collateral) against outstanding loans reduces credit risk. Examples of principal collateral include mortgage registrations for business or private properties, securities from public authorities, companies or private individuals, and rights of lien on receivables and/or contracts for projects.

Triodos Bank aims to finance specific projects and assets that are in line with its mission. When financing a project, the bank has a pledge on the underlying contracts. For the financing of objects, Triodos Bank will take a pledge or mortgage on the specific object. It applies haircuts, in all cases, on the market value. The level of this haircut will depend on the marketability of the asset in a negative scenario. This allows Triodos Bank to make a proper assessment of the overall risk of the loan and the value of the asset in case of a downturn. The value of the collateral is reviewed on a yearly basis. An external valuation by an expert is requested, at a minimum every three years, for large loans with a mortgage.

The Triodos Bank early warning system helps identify problem loans early on, to allow for more available options and remedial measures. Once a loan is identified as being in default (i.e. unlikely to pay or overdue payments beyond 90 days), it is managed under a dedicated remedial process, with a focus on full recovery.

Group exposures

The risk related to a group is that if one obligor fails to meet its contractual obligations, so will the remaining obligors within the group. A group is defined as two or more obligors that are interrelated in such a way that they are considered as a single risk.

Each group obligor and the group as a whole are analysed on all aspects, from meeting Triodos Bank's lending criteria to their capacity to repay the loan.

Credit risk investment portfolio

Liquidity not invested in loans to customers is invested in deposits with banks (including central banks) or bonds. Triodos Bank's policy is to primarily invest the liquidity in the countries where it has branches or subsidiaries. The bond portfolio of Triodos Bank comprises (local) government bonds (from countries where Triodos Bank has a branch or subsidiary) and investment-grade bonds issued by European supranational organisations (e.g. European Investment Bank), European financial institutions and corporates.

There are no regulatory restrictions to exposures on governments. Triodos Bank sets limits based on the country risk.

There are also no regulatory restrictions to exposures on multilateral development banks where the institution has a credit risk weight of 0% for regulatory capital requirements. Triodos Bank has set limits to avoid concentration risk in these exposures.

Credit risk banks

Banks are selected according to their creditworthiness and screened on their sustainability performance. Exceptions can only occur when no banks in a country meet Triodos Bank's minimum sustainability standards. In such cases, deposit maturity periods will not exceed three months. All counterparty limits for banks are set by either the Executive Board or the Central Credit Committee. Banking business units place excess liquidity with the country's central banks (minimum reserve requirements and deposit facility). There are no regulatory restrictions on exposures to central banks.

The Capital Requirements Regulation large exposures regime limits the maximum exposure to a bank at 25% of its Tier 1 capital plus Tier 2 with a maximum of one-third of Tier 1 capital. To avoid the interbank exposure exceeding the regulatory maximum, Triodos Bank applies a maximum exposure below the limit defined by the large exposures regime. Limits are further adapted according to the external rating of the counterparty. Deposits on banks are limited to a maximum maturity of one year.

Credit risk private mortgages

Private mortgages are treated as a sector and form an integral part of the impact strategy of the bank. Interest rate differentiation on the mortgages based on energy labels incentivises lower energy consumption. In general, mortgage products are highly standardised and regulated. This is the case in the three countries where Triodos Bank offers this product. The loan amounts per counterparty in the private mortgage portfolio are usually relatively small and the portfolio is often well diversified (e.g. in terms of geography, source of repayment or maturity). This mitigates credit risk to a large degree, which is evidenced by low defaults. Triodos Bank limits the overall exposure to mortgages as a percentage of the balance sheet to have a balanced mix between business loans and mortgages to private individuals.

Credit risk commercial real estate

Triodos Bank's commercial real estate (CRE) credit portfolio has a low-risk profile and is consistent with the bank's mission. Triodos Bank has CRE exposure in the various countries where the bank has a physical presence. The CRE portfolio primarily consists of office buildings and loans to fully regulated funds, holding single or multiple buildings leased to multiple tenants.

The Central Credit Committee sets concentration limits across project types, borrower profiles, and geographic regions to ensure a well-diversified CRE portfolio. Triodos Bank employs conservative underwriting standards emphasizing borrower creditworthiness, long-term project viability, and the environmental impact of properties. These standards promote energy efficiency and are supported by conservative loan-to-value (LTV) ratios that provide a buffer against market volatility.

Triodos Bank actively monitors the CRE portfolio through regular valuations, borrower reviews, and sector analysis. Stress testing assesses portfolio resilience under various market conditions, facilitating proactive risk management and timely corrective actions.

In 2023, the European Central Bank warned of greater risks in loans for commercial property. With interest rates increasing and a drop in underlying values of commercial property, defaults could increase resulting in higher losses for banks.

Triodos Bank's exposure in the CRE sector decreased from EUR 700 million at the end of 2022 to EUR 675 million at the end of 2023, due to market circumstances and a tighter financial lending criteria. The majority of Triodos Bank's CRE portfolio (96%) has a strong buffer against value drops with an LTV below 70%. The rest of the portfolio (4%) remains below 80% LTV. Therefore, even a hypothetical 30% drop in value across the entire portfolio would have a limited impact. A large part of the portfolio in Belgium is loans to regulated CRE funds (EUR 105 million). These loans offer a high level of security due to strict regulations, a low risk profile, and a legally mandated low LTV ratio.

Triodos Bank's portfolio complies with the highest standards of energy efficiency. Economic downturns make energy-inefficient buildings obsolete faster than those with good energy standards. With the exception of higher and volatile energy prices that are expected to continue, businesses are actively looking for leases in buildings with low energy costs. This has a positive impact on the value of Triodos Bank's collaterals because demand is higher and there is a higher rental occupation level to service the debt repayment.

CRE requires us to remain vigilant as it is a volatile market and highly correlated. However, the nature of Triodos Bank's portfolio and how we provide finance in this sector contributes to the stability of the portfolio throughout economic cycles.

Credit risk related to derivatives

Triodos Bank has exposure to credit risk resulting from outstanding foreign exchange (FX) contracts (spot, forward and swap transactions) with financial institutions and with funds managed by Triodos Investment Management. In 2023, Triodos Bank serviced these funds by providing hedges for the FX risk of these funds' investments.

Triodos Bank is not entering into new FX deals with Triodos Investment funds because of new regulation. Current derivative contracts will not be renewed after maturity.

Triodos Bank has limited exposure to credit risk resulting from outstanding interest rate swaps (IRS). The IRS are all centrally cleared with LCH Clearnet. Daily margining minimises credit risks.

A limit is set per counterparty based on the expected amount of outstanding FX transactions and the corresponding expected exposure. This limit is subject to the overall counterparty limit Triodos Bank has per counterparty.

Any collateral needed for FX transactions is calculated and managed daily. In liquidity stress tests, the amount of collateral needed for FX transactions is stressed to calculate the potential impact on Triodos Bank's liquidity position.

Credit quality of assets

Business loans in the portfolio are periodically reviewed on an individual basis. The review frequency depends on the debtor's creditworthiness, the degree of market exposure and the market in which the debtor operates. Small business and private loans are reviewed at portfolio level and on an individual basis when appropriate.

The credit committees discuss and, if necessary, take action with respect to overdue payments from debtors. If there is any doubt regarding the continuity of the debtor's core operations and/or a debtor fails to settle agreed interest and repayment instalments for a prolonged period, this debtor falls under the category of doubtful debtors and will be managed intensively.

Provisions for loan losses are taken for doubtful debtors at an individual level based on the difference between the total amount of the debtor's outstanding liability to Triodos Bank and the future expected cash flows, discounted at the original effective interest rate of the contract. These individual provisions include provisions for concessions or refinancing given to debtors who face financial difficulties. They are only granted to the debtor in question to overcome their difficulties in these exceptional circumstances. These are described as forbearance measures.

The credit risk in the loan portfolio is reported each month to the Central Credit Committee, and quarterly to the Enterprise Risk Committee and the Audit and Risk Committee of the Supervisory Board as part of the ERM report.

In addition to a minimum standards check, external credit ratings – if available – are used to determine the creditworthiness of the counterparties of the investment portfolio, including banks and some corporates. External ratings are also used to calculate the minimum capital requirement for credit risk under the standardised approach. Fitch and Moody's ratings are used for this purpose.

Credit risk quantitative disclosures

Credit quality analysis

The following tables set out information about the credit quality of financial assets, loan commitments and guarantee contracts. Unless specifically indicated, the amounts of financial assets in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent, respectively, the amounts committed or guaranteed.

Loans and advances to banks
The following table shows the loans and advances to banks at amortised cost, which are all in stage 1.

Loans and advances to banks at amortised cost	2023	2022
Amounts in thousands of EUR	**Stage 1**	**Stage 1**
Gross amount	273,823	332,500
Allowance for expected credit losses	-29	-7
Carrying amount	**273,794**	**332,493**

Loans and advances to customers
Triodos Bank applies ratings to its business loans and advances based on its credit risk policy. Within the policy, clients with total business loans above EUR 0.5 million are rated annually. Clients with total business loans below EUR 0.5 million are rated upon issuance of a loan, but are not required to have an annual rating update. These, and mortgages which are not rated, are represented in the Not rated category. The tables included below show the loans and advances to customers per stage and per rating category as well as the overdue status of loans and advances to customers in the three stages.

Loans and advances to customers at amortised cost	2023			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Rating 1-9: Normal risk	5,440,917	262,242	-	5,703,159
Rating 10-13: Increased risk	141	216,744	-	216,885
Rating 14: Default	-	-	318,302	318,302
Not rated - business loans	85,890	17,881	-	103,771
Not rated - mortgages	4,782,627	7,957	-	4,790,584
Gross amount	**10,309,575**	**504,824**	**318,302**	**11,132,701**
Allowance for expected credit losses	-6,922	-2,927	-42,889	-52,738
Carrying amount	**10,302,653**	**501,897**	**275,413**	**11,079,963**

Loans and advances to customers at amortised cost	2022			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Rating 1-9: Normal risk	4,568,561	1,181,486	-	5,750,047
Rating 10-13: Increased risk	142	189,048	-	189,190
Rating 14: Default	-	-	314,121	314,121
Not rated - business loans	95,070	24,429	-	119,499
Not rated - mortgages	4,285,682	12,354	-	4,298,036
Gross amount	**8,949,455**	**1,407,317**	**314,121**	**10,670,893**
Allowance for expected credit losses	-6,314	-5,695	-39,208	-51,217
Carrying amount	**8,943,141**	**1,401,622**	**274,913**	**10,619,676**

Loans and advances to customers at amortised cost	2023			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Current	10,292,484	462,001	212,546	10,967,031
Overdue < 90 days	17,091	42,823	19,043	78,957
Overdue > 90 days	-	-	86,713	86,713
Total	**10,309,575**	**504,824**	**318,302**	**11,132,701**

Loans and advances to customers at amortised cost	2022			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3[1]**	**Total**
Current	8,936,005	1,394,785	258,273	10,589,063
Overdue < 90 days[2]	13,450	12,532	5,212	31,194
Overdue > 90 days	-	-	50,636	50,636
Total	**8,949,455**	**1,407,317**	**314,121**	**10,670,893**

[1] The loans and advances to customers in stage 3 were previously stated as > 90 days overdue. These have been restated based on the actual days overdue.
[2] The loans and advances to customers < 90 days overdue has been restated to exclude those exposures that were due on the final day of 2022, which was not a business day. These payments were received on the first business day of 2023, in line with contractual requirements.

Debt securities at amortised cost
All debt securities at amortised cost have a rating higher than BBB and are all included in stage 1 due to their credit worthiness. The below table sets out the debt securities per rating.

Debt securities at amortised cost	2023	2022
Amounts in thousands of EUR	Stage 1	Stage 1
AAA	1,116,117	656,768
AA	662,130	587,417
A	350,069	390,156
BBB	59,292	55,471
Allowance for expected credit losses	-33	-32
Carrying amount	**2,187,575**	**1,689,780**

Loan commitments
The expected credit loss (ECL) of loan commitments is determined on a portfolio basis, using the average ECL rate of business loans and mortgage loans portfolios. The outcome is presented in the table below.

Loan commitments		2023	
Amounts in thousands of EUR	Stage 1	Stage 2	Total
Gross commitment amount (off-balance)	868,000	55,147	923,147
Allowance for expected credit losses	-1,045	-366	-1,411
Carrying amount	**866,955**	**54,781**	**921,736**

Loan commitments		2022	
Amounts in thousands of EUR	Stage 1	Stage 2	Total
Gross commitment amount (off-balance)	723,419	168,862	892,281
Allowance for expected credit losses	-645	-531	-1,176
Carrying amount	**722,774**	**168,331**	**891,105**

Financial guarantees
All financial guarantee contracts are in stage 1 and stage 2 as shown in the table below.

Financial guarantee contracts		2023	
Amounts in thousands of EUR	Stage 1	Stage 2	Total
Gross carrying amount	28,037	1,705	29,742
Allowance for expected credit losses	-65	-21	-86
Carrying amount	**27,972**	**1,684**	**29,656**

Financial guarantee contracts		2022	
Amounts in thousands of EUR	Stage 1	Stage 2	Total
Gross carrying amount	22,044	4,946	26,990
Allowance for expected credit losses	-41	-81	-122
Carrying amount	**22,003**	**4,865**	**26,868**

Collateral held and other credit enhancements

Triodos Bank can hold collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

	Percentage of exposure that is subject to collateral requirements		
	2023	**2022**	**Principal type of collateral held**
Non-trading derivatives	100	100	Cash collateral
Loans and advances to customers			
Mortgage lending	98	98	Residential property
Business lending	68	60	Commercial property, Other
Current accounts	-	-	None

The following table stratifies credit exposures from mortgage loans and advances to retail customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination updated according to changes in house price indices. For credit-impaired loans, the value of collateral is based on the most recent appraisals.

LTV ratio (amounts in thousands of EUR)	2023	2022
Less than 65%	3,108,587	2,833,441
65-75%	664,625	366,903
75-90%	702,667	641,469
More than 90%	420,960	605,356
Total residential mortgage lending	**4,896,839**	**4,447,170**

Details of financial and non-financial assets obtained during the year by taking possession of collateral held as security against loans and advances and held at the year-end are shown below.

Amounts in thousands of EUR	2023	2022
Property	291	180

Triodos Bank sometimes repossesses assets. These assets are collaterals of an executed loan. A part of the repossessed assets however will not be sold immediately because Triodos Bank may opt to add value by letting these assets. These are therefore presented as investment properties.

Allowance for expected credit losses

The following tables show reconciliations from the opening to the closing balance of the allowance for expected credit losses by class of financial instrument.

Triodos Bank uses three stages to classify the expected credit loss (ECL) for financial instruments. The ECL for stages 1 and 2 is determined by the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD) per exposure, which are determined with the use of a model that includes several drivers. These drivers can be client-specific or based on macroeconomic scenarios.

- Stage 1 includes the financial instruments that have (close to) similar credit risk since origination. For this category, ECL is determined based on the PD, LGD and EAD over the 12 months after balance sheet date.
- Stage 2 includes the financial instruments which have had a significant increase in credit risk since origination. The ECL for stage 2 is determined based on the PD, LGD and EAD over the entire lifetime of the financial instrument.
- Stage 3 includes the financial instruments which are in default. The ECL for this stage is also determined over the entire lifetime, considering default-specific scenarios.

The ECL provision represents an estimate of the expected credit loss over the current portfolio. The future development of the underlying parameters can influence this estimate positively (or negatively) leading to a decrease (or increase) of expected credit losses in future periods. If economic growth is expected to develop positively in future periods, fewer defaults are expected. This will have a positive effect on the ECL and result in lower ECL provision for stage 1 and 2.

Newly originated financial instruments are initially included in stage 1. Changes in ratings of clients may trigger reclassification to different stages. When a rating declines significantly, the loan is transferred from stage 1 to stage 2. If the decline persists and the loan goes into default, it is moved into stage 3. In case the default is cured and the credit rating goes up, the loan can be transferred back to stage 2 or stage 1 after a probation period.

When the drivers of the PD and LGD are changed, the ECL amounts per financial instrument are recalculated. This is captured in the net remeasurement of allowance for expected credit losses. The net remeasurement can be broken down into multiple parameters that influence the PD and LGD:

1. Remeasurement in calculated ECL of individual loans which have transferred between stage 1 and stage 2.
2. Changes in forward-looking macroeconomic scenarios.
3. Changes in individual loan or advance behaviour such as changes in rating not triggering stage transfer or loan amount due to repayment.

The total expected credit loss allowances can be broken down as shown on the next page.

Total expected credit loss allowances	2023			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL loans and advances to banks at amortised cost	29	-	-	29
ECL loans and advances to customers at amortised cost - business loans and current accounts	6,238	2,531	42,197	50,966
ECL loans and advances to customers at amortised cost - mortgages	684	396	692	1,772
ECL debt securities at amortised cost	33	-	-	33
ECL financial guarantees	65	21	-	86
ECL loan commitments issued	1,045	366	-	1,411
ECL other assets	11	-	460	471
Total expected credit loss allowances	**8,105**	**3,314**	**43,349**	**54,768**

Total expected credit loss allowances	2022			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL loans and advances to banks at amortised cost	7	-	-	7
ECL loans and advances to customers at amortised cost - business loans and current accounts	5,622	5,281	38,900	49,803
ECL loans and advances to customers at amortised cost - mortgages	692	414	308	1,414
ECL debt securities at amortised cost	32	-	-	32
ECL financial guarantees	41	80	-	121
ECL loan commitments issued	645	531	-	1,176
ECL other assets	12	-	476	488
Total expected credit loss allowances	**7,051**	**6,306**	**39,684**	**53,041**

The following tables present the movements of the ECL allowance. For the movements of the ECL allowances per financial instrument, refer to the relevant notes of each financial instrument.

Expected credit losses	2023			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	7,051	6,306	39,684	53,041
Net remeasurement of allowance for expected credit losses	242	-2,337	23,292	21,197
of which:				
- Effect of transition between stages	1,351	-1,104	510	757
- Macroeconomic forward-looking impact	32	-612	-	-580
- Individual loan or advance behaviour	-1,126	-636	22,782	21,020
- Update ECL model	-15	15	-	-
Net portfolio growth	799	-692	-	107
Write-offs	-	-	-19,801	-19,801
Exchange rate differences	13	37	174	224
Balance at 31 December	**8,105**	**3,314**	**43,349**	**54,768**

Expected credit losses	2022			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	9,845	3,710	37,994	51,549
Net remeasurement of allowance for expected credit losses	-2,770	2,226	8,196	7,652
of which:				
- Effect of transition between stages	-1,078	2,636	510	2,068
- Macroeconomic forward-looking impact	-2,567	-106	-	-2,673
- Individual loan or advance behaviour	455	113	7,686	8,254
- Update ECL model	420	-417	-	3
Net portfolio growth	43	438	-	481
Write-offs	-	-	-6,137	-6,137
Exchange rate differences	-67	-68	-369	-504
Balance at 31 December	**7,051**	**6,306**	**39,684**	**53,041**

Allowance for expected credit losses reconciliation to statement of profit or loss

The following table provides a reconciliation between:

- amounts shown in the above tables reconciling opening and closing balances of allowance for expected credit losses per class of financial instrument.
- the 'impairment losses on financial instruments' line item in the consolidated statement of profit or loss and other comprehensive income, refer to 29 Impairment result on financial instruments.

Impairment result on financial instruments	2023			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to banks	22	-	-	**22**
Loans and advances to customers	593	-2,809	23,292	**21,076**
Debts securities at amortised cost	1	-	-	**1**
Financial guarantees	24	-59	-	**-35**
Loan commitments issued	402	-161	-	**241**
Other assets	-1	-	-16	**-17**
Impairment result on financial instruments for the year	**1,041**	**-3,029**	**23,276**	**21,288**

Impairment result on financial instruments	2022			
Amounts in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to banks	-18	-	-	**-18**
Loans and advances to customers	-2,286	2,359	8,180	**8,253**
Debts securities at amortised cost	21	-	-	**21**
Financial guarantees	20	79	-	**99**
Loan commitments issued	-465	222	-	**-243**
Other assets	-	-	15	**15**
Impairment result on financial instruments for the year	**-2,728**	**2,660**	**8,195**	**8,127**

Triodos Bank has an annual incurred loss rate of 21 bps (2022: 8 bps). The annual incurred loss rate is the ratio of stage 3 impairment losses over the average loan book.

Credit-impaired financial assets

The following table sets out a reconciliation of changes in the net carrying amount of credit-impaired loans and advances to customers.

Amounts in thousands of EUR	2023	2022
Credit-impaired loans and advances to customers at 1 January	39,208	36,887
Addition	30,054	15,678
Write-off	-19,785	-5,490
Release	-6,762	-7,498
Exchange rate differences	174	-369
Balance sheet value as at 31 December	**42,889**	**39,208**

Offsetting financial assets and financial liabilities

Triodos Bank does not make use of any netting under master agreements for its financial instruments.

The International Swaps and Derivatives Association (ISDA) and similar master netting arrangements do not meet the criteria for offsetting in the consolidated balance sheet. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events. In addition, Triodos Bank and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Triodos Bank receives and gives collateral in the form of cash in respect of the derivatives held for risk management. This collateral is subject to standard industry terms including, when appropriate, an ISDA credit support annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions on the counterparty's failure to post collateral.

The impact of potential collateral requirements are increasing at Triodos Bank. The amount deposited with central and commercial banks for payment system purposes increased in 2023 and is expected to increase further with the growth of Triodos Bank.

Collateral needs stemming from FX forwards increased in 2023 because of EUR/GBP exchange rate developments. At the end of 2023, a total net amount of EUR 7.5 million cash collateral was posted (2022: EUR 6.7 million).

Interest rate swaps are centrally cleared with LCH Clearnet. At the end of 2023, a total net amount of EUR 90 million cash collateral was posted for initial margin requirements. Due to the increase in interest rates the variation margin resulted in cash collateral received of EUR 170.9 million at the end of 2023. Both the cash collateral received and placed are part of the clearing agreement.

Debt securities and loans are deposited with the Dutch Central Bank for a possible debit balance and participation in open market operations of the European Central Bank. At the end of 2023, a collateral value of EUR 1,188 million was deposited with the Dutch Central Bank (2022: EUR 2,373 million).

Liquidity risk

Liquidity risk management

Funding liquidity risk is the risk that the bank will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the company. Market liquidity risk is the risk that the bank cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

Triodos Bank has set a low risk appetite for liquidity risk, which means that the limits regarding the size and the quality of the liquidity buffer are set accordingly. This low risk appetite is reflected in terms of inherent risk exposure towards liquidity risk and the maintenance of a strong liquidity buffer. Consequently, business activities that are associated with higher liquidity risk exposure, such as acting as correspondent bank, are not undertaken.

Triodos Bank has established a robust liquidity risk management framework that ensures the maintenance of an adequate liquidity buffer to withstand a wide range of stress events. Liquidity risk is identified, measured and managed in line with the applicable regulations and supervisory guidelines by Group Treasury, within risk appetite limits set by the Asset and Liability Committee.

Liquidity risk organisational structure

The Group Treasury department is the first line owner of liquidity risk, and all liquidity risk management initiatives are reviewed and challenged by the second line risk function. The adequacy and the adherence to risk management processes are periodically reviewed by the third line, Internal Audit.

The liquidity risk management function reports to the Asset and Liability Committee, in which includes both the CFO and CRO. Liquidity risk is managed centrally for the Group and all branches, and locally for the UK subsidiary. The organisational structure for liquidity risk management is similar for the Group and the UK subsidiary, apart from the second line responsibilities, which are performed by the Liquidity and Market Risk Management at Group level, and by the Enterprise Risk Management team in the UK.

Liquidity risk developments

Triodos Bank lending and investment activities are funded by depositors, debt holders and Depository Receipt Holders.

Deposits are the largest source of funding. The total amount of funds entrusted is EUR 13.8 billion at year-end 2023 and as such composes 92% of total liabilities. These funds are collected from retail and business customers in all five countries where Triodos Bank operates. This provides a stable source of funding. This stability is largely due to Triodos Bank's strong relationship with its customers, the granularity of funds entrusted, and the high coverage of 78% under the Dutch and UK deposit guarantee scheme (DGS).

Debt funding consists of Triodos Bank's Green Bond. This bond of EUR 250 million was issued in 2021 and will mature in 2032. Moreover, Triodos Bank's retained residential mortgage-backed security (RMBS) called Sinopel 2019 B.V. remained in place. This retained RMBS contributes to Triodos Bank's financial resilience and enables additional access to (central bank) liquidity by pledging the notes as collateral with the DNB. Repo transactions are possible using this retained RMBS. Commercial repo transactions were undertaken in 2023 for the first time, contributing to the further diversification of the bank's funding base.

From a funding point of view, the listing of Triodos Bank's Depository Receipts on Captin's multilateral trading facility (MTF) has not altered the amount of equity available for funding.

Triodos Bank maintains a strong liquidity buffer, as presented in the Liquidity Coverage Ratio (LCR) to fulfil the expected and unexpected cash flows and collateral needs without adversely affecting the bank's daily operations. This LCR liquidity buffer consists of high quality liquid assets being cash with central banks (50% at the end of 2023) and bonds (50% at the end of 2023). The size of this buffer is assessed both in prudential requirements such as the LCR and in the Triodos Bank's internal liquidity adequacy assessment by means of its internal Liquidity Stress Test (LST). Both viewpoints are part of internal management information that are shared periodically with relevant stakeholders including the Executive Board and the Supervisory Board.

Monitoring and managing liquidity risk

Liquidity risk exposure is managed by means of the Risk Appetite Statement (RAS). Through different lenses, different aspects of these risks are defined, monitored and managed on an ongoing basis.

Funds entrusted developments and the total liquidity position are monitored by the Group and the individual banking business units daily. A more detailed overview of the liquidity position is reported to the CFO and CRO on a weekly basis. Every month, a complete overview of all liquidity key risk indicators is reported to the Asset and Liability Committee and on a quarterly basis to the Enterprise Risk Committee and to the Audit and Risk Committee of the Supervisory Board as part of the ERM report.

The planning of the bank's liquidity and funding needs in different scenarios, is part of the capital and funding planning process that is executed by Group Treasury.

Stress testing

Triodos Bank uses stress testing to assess its liquidity position against several severe stress scenarios. These scenarios focus on specific stress related to Triodos Bank itself, market-wide stress and a combination of these two. The outcome of these stress tests is shared on a monthly basis with the Asset and Liability Committee.

Securitisation

In 2019, Triodos Bank set up a retained RMBS transaction called Sinopel 2019 B.V. to further increase the liquidity contingency potential. A securitisation is a transaction where a pool of assets is sold to a special purpose vehicle (SPV). The SPV issues notes with different tranches to finance the purchase price of the assets. The Sinopel RMBS is fully collateralised by Dutch residential mortgage loans.

With Sinopel, Triodos Bank structured an RMBS whereby Triodos Bank is the sole buyer of the issued notes and as such has not transferred the credit risk. Through the retained RMBS, Triodos Bank strengthens its financial resilience and gains additional access to (central bank) liquidity by pledging the notes as collateral with the DNB. The structure is compliant with the EU's STS regulation. DBRS Ratings Limited and Standard and Poors Global Ratings.

As there is no risk transfer with the Sinopel transaction, the securitisation exposures (notes) are not separately risk weighted. The securitised assets (mortgage loans) are taken into account as if they were not securitised. Triodos Bank consolidates Sinopel in its annual accounts.

Apart from the Sinopel transaction, Triodos Bank is not active as originator, investor or sponsor of securitisation exposures. As a result, Triodos Bank does not hold any re-securitisation positions and does not provide securitisation-related services to any other SPV.

The Class A notes of the retained securitisation are partially placed at the Dutch Central Bank to be able to use a credit line and partly sold under a repurchase agreement. The carrying amount of the Class A notes is EUR 1,557.0 million (2022: EUR 1,597.4 million).

Liquidity contingency management

Triodos Bank's liquidity contingency management aims to maintain adequate liquidity in the face of bank-specific or broader market stress. Effective liquidity contingency management is crucial to withstand both immediate and extended periods of liquidity stress. The methods and responsibilities necessary for addressing potential liquidity deficits during times of stress are laid down in the Liquidity and Capital Contingency Plan and the Recovery Plan. These plans are structured in line with regulatory requirements, and are subject to periodical testing, reviews and updates. Activation of these plans occurs when the liquidity position faces a significant threat or when there are clear indicators of looming liquidity stress. These plans allow Triodos Bank to adeptly manage its liquidity requirements, mitigate the potential negative impact on commercial activities, and reduce the impact of a potential rise in funding costs under difficult market conditions.

In its arsenal of liquidity contingency tools, the retained RMBS and credit claims to central banks are of particular importance. They equip the bank with the ability to quickly obtain additional liquidity, reinforcing the bank's financial resilience.

Quantitative liquidity risk disclosures

Maturity analysis for financial liabilities and financial assets

The following tables set out the earliest possible contractual maturities of Triodos Bank's financial liabilities and financial assets.

2023 Amounts in thousands of EUR	Less than 1 month[1]	1–3 months
Financial asset by type		
Cash and cash equivalents	2,141,020	-
Loans and advances to banks	152,661	1,244
Loans and advances to customers	146,837	439,515
Debt securities at amortised cost	127,311	26,163
Investment securities	-	-
Non-trading derivatives	162	106
Other assets[2]	14,078	18,868
Total assets	**2,582,069**	**485,896**
Financial liability by type		
Deposits from banks	170,925	255,595
Deposits from customers	11,941,006	834,452
Non-trading derivatives	-	-
Debt issued and other borrowed funds	-	5,120
Other liabilities[3]	83,478	18,297
Total liabilities	**12,195,409**	**1,113,464**
Off-balance sheet liabilities by type		
Contingent liabilities	1,777	743
Irrevocable facilities	107,196	69,176
Total off-balance sheet liabilities	**108,973**	**69,919**

[1] Includes assets and liabilities on demand.
[2] Includes intangible assets, property and equipment, investment property, right-of-use assets, deferred tax assets, other assets and non-current assets held for sale as presented i
[3] Includes lease liabilities, deferred tax liabilities, current tax liability and other liabilities as presented in the consolidated balance sheet.

3 months –1 year	1–5 years	More than 5 years	No maturity	Total
-	-	-	-	2,141,020
-	-	-	119,889	273,794
1,060,989	3,840,059	5,592,563	-	11,079,963
317,152	1,504,674	212,275	-	2,187,575
-	-	-	49,672	49,672
519	6,349	200,752	-	207,888
12,687	3,562	18,198	168,266	235,659
1,391,347	**5,354,644**	**6,023,788**	**337,827**	**16,175,571**
201,131	19,694	22,700	-	670,045
789,129	172,394	22,118	-	13,759,099
-	812	33,896	-	34,708
-	-	255,311	-	260,431
15,170	15,517	25,047	5,220	162,729
1,005,430	**208,417**	**359,072**	**5,220**	**14,887,012**
2,677	6,691	38,883	-	50,771
153,932	534,549	722,352	-	1,587,205
156,609	**541,240**	**761,235**	**-**	**1,637,976**

n the consolidated balance sheet.

2022 Amounts in thousands of EUR	Less than 1 month[1]	1–3 months
Financial asset by type		
Cash and cash equivalents	2,581,140	-
Loans and advances to banks	186,444	1,358
Loans and advances to customers	160,530	451,023
Debt securities at amortised cost	75,296	55,765
Investment securities	-	-
Non-trading derivatives	430	3,709
Other assets[2]	23,942	7,519
Total assets	**3,027,782**	**519,374**
Financial liability by type		
Deposits from banks	284,881	80
Deposits from customers	13,049,386	382,973
Non-trading derivatives	-	8
Debt issued and other borrowed funds	-	5,116
Other liabilities[3]	76,201	14,831
Total liabilities	**13,410,468**	**403,008**
Off-balance sheet liabilities by type		
Contingent liabilities	4,058	160
Irrevocable facilities	99,198	55,204
Total off-balance sheet liabilities	**103,256**	**55,364**

[1] Includes assets and liabilities on demand.
[2] Includes intangible assets, property and equipment, investment property, right-of-use assets, deferred tax assets, other assets and non-current assets held for sale as presented i
[3] Includes lease liabilities, deferred tax liabilities, current tax liability and other liabilities as presented in the consolidated balance sheet.

3 months –1 year	1–5 years	More than 5 years	No maturity	Total
-	-	-	-	2,581,140
-	-	-	144,691	332,493
972,909	3,672,590	5,362,624	-	10,619,676
286,967	1,113,554	158,198	-	1,689,780
-	-	-	45,718	45,718
1,399	6,527	283,631	-	295,696
10,091	3,659	10,059	180,707	235,977
1,271,366	**4,796,330**	**5,814,512**	**371,116**	**15,800,480**
-	29,730	22,396	-	337,087
248,409	109,685	25,887	-	13,816,340
1,241	-	-	-	1,249
-	-	254,768	-	259,884
15,104	10,955	15,049	1,540	133,680
264,754	**150,370**	**318,100**	**1,540**	**14,548,240**
1,549	5,866	37,439	-	49,072
233,729	630,421	834,615	-	1,853,167
235,278	**636,287**	**872,054**	**-**	**1,902,239**

n the consolidated balance sheet.

Type of financial instrument	Basis on which amounts are compiled in maturity table
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Contingent and irrevocable facilities	Contractual maturity date of the off-balance facility. Contingent facilities relate to credit and non-credit substitute guarantees. Credit substitute guarantees are guarantees to customers for loans provided to these customers by other banks. Non-credit substitute guarantees are guarantees to customers for all other obligations of these customers to third parties. Many of these guarantees are expected to expire without being drawn on and therefore do not necessarily represent future cash outflows. Irrevocable facilities mainly constitute accepted loans not yet paid out. Many of these facilities are for a fixed duration and bear interest at a floating rate.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.

Triodos Bank's expected cash flows on some financial assets and financial liabilities can vary significantly from the contractual cash flows. The principal differences are as follows:

- Demand deposits from customers are expected to remain stable or increase.
- Unrecognised loan commitments are not all expected to be drawn down immediately.
- Retail mortgage loans have an original contractual maturity of up to 35 years, however early repayment options and refinancing is expected within the mortgage portfolio.

Liquidity reserves

	2023	2022
Amounts in thousands of EUR	**Carrying amount**	**Carrying amount**
Balances with central banks	2,141,020	2,581,140
Cash and balances with other banks	273,794	332,493
Unencumbered debt securities issued by sovereigns	1,700,776	1,338,256
Undrawn credit lines granted by central banks[1]	829,337	1,527,299
Total liquidity reserves	**4,944,927**	**5,779,188**

[1] The amount is the actual credit line available.

Financial assets available to support future funding

2023	Pledged as collateral		
Amounts in thousands of EUR	**Encumbered**	**Unencumbered**	**Total**
Cash and cash equivalents	-	2,141,020	2,141,020
Loans and advances to banks	119,889	153,905	273,794
Debt securities at amortised cost	28,763	2,158,812	2,187,575
Loans and advances to customers	624,640	10,455,323	11,079,963
Investment securities	-	49,672	49,672
Non-financial assets	-	443,547	443,547
Total assets	**773,292**	**15,402,279**	**16,175,571**

2022	Pledged as collateral		
Amounts in thousands of EUR	**Encumbered**	**Unencumbered**	**Total**
Cash and cash equivalents	-	2,581,140	2,581,140
Loans and advances to banks	144,691	187,802	332,493
Debt securities at amortised cost	-	1,689,780	1,689,780
Loans and advances to customers	-	10,619,676	10,619,676
Investment securities	-	45,718	45,718
Non-financial assets	-	531,673	531,673
Total assets	**144,691**	**15,655,789**	**15,800,480**

Triodos Bank has an obligation to maintain a reserve with local central banks. As at 31 December 2023, the minimum mandatory reserve deposits with various central banks amount to EUR 117.7 thousand (2022: EUR 124.3 thousand).

Market risk

Market risk management

Market risk is the risk of losses in on- and off-balance positions arising from movements in market prices, in particular, changes in interest rates, foreign exchange (FX) rates and commodity prices. At Triodos Bank, market risk mainly consists of interest rate risk and FX risk.

Interest rate risk is the risk that interest rate fluctuations lead to undesirable effects on-balance sheet and earnings performance as a result of a mismatch between interest rate sensitive assets and liabilities (including off-balance sheet items) in terms of interest rate periods and interest rate levels. This also includes the risk arising from reinvestment, rate of return guarantees and embedded options.

Triodos Bank has a moderate risk appetite for interest rate risk and accepts the inherent mismatch on the balance sheet with longer term fixed assets and a funding base consisting to a large extent of non-maturing deposits.

FX risk is the risk arising from a mismatch between assets and liabilities or revenues and expenditure denominated in foreign exchange. Triodos Bank's base currency is the euro. The base currency of the UK subsidiary of Triodos Bank is British pounds. Triodos Bank has a conservative approach to FX risk. Triodos Bank seeks to eliminate the material impact of FX movements on its capital ratio. Triodos Bank has no active trading book for foreign exchange as this is not in line with its approach to banking. Triodos Bank therefore only accepts limited open FX positions in line with strategic investments and its activities in the UK.

Triodos Bank has established a robust market risk management framework. Market risk is monitored and managed by Group Treasury, within risk appetite limits set by the Asset and Liability Committee.

Market risk structure and organisation

The Group Treasury department is the first line owner of market risk. All market risk management initiatives are reviewed and challenged by the second line risk function, and adequacy and adherence to risk management processes is periodically reviewed by the third line risk function.

In addition, the market risk function reports monthly to the Asset and Liability Committee. Market risk is managed centrally for the Group and all business units, and locally for the UK subsidiary. The organisational structure for market risk management is similar for the Group and the UK subsidiary, apart from the second line responsibilities, which are performed by the Market & Liquidity Risk Management at Group level, and by the Enterprise Risk Management team in the UK.

Market risk measurement systems

An accurate, informative and timely management reporting system is essential for monitoring and managing interest rate risk and FX exposures. The bank's interest rate risk and FX exposures are measured and reported on a monthly basis. Compliance with the limits is reported monthly to the Asset and Liability Committee and quarterly to the Enterprise Risk Committee, or more often when deemed necessary. External data sources are used consistently for market data. In its data quality management process, Triodos Bank measures and manages the timeliness, accuracy, completeness and integrity of the data.

Interest rate risk in the banking book

Triodos Bank does not maintain a trading book. Therefore, all interest rate risk exposure is subject to Article 84 of Directive 2013/36/EU. Interest rate risk in the banking book (IRRBB) is inherent in regular customer-related banking activities, as short-term funding is invested in long-term loans. Triodos Bank uses mainly retail funding to finance customers and projects with the aim to make money work for positive change in society.

Interest rate risk management and mitigation strategies

Triodos Bank manages its interest rate risk position in three ways:

- Triodos Bank is able to steer the volume and interest rate terms of new assets and the interest rate of its liabilities to a limited extent to maintain the interest rate risk exposure within limits. However, changes in customer interest rates and terms will not be made if they would materially impair Triodos Bank's customer service, market position, profitability, capital adequacy and reasonable customer expectations.
- The amount and duration of the marketable investments in the liquidity buffer can be adjusted.
- Triodos Bank uses interest rate swaps (IRS) to maintain the bank's IRRBB exposure within the limits if the first two methods are not effective enough. The consequent positions are taken into account in all the IRRBB calculations, subject to hedge accounting, to avoid profit or loss volatility.

The Asset and Liability Committee is responsible for monitoring and decision-making related to the management of IRRBB. Additionally, the Model and Assumptions Review Committee approves material changes to IRRBB models and changes to important model assumptions.

Monitoring and managing of market risk

Triodos Bank uses various indicators to measure interest rate risk. Risk indicators are periodically reviewed and, where necessary, revised.

The interest rate risk position is monitored by the Asset and Liability Committee on a monthly basis and reported to the Executive Board on a quarterly basis. The main interest rate risk indicators used by Triodos Bank are:

- Earnings at risk: A short-term indicator which shows the effect of an interest rate shock on Triodos Bank's net interest income over a one-year horizon. In addition, Triodos Bank monitors the two-year net interest rate income to capture slightly longer interest rate risk effects.
- Net interest income at risk: A short-term indicator which shows the effect of an interest rate shock on Triodos Bank's net interest income over a one-year horizon in line with Article 98(5a) of Directive 2013/36/EU.
- Economic value of equity at risk: A long-term indicator which represents the change of the economic value of equity (EVE) in the event of an interest rate shock. EVE is defined as the net present value of the future cash flows of all assets netted with the net present value of the future cash flows of liabilities.
- Supervisory outlier test EVE: This is the economic value of equity at risk relative to CET-1 capital for several interest rate shocks, as specified in the EBA Guidelines on IRRBB.
- Supervisory outlier test NII: This is the net interest income at risk relative to CET-1 capital for several interest rate shocks as specified in the EBA guidelines on IRRBB.
- Modified duration of equity: An indicator that expresses the sensitivity of the EVE in the event of parallel interest rate changes.
- Gap analysis: This provides a quick and intuitive sense of how Triodos Bank is positioned by comparing the values of the assets and liabilities that roll over – or reprice – at various time periods in the future. While a gap analysis is a good measure of repricing risk, it is not able to measure interest rate risk stemming from option risk and basis risk. Therefore, Triodos Bank monitors the sensitivity of economic value of the banking book items to interest rate changes for different parts of the yield curve by calculation of key rate durations.
- Option risk arises from caps and/or floors on floating interest rates and as a result of client and bank behaviour, i.e. due to prepayments on loans and mortgages, withdrawal of funds entrusted, and the discretion to change the interest rate on savings and current accounts. Both embedded options and behavioural characteristics are considered in the IRRBB measures.

Triodos Bank runs a variety of interest rate scenarios to assess its level of interest rate risk. The scenarios are expressed as shocks to the relevant market rate curves. These shocks include parallel shocks and non-parallel shocks, downward and upward shocks, and instant and gradual shocks. A part of the shocks is prescribed by regulatory guidelines whereas other shocks are developed internally. The interest rate scenarios are periodically reviewed and approved by the Asset and Liability Committee.

Triodos Bank aims to avoid net currency positions, with the possible exception of those arising from strategic investments. Triodos Bank has a significant foreign currency investment in its UK subsidiary. The position also contains the currency derivatives of Triodos Investment Funds which are nearly fully hedged.

Triodos Bank has been granted a waiver under CRR art. 352(2) to exclude this investment from its net open position. With the waiver Triodos Bank will gradually wind down its currency hedge and apply the waiver to reduce the effect of the FX position on the total capital ratio.

Significance of market rate measures and significant variations

Triodos Bank changed to disclosing the Supervisory Outlier Test (SOT) for both Economic Value of Equity (EVE) and Net Interest Income (NII) as IRRBB measures, where previous year the internal EVE at Risk and NII at Risk metrics were disclosed.

Economic Value of Equity at risk (EVE at risk) slightly decreased in 2023. A growing bond and mortgage portfolio, and a shift from non-maturing to fixed-term deposits caused an increase in EVE at risk, which was more than offset by recalibrating the model parameters in the current interest rate regime and increased hedging with interest rate derivatives. All in all, the EVE SOT, as measured under a parallel-up scenario, decreased from 10.8% to 9.5%.

Net interest income at risk (NII at risk) decreased in 2023, this was the result of balance sheet movements and steering of the liquidity portfolio. The change in NII SOT under the parallel-down scenario decreased from 5.6% to 5.2%.

Changes in EVE and NII are measured with the following assumptions:

- The upward and downward scenarios reflect a parallel shock of 200 basis points for EUR and 250 basis points for GBP curves.
- Both shocks are applied instantaneously.
- The net interest income sensitivity is measured over a period of 12 months.
- Projected future volumes use a constant balance sheet assumption.

The average repricing maturity assigned to non-maturity deposits is 2.1 years.

The following is a short summary of the main developments in the main interest rate risk indicators.

Supervisory outlier test NII

In 2023, the supervisory outlier test decreased from 5.6% to 5.2%. The supervisory outlier test demonstrates its worst-case negative outcome within a parallel-down scenario, with a 200 basis point increase for the EUR and a 250 basis point increase for the GBP.

Supervisory outlier test EVE

In 2023, the supervisory outlier test decreased from 10.8% to 9.5%. The supervisory outlier test demonstrates its worst-case negative outcome within a parallel-up scenario, with a 200 basis point increase for the EUR and a 250 basis point increase for the GBP.

Duration of equity

Duration of equity decreased from 5.0 to 4.4 years over the course of 2023. The developments resembled those of EVE at risk since the underlying drivers are similar to those for the supervisory outlier test and EVE at risk, although a difference is that duration of equity is calculated under the assumption of a 100 basis points parallel shift in interest rates.

Quantitative market risk disclosures

Interest rate risk in the banking book
The following table presents the interest rate risk within Triodos Bank by showing the fixed interest rate maturities:

2023 Amounts in thousands of EUR	**Floating-rate**	**<= 3 months**	**<= 1 year**	**<= 5 years**	**> 5 years**	**Total**
Interest-bearing assets						
Cash	2,139,827	-	-	-	-	2,139,827
Banks	256,263	1,269	-	15,878	-	273,410
Loans	1,324,767	684,612	1,804,927	3,757,290	3,701,222	11,272,818
Hedged loans	80,000	949,400	881,900	-121,300	-1,790,000	-
Interest-bearing securities	-	150,480	307,970	1,605,714	150,157	2,214,321
Total	**3,800,857**	**1,785,761**	**2,994,797**	**5,257,582**	**2,061,379**	**15,900,376**
Interest-bearing liabilities						
Banks	370,856	255,169	3,616	26,074	12,656	668,371
Subordinated loans	-	100	300	254,911	-	255,311
Funds entrusted	13,432	1,627,816	2,656,230	6,516,922	2,868,120	13,682,520
Total	**384,288**	**1,883,085**	**2,660,146**	**6,797,907**	**2,880,776**	**14,606,202**

2022 Amounts in thousands of EUR	Floating-rate	<= 3 months	<= 1 year	<= 5 years	> 5 years	Total
Interest-bearing assets						
Cash	2,580,062	-	-	-	-	2,580,062
Banks	315,497	1,355	-	15,447	-	332,299
Loans	1,155,515	588,138	1,521,685	3,115,842	4,555,452	10,936,632
Hedged loans	20,000	629,400	727,400	-81,800	-1,295,000	-
Interest-bearing securities	-	149,004	265,344	1,121,756	137,309	1,673,413
Total	**4,071,074**	**1,367,897**	**2,514,429**	**4,171,245**	**3,397,761**	**15,522,406**
Interest-bearing liabilities						
Banks	285,077	989	3,682	33,168	14,156	337,072
Subordinated loans	-	98	295	254,375	-	254,768
Funds entrusted	25,140	1,664,787	1,934,151	7,056,395	3,127,545	13,808,018
Total	**310,217**	**1,665,874**	**1,938,128**	**7,343,938**	**3,141,701**	**14,399,858**

Only interest-bearing assets and liabilities are reported in this table, which results in differences with the balance sheet figures. No allowance for expected credit losses, net modification of amortised cost or interest amounts is shown. Interest-bearing securities are valued at redemption value including bond premium and after deduction of discounts. For funds entrusted without a fixed interest rate term, the outcome of the quantitative savings and current account model, as mentioned before, is used. All other interest-bearing assets and liabilities are reported as floating rates or are broken down in the maturity calendar by their remaining contractual interest rate term.

Foreign exchange risk
Triodos Bank aims to avoid net currency positions, with the possible exception of those arising from strategic investments. The currency risk of the UK subsidiary equity participation was hedged during 2023. The position ultimo 2022 also contains the currency derivatives of funds managed by Triodos Investment Management which are nearly fully hedged. The last non-deliverable currency contracts with third parties and funds managed by Triodos Investment Management matured in 2023.

There is a trade-off between FX risk hedging and capital ratio hedging. If the FX risk of the participation is hedged, the effect will be that the capital ratio will change as result of FX rate changes. And if the FX risk is not hedged, the effect will be that the value of Triodos Bank's capital will change, however the capital ratio will remain stable.

The following table shows Triodos Bank's foreign currency position in thousands of EUR as at 31 December.

2023 Amounts in thousands of EUR	Cash position Debit	Cash position Credit	Term position Debit	Term position Credit	Net position Debit	Net position Credit
GBP	2,169,862	1,937,882	-	180,350	51,630	-
USD	19,692	159	-	-	19,533	-
NOK	53	-	-	-	53	-
AUD	62	-	-	-	62	-
SEK	50	-	-	-	50	-
INR	-	-	-	-	-	-
Total	**2,189,719**	**1,938,041**	**-**	**180,350**	**71,328**	**-**

Net open foreign currency position (total of net positions debit and credit): EUR 71.3 million.

2022 Amounts in thousands of EUR	Cash position Debit	Cash position Credit	Term position Debit	Term position Credit	Net position Debit	Net position Credit
GBP	2,091,298	1,866,187	-	222,116	2,995	-
USD	17,533	718	5,605	5,605	16,815	-
NOK	95	-	-	-	95	-
AUD	1	-	-	-	1	-
SEK	49	-	-	-	49	-
INR	-	-	1,418	1,418	-	-
Total	**2,108,976**	**1,866,905**	**7,023**	**229,139**	**19,955**	**-**

Net open foreign currency position (total of net positions debit and credit): EUR 20.0 million.

Fair value of financial instruments

Valuation models

Triodos Bank measures fair values using the following fair-value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are, directly or indirectly, observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Triodos bank determines the fair value of its financial instruments using the following bases. The fair value of listed debt securities at amortised cost is the market value. The fair value of unlisted debt securities at amortised cost is public quoted information if available or nominal value. The fair value of loans and advances to banks, lease liabilities, deposits from banks, deposits from customers and debt issued and other borrowed funds has been determined by calculating the net present value of expected interest and redemption cash flows, based on market interest rates as at the end of the year. The fair value of loans and advances to customers (including mortgages) has been determined by calculating the net present value of the interest and redemption cash flows, with account taken of expected prepayment behaviour. The net present value is calculated by using market data, i.e. zero coupon rates, as at the end of the year, which are adjusted with a Triodos Bank-specific spread. The spread is based on the expected margin the business units expect to make over the market base rates in the coming years on their production of business loans and mortgages. Part of the corporate loans and mortgages includes caps and/or floors on interest rates. The fair value of other assets and liabilities is assumed to be equal to the balance sheet value.

Investment securities comprise participating interests and debt where no significant influence can be exercised and are carried at fair value through either comprehensive income or profit or loss. In the case of an investment security that is listed on an active stock exchange, the fair value will be deemed to be equal to the most recently published stock exchange price. In the case of an investment security not listed on an active stock exchange or where there is no regular price quotation, the fair value will be determined to the best of our ability using all available data, including an annual report audited by an external independent auditor, interim financial information from the institution and any other relevant data provided to Triodos Bank.

Derivatives held for risk management are carried at fair value through profit or loss. These instruments are split between interest rate swaps and foreign exchange rate forward contracts. The interest rate swaps are valued using the appropriate discount curve to calculate the net present value of expected cash flows under the contracts. This curve is openly observable from market data. The foreign exchange rate forward contracts are valued using the forward exchange rate for the corresponding currency, as observable from market data.

Financial instruments measured at fair value – fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. There have been no transfers of financial instruments between different levels during the reporting period.

2023 Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total
Derivative assets held for risk management				
Interest rate	-	207,620	-	207,620
Foreign exchange	-	268	-	268
Total derivative assets held for risk management	**-**	**207,888**	**-**	**207,888**
Investment securities				
Equities	19,602	14,284	5,743	39,629
Debt	-	228	-	228
Total investment securities	**19,602**	**14,512**	**5,743**	**39,857**
Derivative liabilities held for risk management				
Interest rate	-	33,896	-	33,896
Foreign exchange	-	812	-	812
Total derivative liabilities held for risk management	**-**	**34,708**	**-**	**34,708**

2022 Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total
Derivative assets held for risk management				
Interest rate	-	290,310	-	290,310
Foreign exchange	-	5,386	-	5,386
Total derivative assets held for risk management	**-**	**295,696**	**-**	**295,696**
Investment securities				
Equities	17,073	13,866	5,153	36,092
Debt	-	190	-	190
Total investment securities	**17,073**	**14,056**	**5,153**	**36,282**
Derivative liabilities held for risk management				
Interest rate	-	-	-	-
Foreign exchange	-	1,249	-	1,249
Total derivative liabilities held for risk management	**-**	**1,249**	**-**	**1,249**

Level 3 valuations relate to participating interest which are valued at fair value through other comprehensive income. Total fair value changes amount to EUR 212.5 (2022: EUR 431.0).

Financial instruments not measured at fair value

The following table sets out the fair values including the current interest accrual of financial instruments not measured at fair value and categorises them by the level in the fair value hierarchy into which each fair value measurement is categorised.

2023 Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Debt securities at amortised cost	2,081,977	63,163	-	2,145,140	2,187,575
Loans and advances to banks	-	-	274,067	274,067	273,794
Loans and advances to customers	-	-	10,545,650	10,545,650	11,079,963
Investment securities	9,815	-	-	9,815	9,815
Liabilities					
Deposits from banks	-	-	667,589	667,589	670,045
Deposits from customers	-	-	13,187,505	13,187,505	13,759,099
Subordinated debt	-	-	200,747	200,747	260,431
Lease liabilities	-	-	11,410	11,410	12,801

2022 Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Debt securities at amortised cost	1,487,611	108,395	-	1,596,006	1,689,780
Loans and advances to banks	-	-	332,012	332,012	332,493
Loans and advances to customers	-	-	9,890,824	9,890,824	10,619,676
Investment securities	9,436	-	-	9,436	9,436
Liabilities					
Deposits from banks	-	-	332,740	332,740	337,087
Deposits from customers	-	-	12,832,274	12,832,274	13,816,340
Subordinated debt	-	-	202,927	202,927	259,884
Lease liabilities	-	-	12,566	12,566	13,924

Fair value of the cash and cash equivalents approximates the total carrying amount as these are on demand balances and therefore not included in the above table.

Classification of financial assets and financial liabilities

The following table provides a reconciliation between line items in the consolidated balance sheet and categories of financial instruments. Financial instruments are either measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or at amortised cost.

2023 Amounts in thousands of EUR	Mandatorily at FVTPL	Designated as at FVTPL	FVOCI – equity instruments	Amortised cost[1]	Total carrying amount
Cash and cash equivalents	-	-	-	2,141,020	2,141,020
Debt securities at amortised cost	-	-	-	2,187,575	2,187,575
Loans and advances to customers	-	-	-	11,079,963	11,079,963
Loans and advances to banks	-	-	-	273,794	273,794
Investment securities	228	-	39,629	9,815	49,672
Other assets	-	-	-	235,659	235,659
Derivative assets held for risk management	207,888	-	-	-	207,888
Total financial assets	**208,116**	**-**	**39,629**	**15,927,826**	**16,175,571**
Derivative liabilities held for risk management	34,708	-	-	-	34,708
Deposits from banks	-	-	-	670,045	670,045
Deposits from customers	-	-	-	13,759,099	13,759,099
Lease liabilities	-	-	-	12,801	12,801
Subordinated debt	-	-	-	260,431	260,431
Other liabilities	-	-	-	149,928	149,928
Total financial liabilities	**34,708**	**-**	**-**	**14,852,304**	**14,887,012**

[1] The amortised cost column also includes other valuation principles to create the reconciliation with the balance sheet (e.g. equity method, historical cost). See the accounting principles for all valuation principles applied.

2022 Amounts in thousands of EUR	Mandatorily at FVTPL	Designated as at FVTPL	FVOCI – equity instruments	Amortised cost[1]	Total carrying amount
Cash and cash equivalents	-	-	-	2,581,140	2,581,140
Debt securities at amortised cost	-	-	-	1,689,780	1,689,780
Loans and advances to customers	-	-	-	10,619,676	10,619,676
Loans and advances to banks	-	-	-	332,493	332,493
Investment securities	190	-	36,092	9,436	45,718
Other assets	-	-	-	235,977	235,977
Derivative assets held for risk management	295,696	-	-	-	295,696
Total financial assets	**295,886**	**-**	**36,092**	**15,468,502**	**15,800,480**
Derivative liabilities held for risk management	1,249	-	-	-	1,249
Deposits from banks	-	-	-	337,087	337,087
Deposits from customers	-	-	-	13,816,340	13,816,340
Lease liabilities	-	-	-	13,924	13,924
Subordinated debt	-	-	-	259,884	259,884
Other liabilities	-	-	-	119,756	119,756
Total financial liabilities	**1,249**	**-**	**-**	**14,546,991**	**14,548,240**

[1] The amortised cost column also includes other valuation principles to create the reconciliation with the balance sheet (e.g. equity method, historical cost). See the accounting principles for all valuation principles applied.

Non-trading derivatives and hedge accounting

Non-trading derivatives

The following table describes the fair values of derivatives held for risk management purposes by type of instrument.

Amounts in thousands of EUR	2023 Assets	2023 Liabilities	2022 Assets	2022 Liabilities
Instrument type				
Interest rate				
Designated in fair value hedges	207,620	33,896	290,310	-
Other derivatives	-	812	-	-
Total interest rate	**207,620**	**34,708**	**290,310**	**-**
Foreign exchange				
Designated in a net investment hedge	268	-	4,126	-
Other derivatives	-	-	1,260	1,249
Total foreign exchange	**268**	**-**	**5,386**	**1,249**
Total non-trading derivatives	**207,888**	**34,708**	**295,696**	**1,249**

Fair value hedges of interest rate risk

Triodos Bank uses interest rate swaps to hedge its exposure to changes in the fair values of fixed-rate euro loans and advances in respect of a benchmark interest rate (mainly Euribor). Triodos Bank applies the EU carve-out under IAS 39 and applies macro fair value hedge accounting. In this hedge relationship, hedged items and hedging instruments are designated on a portfolio basis into fair value hedge relationships.

Triodos Bank determines hedged items by identifying portfolios of homogeneous loans based on their contractual interest rates, maturity and other risk characteristics. Loans within the identified portfolios are allocated to repricing time buckets based on expected, rather than contractual, repricing dates. The hedging instruments (pay fix/receive floating rate interest rate swaps) are designated appropriately to those repricing time buckets. Hedge effectiveness is measured on a monthly basis, by comparing fair value movements of the designated proportion of the bucketed loans due to the hedged risk against the fair value movements of the derivatives.

At the time of designation of the hedge relationship for macro hedge accounting, a prospective test of the hedge relationship is performed to evidence the existence of an economic relationship. Fair value of hedged items and hedging instruments is calculated as at the designation date. In addition, the fair values are recalculated by applying at +/-50bps shift on the Euribor zero curve and the OIS zero curve. If the changes in fair value of hedged item and hedging instrument are within 80-125% of each other, the hedge relationship can be expected to be highly effective.

The retrospective test is performed each month-end by calculating the fair value of the hedged items and hedging instruments at that date. The hedge relationship is considered to be highly effective if the deltas in fair value between hedging instrument and hedged item as per designation date and as per period end-date are in the 80-125% bandwidth, the dollar-offset method.

When the outcome of the effectiveness test is outside the bandwidth, the hedge relationship for the tested month is discontinued. This means that the fair value changes of the hedging instruments continue to be recorded through profit or loss, but no offsetting fair value adjustment is recognised on the hedged items. At de-designation, the fair-value hedge accounting adjustments are amortised on a straight-line basis over the original hedged life.

Triodos Bank discloses its risk management related to interest rate risk in Market risk management on page 358.

Hedge relationships designated under this policy are expected to be highly effective. However, some degree of ineffectiveness is expected due to:

- Discounting of assets with the curve of the payment frequency where the swaps are discounted using the OIS curve.
- Fair value changes in the floating leg of the swaps.

2023		Carrying amount			
Hedging instruments Amounts in thousands of EUR	**Nominal amount**	**Assets**	**Liabilities**	**Change in fair value**	**Ineffective-ness**
Interest rate swaps – portfolio hedge accounting	1,899,600	207,620	33,896	-112,571	584

2023	Nominal amount	Fair value hedge adjustments		
Hedged item Amounts in thousands of EUR	**Assets**	**Debit adjustment**	**Credit adjustment**	**Change in fair value**
Loans and advances to customers	1,899,600	-	176,219	113,155

2022		Carrying amount			
Hedging instruments Amounts in thousands of EUR	**Nominal amount**	**Assets**	**Liabilities**	**Change in fair value**	**Ineffective-ness**
Interest rate swaps – portfolio hedge accounting	1,415,600	290,310	-	276,498	1,325

2022	Nominal amount	Fair value hedge adjustments		
Hedged item **Amounts in thousands of EUR**	**Assets**	**Debit adjustment**	**Credit adjustment**	**Change in fair value**
Loans and advances to customers	1,415,600	-	289,691	-275,173

The decrease of the long-term market interest rates has resulted in a decrease of the fair values of the interest rate swaps which offsets the increase in fair value of the fixed rate loans. The ineffectiveness recorded in the profit or loss accounts of EUR 0.6 million (2022: EUR 1.3 million).

Net investment hedge

Triodos Bank enters into GBP foreign currency forward contracts to hedge the currency risk of the UK subsidiary equity participation of Triodos Bank. Triodos Bank is in the process of winding down part of its GBP hedge position to a level where its capital ratios are hedged against EUR/ GBP currency fluctuations. The GBP foreign currency contracts are designated in net investment hedge relationship to hedge part of the net asset value of the UK subsidiary.

Triodos Bank discloses its risk management related to foreign exchange risk in Market risk management on page 358.

Triodos Bank ensures that the foreign currency in which the hedging instrument is denominated is the same as the functional currency of the net investment. This qualitative assessment is supplemented quantitatively using the hypothetical derivative method for the purposes of assessing hedge effectiveness. Triodos Bank assesses effectiveness by comparing past changes in the fair value of the derivative with changes in the fair value of a hypothetical derivative. The hypothetical derivative is constructed to have the same critical terms as the net investment designated as the hedged item and a fair value of zero at inception. The net investment is held for a period longer than the maturity of the forward foreign exchange contracts. Triodos Bank hedges the net investment only to the extent of the nominal amount of the foreign exchange leg of the derivative.

2023 Hedging instruments Amounts in thousands of EUR	Nominal amount	Carrying amount Assets	Liabilities	Change in fair value	Ineffective-ness
Foreign currency forward contracts (EUR:GBP)	156,350	268	-	4,876	214

2023 Hedged item Amounts in thousands of EUR	Nominal amount	Carrying amount Assets	Liabilities	Change in fair value	Foreign currency translation reserve
GBP net investment in UK subsidiary	196,084	226,183	-	-4,782	-4,641

2022 Hedging instruments Amounts in thousands of EUR	Nominal amount	Carrying amount Assets	Liabilities	Change in fair value	Ineffective-ness
Foreign currency forward contracts (EUR:GBP)	196,650	4,126	-	-11,741	-55

2022 Hedged item Amounts in thousands of EUR	Nominal amount	Carrying amount Assets	Liabilities	Change in fair value	Foreign currency translation reserve
GBP net investment in UK subsidiary	196,097	221,491	-	11,434	-4,426

Parent company financial statements

The parent company financial statements include Triodos Bank N.V. and its branches. Subsidiaries are not consolidated in the parent company financial statements. For the consolidated financial statements, refer to page 206.

Parent company balance sheet

As at 31 December

Before appropriation of profit Amounts in thousands of EUR	Note[1]	2023	2022
ASSETS			
Cash resources		1,815,296	2,174,625
Receivables from credit institutions	31	193,524	271,485
Claims on customers	32	9,818,334	9,380,943
Bonds and other fixed-income securities	33	1,660,784	1,299,198
Shares and other variable-yield securities	34	109	102
Participating interests in group companies	35	265,505	255,356
Other participations	36	45,259	41,405
Intangible assets	37	46,596	49,157
Property and equipment	38	67,499	75,563
Investment property	39	6,387	6,739
Right-of-use assets	40	11,071	12,073
Non-trading derivatives		207,888	295,696
Deferred tax assets		12,535	12,920
Current tax receivable		989	4,043
Other assets	41	50,541	40,217
Accrued assets	42	28,575	21,122
Non-current assets held for sale	43	8,720	4,750
Total assets		**14,239,612**	**13,945,394**

[1] These are the references to the notes to the parent company financial statements. These notes form an integral part of the parent company financial statements.

Before appropriation of profit Amounts in thousands of EUR	Note[1]		2023		2022
LIABILITIES					
Amounts owed to credit institutions	44		670,045		337,087
Amounts owed to customers	45		11,852,481		11,984,252
Lease liabilities	40		11,634		12,635
Non-trading derivatives			34,708		1,249
Deferred tax liabilities			8,336		8,388
Current tax liabilities			15,928		6,450
Other debts	46		24,843		19,096
Accrued liabilities	47		61,876		54,340
Provisions	48		17,387		16,248
Subordinated liabilities	49		253,815		253,409
Total liabilities			**12,951,053**		**12,693,154**
EQUITY					
Share capital	50		723,353		723,353
Share premium reserve	50		200,811		200,811
Translation reserve			-4,641		-4,426
Cost of hedging reserve			490		369
Revaluation reserve			6,173		4,032
Statutory reserve	50		47,005		49,568
Retained earnings	50		255,722		233,715
Result for the period		77,175		49,794	
Interim dividends		-17,529		-4,976	
Unappropriated result for the period			59,646		44,818
Total equity			**1,288,559**		**1,252,240**
Total equity and liabilities			**14,239,612**		**13,945,394**
Contingent liabilities	51		67,856		66,143
Irrevocable facilities	52		1,486,696		1,712,549
			1,554,552		**1,778,692**

[1] These are the references to the notes to the parent company financial statements. These notes form an integral part of the parent company financial statements.

Parent company profit and loss account

For the years ended 31 December

Before appropriation of profit Amounts in thousands of EUR	Note[1]	2023	2022
INCOME			
Interest income	53	381,850	225,146
Interest expense	54	-87,934	-25,211
Net interest income		**293,916**	**199,935**
Income from participating interests	55	**9,329**	**19,798**
Fee and commission income	56	67,028	72,874
Fee and commission expense	57	-7,721	-7,806
Net fee and commission income		**59,307**	**65,068**
Net result from other financial instruments at FVTPL	58	-3,709	-100
Other income	59	742	950
Other income		**-2,967**	**850**
Total income		**359,585**	**285,651**
EXPENSES			
Personnel expenses	60	134,628	123,436
Other administrative expenses	60	83,884	72,983
Amortisation and value adjustments of intangible assets	61	17,826	13,452
Depreciation and value adjustments of property and equipment	61	11,258	10,561
Operating expenses		**247,596**	**220,432**
Impairment result on financial instruments	62	8,136	2,516
Total expenses		**255,732**	**222,948**
Operating result before taxation		**103,853**	**62,703**
Taxation on operating result	63	-26,678	-12,909
Net profit		**77,175**	**49,794**

[1] These are the references to the notes to the parent company financial statements. These notes form an integral part of the parent company financial statements.

In 2023 we issued new debit cards for all our retail customers in the Netherlands.

Read more

Parent company statement of changes in equity

Before appropriation of profit Amounts in thousands of EUR	Share capital	Share premium
Equity as at 1 January 2023	**723,353**	**200,811**
Result for the period		
Actuarial gain / loss on pension liability		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Total comprehensive income	**-**	**-**
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Interim dividend		
Transfer to other reserve for development costs		
Dividend tax on withdrawn own Depository Receipts		
Purchasing or sale of own Depository Receipts[1]		
Equity as at 31 December 2023	**723,353**	**200,811**

[1] In seven Spanish legal claims with individual Depository Receipt Holders, the purchase transactions, including any received dividend, have been reversed.

Translation reserve	Cost of hedging reserve	Revaluation reserve	Statutory reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,426	**369**	**4,032**	**49,568**	**233,715**	**44,818**	**1,252,240**
					77,175	**77,175**
				-111		**-111**
-215						**-215**
	121					**121**
		2,141				**2,141**
-215	**121**	**2,141**	**-**	**-111**	**77,175**	**79,111**
						-
						-
				19,797	-19,797	**-**
					-25,021	**-25,021**
						-
					-17,529	**-17,529**
			-2,563	2,563		**-**
						-
				-242		**-242**
-4,641	**490**	**6,173**	**47,005**	**255,722**	**59,646**	**1,288,559**

Before appropriation of profit Amounts in thousands of EUR	Share capital	Share premium
Equity as at 1 January 2022	**723,353**	**200,811**
Adjustment opening balance[1]		
Equity as at 1 January 2022	**723,353**	**200,811**
Result for the period		
Actuarial gain / loss on pension liability[1]		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Total comprehensive income	**-**	**-**
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Extraordinary dividend		
Interim dividend		
Transfer to other reserve for development costs		
Dividend tax on withdrawn own Depository Receipts		
Purchasing or sale of own Depository Receipts		
Equity as at 31 December 2022	**723,353**	**200,811**

[1] The accounting for the conditional indexation commitment on insured accrued rights of employees and former employees in the Netherlands has been changed retrospectively. As a

Translation reserve	Cost of hedging reserve	Revaluation reserve	Statutory reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,482	**117**	**82**	**46,431**	**233,051**	**50,759**	**1,250,122**
				-11,890		**-11,890**
-4,482	**117**	**82**	**46,431**	**221,161**	**50,759**	**1,238,232**
					49,794	**49,794**
				4,881		**4,881**
56						**56**
	252					**252**
		3,950				**3,950**
56	**252**	**3,950**	**-**	**4,881**	**49,794**	**58,933**
						-
						-
				25,169	-25,169	**-**
					-25,590	**-25,590**
						-
				-14,359		**-14,359**
					-4,976	**-4,976**
			3,137	-3,137		**-**
						-
						-
-4,426	**369**	**4,032**	**49,568**	**233,715**	**44,818**	**1,252,240**

result, Equity has decreased by EUR 11,890 as of 1 January 2022 and EUR 6,958 ultimo 2022. For more information refer to the general accounting policies.

Notes to the parent company financial statements

General

The general information is the same as those for the consolidated Annual Accounts. For general information, refer to the section 'General' in the consolidated financial statements.

Basis of preparation

The parent company's financial statements are prepared in accordance with the legal requirements for the Annual Accounts of banks contained in Title 9 Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board, with application of the IFRS recognition and measurement principles. Except for the participating interests in group companies, which are recognised at net asset value. Triodos Bank complies with Article 362 of Title 9 Book 2 of the Dutch Civil Code, also known as combination 3.

The accounting principles for recognition and measurement are the same as for the consolidated financial statements. For the relevant accounting principles and the information regarding risk management, refer to the accounting principles, the relevant notes and the risk management section in the consolidated financial statements.

Accounting principles

Participating interests

Participating interests are valued based on the equity method. On initial recognition, the investment in the participating interest is recognised at cost. In subsequent periods, the carrying amount of the investment is adjusted for the following:

- Increase (or decrease) in the value of the investment for Triodos Bank's share of the participating interest's net income (or net loss) for the period.
- Decrease in the value of the participating interest for distribution of dividends received from the participating interest, where dividends received from the participating interest are not recorded in profit or loss.
- Increase (or decrease) in the value of the investment for Triodos Bank' share of the participating interest's Other comprehensive income for the period.

For those items not included in the notes to the parent company financial statements, please refer to the notes to the consolidated financial statements.

Notes to the parent company balance sheet

31 Receivables from credit institutions

Amounts in thousands of EUR	2023	2022
On demand deposits with banks	119,401	144,671
Deposits with banks	73,840	126,617
Interest receivable	285	199
Allowance for ECL	-2	-2
Balance sheet value as at 31 December	**193,524**	**271,485**

Received cash collateral regarding forward currency contracts and interest rate swaps is presented as receivables from credit institutions. The increase in received cash collateral from EUR 79.2 million at year-end 2022 to EUR 97.0 million at the end of 2023 is mainly caused by fair value changes in interest rate swaps.

An amount of EUR 119.9 million of the deposits is encumbered (2022: EUR 144.7 million) mainly under derivatives and repurchase transactions. There were no subordinated deposits (2022: nil). All other deposits can be freely disposed of.

32 Claims on customers

Amounts in thousands of EUR	2023	2022
Loans	9,859,864	9,420,296
Allowance for ECL	-41,530	-39,353
Balance sheet value as at 31 December	**9,818,334**	**9,380,943**

Amounts in thousands of EUR	2023 Gross carrying amount	2023 Allowance for ECL	2023 Carrying amount
Business loans	4,968,850	-38,173	4,930,677
Mortgage lending	4,896,839	-1,772	4,895,067
Short term loans[1]	-	-	-
Current accounts and credit cards	138,740	-1,585	137,155
Fair value hedge accounting	-176,219	-	-176,219
Interest receivables	31,654	-	31,654
Balance sheet value as at 31 December	**9,859,864**	**-41,530**	**9,818,334**

[1] These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

Amounts in thousands of EUR	2022 Gross carrying amount	2022 Allowance for ECL	2022 Carrying amount
Business loans	5,027,637	-35,497	4,992,140
Mortgage lending	4,447,170	-1,414	4,445,756
Short term loans[1]	60,000	-	60,000
Current accounts and credit cards	154,841	-2,442	152,399
Fair value hedge accounting	-289,691	-	-289,691
Interest receivables	20,339	-	20,339
Balance sheet value as at 31 December	**9,420,296**	**-39,353**	**9,380,943**

[1] These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

Claims on customers classified by residual maturity:

Amounts in thousands of EUR	2023	2022
Payable on demand	141,001	156,117
1 to 3 months	359,441	409,918
3 months to 1 year	924,232	837,089
1 to 5 years	3,383,868	3,227,655
Longer than 5 years	5,009,792	4,750,164
Balance sheet value as at 31 December	**9,818,334**	**9,380,943**

The claims on customers includes an amount of EUR 20.3 million (2022: EUR 27.8 million) regarding loans provided to consolidated participating interests.

A breakdown related to received collateral, relevant industries, sectors and per geographic region can be found in the pillar 3 report 2023 on the Triodos Bank website.

33 Bonds and other fixed-income securities

Amounts in thousands of EUR	2023	2022
Dutch government bonds	9,978	9,940
Belgian government bonds	50,100	76,843
Spanish government bonds	88,704	98,356
Other bonds	1,503,290	1,106,615
Interest receivable	8,523	7,122
Fair value hedge accounting	219	350
Allowance for ECL	-30	-28
Balance sheet value as at 31 December	**1,660,784**	**1,299,198**

The movement in bonds and other fixed-income securities is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	1,299,198	1,163,603
Acquisitions	671,366	619,635
Repayments	-316,498	-474,029
Sale	-	-
Amortisation difference between acquisition price and redemption value	5,450	-9,018
Exchange rate differences	-	-
Interest receivable movement	1,401	-675
Fair value hedge accounting movement	-131	-295
Net movement in allowance for ECL	-2	-23
Balance sheet value as at 31 December	**1,660,784**	**1,299,198**

34 Shares and other variable-yield securities

Amounts in thousands of EUR	2023	2022
Participating equity at fair value through OCI	109	102
Balance sheet value as at 31 December	**109**	**102**

The movement in the participating equity at fair value through OCI is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	102	85
Acquisitions	-	-
Revaluation	7	17
Sales	-	-
Balance sheet value as at 31 December	**109**	**102**

35 Participating interests in group companies

The participating interests in group companies relate to the subsidiaries of Triodos Bank, mainly being Triodos Bank UK Ltd and Triodos Investment Management B.V.

Amounts in thousands of EUR	2023	2022
Investments in credit institutions	226,183	221,491
Other	39,322	33,865
Balance sheet value as at 31 December	**265,505**	**255,356**

The movement in the participating interests in group companies is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	255,356	247,609
Result on participating interests	8,634	19,182
Dividend paid	-3,269	-
Exchange rate differences	4,784	-11,435
Balance sheet value as at 31 December	**265,505**	**255,356**

Accounting policy
Participating interests are valued based on the equity method. On initial recognition, the investment in the participating interest is recognised at cost. In subsequent periods, the carrying amount of the investment is adjusted for the following:

- Increase (or decrease) in the value of the investment for Triodos Bank's share of the participating interest's.
- Net income (or net loss) for the period.
- Decrease in the value of the participating interest for distribution of dividends received from the participating interest, where dividends received from the participating interest are not recorded in profit and loss.
- Increase (or decrease) in the value of the investment for Triodos Bank' share of the participating interest's Other comprehensive income for the period.

For those items not included in the notes to the parent company financial statements, please see the notes to the consolidated financial statements.

36 Other participations

Amounts in thousands of EUR	2023	2022
Participating interests designated at fair value through OCI	39,519	35,990
Participating debt at fair value through profit or loss	228	189
Associates at equity value	5,512	5,226
Balance sheet value as at 31 December	**45,259**	**41,405**

Triodos Bank provides equity funding to like-minded financial institutions in order to increase growth in the sustainable banking sector. The statement of equity participations in accordance with Section 2:379 of the Dutch Civil Code is included under the accounting principles for consolidation in the notes to the consolidated financial statements.

The movement of the participating interests designated at fair value through OCI is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	35,990	30,143
Increase of capital	804	594
Revaluation	3,088	4,873
Exchange rate differences	-363	380
Balance sheet value as at 31 December	**39,519**	**35,990**

The movement of the participating debt at fair value through profit or loss is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	189	5,462
Revaluation	39	-542
Repayment of capital	-	-156
Divestments[1]	-	-5,272
Exchange rate differences	-	697
Balance sheet value as at 31 December	**228**	**189**

[1] Sustainability – Finance – Real Economies SICAV-SIF public limited liability company (SFRE SIF) merged into Triodos Microfinance Fund (TMF) as at 16 September 2022. As a result of the merger, SFRE SIF ceased to exist, and Triodos Bank received shares in TMF equal in value to the previous investment in SFRE SIF. The investment in TMF is classified as associate at equity value as this is a fund managed by Triodos Investment Management.

The movement of the associates at equity value is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	5,226	-
Acquisitions[1]	-	5,272
Revaluation	286	-46
Balance sheet value as at 31 December	**5,512**	**5,226**

[1] Sustainability – Finance – Real Economies SICAV-SIF public limited liability company (SFRE SIF) merged into Triodos Microfinance Fund (TMF) as at 16 September 2022. As a result of the merger, SFRE SIF ceased to exist, and Triodos Bank received shares in TMF equal in value to the previous investment in SFRE SIF. The investment in TMF is classified as associate at equity value as this is a fund managed by Triodos Investment Management.

37 Intangible assets

Amounts in thousands of EUR	2023	2022
Research and development costs	45,961	48,151
Concessions, licences and intellectual property	635	1,006
Balance sheet value as at 31 December	**46,596**	**49,157**

Research and development costs

The research and development costs relate to the development costs for the banking system. The movement in research and development costs is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	94,656	77,429
Cumulative amortisation as at 1 January	-46,505	-32,683
Balance sheet value as at 1 January	**48,151**	**44,746**
Internal development	15,183	16,295
Amortisation	-16,017	-12,890
Impairments	-1,356	-
Balance sheet value as at 31 December	**45,961**	**48,151**
Purchase value as at 31 December	109,600	94,656
Cumulative amortisation as at 31 December	-63,639	-46,505
Balance sheet value as at 31 December	**45,961**	**48,151**

Concessions, licences and intellectual property

Concessions, licences and intellectual property relates to computer software that has been purchased. The movement in computer software is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	3,704	3,330
Cumulative amortisation as at 1 January	-2,698	-2,134
Balance sheet value as at 1 January	**1,006**	**1,196**
Purchases	82	372
Amortisation	-453	-562
Impairments	-	-
Balance sheet value as at 31 December	**635**	**1,006**
Purchase value as at 31 December	3,786	3,704
Cumulative amortisation as at 31 December	-3,151	-2,698
Balance sheet value as at 31 December	**635**	**1,006**

38 Property and equipment

Amounts in thousands of EUR	2023	2022
Property for own use	50,361	57,515
Equipment	17,138	18,048
Balance sheet value as at 31 December	**67,499**	**75,563**

The movement in the property for own use is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	64,019	65,625
Cumulative revaluation as at 1 January	-	-1,595
Cumulative depreciation as at 1 January	-6,504	-4,883
Balance sheet value as at 1 January	**57,515**	**59,147**
Purchases	14	-
Depreciation	-1,593	-1,632
Impairments	-	-
Transfer to held for sale	-5,575	-
Balance sheet value as at 31 December	**50,361**	**57,515**
Purchase value as at 31 December	55,421	64,019
Cumulative depreciation as at 31 December	-5,060	-6,504
Balance sheet value as at 31 December	**50,361**	**57,515**

Triodos Bank in Spain owns two buildings located at José Echegaray in Las Rozas Madrid. A decision has been made to sell one of the buildings as a consequence of the new way of working, entailing a combination of working from home and working from the office. This decision triggered an impairment because the carrying value of the building will no longer be recovered through its continuing use, but through the sale of the property. An impairment loss of EUR 1.5 million is recorded in profit and loss statement. The impairment is recognised to adjust the carrying value to the fair value less cost of disposal. An external valuation report is used to estimate the fair value less cost of disposal. This valuation report estimated a market price of EUR 4.2 million for the building. The building is expected to be sold during 2024, such that the building will be reclassified to assets held for sale.

The movement in equipment is as follows:

Amounts in thousands of EUR	2023	2022
Purchase value as at 1 January	52,315	52,957
Cumulative depreciation as at 1 January	-34,267	-31,656
Balance sheet value as at 1 January	**18,048**	**21,301**
Purchases	4,259	2,301
Sales	-155	-4
Depreciation	-5,228	-5,694
Impairments	214	144
Balance sheet value as at 31 December	**17,138**	**18,048**
Purchase value as at 31 December	49,573	52,315
Cumulative depreciation as at 31 December	-32,435	-34,267
Balance sheet value as at 31 December	**17,138**	**18,048**

Fully depreciated equipment with a total purchase value of EUR 4.5 million (2022: EUR 2.4 million) has been disposed of.

39 Investment property

Triodos Bank sometimes repossesses assets which come from acquisition in public auctions. These assets are collaterals of an executed loan. A part of the repossessed assets however will not be sold immediately because Triodos Bank has opted to add value by letting these assets and are therefore presented as investment property.

The movement in the investment property is as follows:

Amounts in thousands of EUR	2023	2022
Acquisition value as at 1 January	8,699	10,463
Cumulative depreciation as at 1 January	-1,960	-2,558
Balance sheet as at 1 January	**6,739**	**7,905**
New foreclosed assets	15	35
Sales	-206	-1,037
Depreciation	-161	-164
Impairments	-	-
Balance sheet value as at 31 December	**6,387**	**6,739**
Purchase value as at 31 December	8,462	8,699
Cumulative depreciation as at 31 December	-2,075	-1,960
Balance sheet value as at 31 December	**6,387**	**6,739**

40 Leases

Triodos Bank leases many assets including land and buildings, vehicles, and IT equipment. Information about leases for which Triodos Bank is a lessee is presented below.

Right-of-use assets

	2023				2022			
Amounts in thousands of EUR	**Property**	**Vehicles**	**Other**	**Total**	**Property**	**Vehicles**	**Other**	**Total**
Balance at 1 January	10,812	837	424	**12,073**	13,693	1,122	381	**15,196**
Depreciation	-2,134	-618	-54	**-2,806**	-2,288	-633	-55	**-2,976**
Additions	1,207	1,170	-	**2,377**	1,594	348	318	**2,260**
Disposals	-544	-29	-	**-573**	-2,187	-	-220	**-2,407**
Balance sheet value as at 31 December	**9,341**	**1,360**	**370**	**11,071**	**10,812**	**837**	**424**	**12,073**

Lease liabilities

	2023				2022			
Amounts in thousands of EUR	**Property**	**Vehicles**	**Other**	**Total**	**Property**	**Vehicles**	**Other**	**Total**
Less than one year	820	496	56	**1,372**	2,091	695	56	**2,842**
More than one year	9,068	874	320	**10,262**	9,272	149	372	**9,793**
Balance sheet value as at 31 December	**9,888**	**1,370**	**376**	**11,634**	**11,363**	**844**	**428**	**12,635**

Amounts in thousands of EUR	2023				2022			
Maturity analysis – contractual undiscounted cash flows	**Property**	**Vehicles**	**Other**	**Total**	**Property**	**Vehicles**	**Other**	**Total**
Less than one year	1,371	539	56	**1,966**	2,272	452	56	**2,780**
One to five years	4,565	831	233	**5,629**	5,202	390	372	**5,964**
More than five years	7,504	-	108	**7,612**	4,485	-	-	**4,485**
Undiscounted lease liabilities at 31 December	**13,440**	**1,370**	**397**	**15,207**	**11,959**	**842**	**428**	**13,229**

41 Other assets

The balance sheet value of the other assets can be broken down as follows:

Amounts in thousands of EUR	2023	2022
Receivable regarding the deposit guarantee scheme	2,700	2,700
Other	48,312	38,005
Allowance for ECL	-471	-488
Balance sheet value as at 31 December	**50,541**	**40,217**

Of the other assets, EUR 18 million has a maturity of less than one year (2022: EUR 14 million). Due to the nature and the maturity of the other assets, the fair value approximates the carrying value.

The other assets includes an amount of EUR 5.2 million (2022: EUR 2.6 million) regarding receivables from consolidated participating interests.

42 Accrued assets

Of the accrued assets, EUR 10 million has a maturity of less than one year (2022: EUR 10 million). Due to the nature and the maturity of the accrued assets, the fair value approximates the carrying value.

43 Non-current assets held for sale

The balance sheet value of the assets held for sale can be broken down as follows:

Amounts in thousands of EUR	2023	2022
Repossessed assets	4,381	4,750
Own property held for sale	4,339	-
Balance sheet value as at 31 December	**8,720**	**4,750**

Triodos Bank can acquire the collateral under non-performing loans, all assets acquired are real estate. It is the intention of Triodos Bank to dispose of these assets as they are not part of the primary business of the bank. If permitted by the underlying contracts of the acquired assets, these assets are presented as real estate for sale, using an estate agent.

The disclosure regarding the own property held for sale is included in note 38 Property and equipment.

44 Amounts owed to credit institutions

Amounts in thousands of EUR	2023	2022
Deposits from banks	497,446	52,191
Cash collateral received	170,925	284,881
Interest payable	1,674	15
Balance sheet value as at 31 December	**670,045**	**337,087**

The deposits from banks includes two repurchase agreement and one liquidity facility for a total amount of EUR 450 million which were transacted in 2023. For additional information, please refer to 13 Deposits from banks on page 267.

45 Amounts owed to customers

Amounts in thousands of EUR	2023	2022
Business clients:		
Saving accounts	1,414,004	1,215,835
Fixed term deposits	343,158	151,551
Current accounts	2,346,435	2,862,805
Retail clients:		
Saving accounts	5,355,546	5,390,139
Fixed term deposits	731,023	312,981
Current accounts	1,608,855	2,049,225
Interest payable	53,460	1,716
Balance sheet value as at 31 December	**11,852,481**	**11,984,252**

The amounts owed to customers include an amount of EUR 12.9 million (2022: EUR 23.6 million) for deposits from consolidated participating interests.

Amounts owed to customers classified by residual maturity:

	2023			2022		
Amounts in thousands of EUR	**Business clients**	**Retail clients**	**Total**	**Business clients**	**Retail clients**	**Total**
Payable on demand	3,745,605	6,391,308	10,136,913	4,102,632	7,419,638	**11,522,270**
1 to 3 months	148,150	667,096	815,246	71,647	63,886	**135,533**
3 months to 1 year	194,956	553,731	748,687	37,566	157,774	**195,340**
1 to 5 years	30,865	98,653	129,518	16,344	88,878	**105,222**
Longer than 5 years	2,613	19,504	22,117	2,608	23,279	**25,887**
Balance sheet value as at 31 December	**4,122,189**	**7,730,292**	**11,852,481**	**4,230,797**	**7,753,455**	**11,984,252**

46 Other debts

The other debts fall due within one year for an amount of EUR 25 million (2022: EUR 19 million). Due to the nature and the maturity of the other debts, the fair value approximates the carrying value.

The other debts includes an amount of EUR 0.0 million (2022: EUR 0.0 million) regarding payables to consolidated participating interests.

47 Accrued liabilities

The accrued liabilities fall due within one year for an amount of EUR 84 million (2022: EUR 54 million). Due to the nature and the maturity of the accrued liabilities, the fair value approximates the carrying value.

48 Provisions

Amounts in thousands of EUR	2023	2022
Net pension liability[1]	9,800	9,643
ECL on loan commitments and financial guarantee contracts issued	1,409	1,039
Other provisions	6,178	5,566
Balance sheet value as at 31 December	**17,387**	**16,248**

[1] The accounting for the conditional indexation commitment on insured accrued rights of co-workers and former co-workers in the Netherlands has been amended. As a result, the comparative figure has been added. For more information refer to the general accounting policies.

The other provisions mainly consist of the provisions for restructuring and legal proceedings.

The movement in the net pension liability provision is as follows:

Amounts in thousands of EUR[1]	2023	2022
Balance sheet value as at 1 January	9,643	16,024
Amortisation	435	197
Release	-278	-6,578
Balance sheet value as at 31 December	**9,800**	**9,643**

[1] The accounting for the conditional indexation commitment on insured accrued rights of co-workers and former co-workers in the Netherlands has been amended. As a result, the comparative figure has been added. For more information refer to the general accounting policies.

The movement in the other provisions is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	5,566	1,062
Addition	3,731	5,482
Withdrawal	-592	-112
Release	-2,527	-866
Balance sheet value as at 31 December	**6,178**	**5,566**

49 Subordinated liabilities

Amounts in thousands of EUR	2023	2022
Subordinated Tier 2 instruments:		
Subordinated Green Bond (institutional investors)	248,742	248,336
Interest payable	5,073	5,073
Balance sheet value as at 31 December	**253,815**	**253,409**

In 2021, Triodos Bank realised the placement of a subordinated Green Bond to institutional investors. The Green Bond has a nominal value of EUR 250 million, a tenor of 10.25 years, and a coupon of 2.25% for the first five and a quarter years after which there is an option to early redeem the bond. If the bond is not early redeemed, the interest rate is reset to maturity at 2.4% above the annual euro mid swap rate. The Green Bond has been placed below nominal value at 99.497%. The placement of the Green Bond results in an increase of the Tier 2 Capital which is a diversification of the Total Capital of Triodos Bank.

The Green Bond has been issued taking into account the ICMA Green Bond Principles, Climate Bond Initiative Standards and the EU Taxonomy recommendations. It has been assessed by a Second Party Opinion as best market practice on all components. This confirms Triodos Bank's ambition to 'change finance, by financing change' and underlines its position as frontrunner in sustainable banking.

The movement in the subordinated Green Bond issued is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	253,409	248,796
Amortisation	406	406
Interest payable	-	4,207
Balance sheet value as at 31 December	**253,815**	**253,409**

50 Equity

Share capital

The authorised capital totals to EUR 1.5 billion and is divided into 30 million ordinary shares, each with a nominal value of EUR 50. At year-end, there were 14,467,056 ordinary shares (2022: 14,467,056 shares), each of EUR 50, issued to and fully paid up by Stichting Administratiekantoor Aandelen Triodos Bank. As at the same date, Stichting Administratiekantoor Aandelen Triodos Bank had also issued 14,467,056 Depository Receipts (2022: 14,467,056 Depository Receipts), each with a nominal value of EUR 50.

The purchasing and reissuing of Depository Receipts for own shares is charged or credited respectively to the other reserves. At year-end 2023, Triodos Bank has purchased 254,712 of its own Depository Receipts. Any balance remaining after the reissuing of all own Depository Receipts purchased shall be placed at the disposal of the Annual General Meeting.

The movement in the number of shares is as follows:

Amounts in thousands of EUR	2023	2022
Number of shares as at 1 January	14,467,056	14,467,056
Increase of share capital	-	-
Number of shares as at 31 December	**14,467,056**	**14,467,056**

Share premium reserve

This item includes the share premium reserve, which is composed of deposits that exceed the nominal capital, after deduction of capital transfer tax. The full balance of the share premium reserve has been recognised as such for tax purposes.

Statutory reserve

The statutory reserve is a regulatory reserve for in-house developed intangible assets and is not available for distribution to shareholders.

Amounts in thousands of EUR	2023	2022
Development costs	47,005	49,568
Balance sheet value as at 31 December	**47,005**	**49,568**

The movement is as follows:

Amounts in thousands of EUR	2023	2022
Balance sheet value as at 1 January	49,568	46,431
Transfer of retained earnings	-2,563	3,137
Balance sheet value as at 31 December	**47,005**	**49,568**

Retained earnings

The movement in retained earnings includes purchasing of own Depository Receipts. In seven Spanish legal claims with individual Depository Receipt Holders the purchase transactions have been reversed. At year-end 2023, Triodos Bank had purchased 254,712 own Depository Receipts amounting to EUR 21,863 thousand (2022: 250,634 amounting to EUR 21,556 thousand).

51 Contingent liabilities

This item relates to credit-substitute guarantees and non-credit substitute guarantees that are partly secured by blocked accounts for the same amount.

Amounts in thousands of EUR	2023	2022
Credit substitute guarantees	28,011	25,295
Non-credit substitute guarantees	39,845	40,848
Total contingent liabilities	**67,856**	**66,143**

Credit substitute guarantees are guarantees to customers for loans provided to these customers by other banks. Non-credit substitute guarantees are guarantees to customers for all other obligations of these customers to third parties. For example:

- Obligations to purchase sustainable goods, such as wind turbines.
- Obligations to decommission equipment or reinstate property (mostly related to project finance provided by Triodos Bank).

During 2020, Triodos Bank has provided a guarantee with a maximum of EUR 20 million to Triodos Investment Management relating to a transaction that was made on behalf of an investment fund managed by Triodos Investment Management. Triodos Bank receives a fee of 0.1% per annum over the maximum guarantee.

Legal proceedings

Triodos Bank is involved in a number of legal proceedings. Management assesses the outcome of litigation matters and takes provisions when expected losses with respect to such matters are more likely than not and the expected outflow of resources can be reliably estimated. If a provision cannot be recognised, and the outflow or economic benefits is not remote, a contingent liability is recognised. The legal proceedings in Spain in relation to Depository Receipts that have not had a verdict in first instance are regarded by Triodos Bank as contingent liabilities, as per end of 2023. For more information on legal proceedings pending, please refer to Legal proceedings on page 303.

52 Irrevocable facilities

These relate to the total liabilities in respect of irrevocable undertakings, which may lead to a further loan.

Amounts in thousands of EUR	2023	2022
Undrawn debit limits on current accounts and credit cards	306,717	362,338
Accepted loans not yet paid out	1,084,771	1,274,781
Valid loan offers not yet accepted	93,630	74,393
Other facilities	1,578	1,037
Total irrevocable facilities	**1,486,696**	**1,712,549**

Notes to the parent company profit or loss account

53 Interest income

Amounts in thousands of EUR	2023	2022
Loans and advances to customers	301,254	191,296
Loans and advances to banks	55,667	9,628
Debt securities at amortised cost	24,526	7,850
Negative interest expense on TLTRO III	-	10,055
Negative interest expense deposits from customers	61	5,683
Other interest income	342	634
Total interest income	**381,850**	**225,146**

The interest income includes income derived from loans and related transactions, as well as related commissions, which by their nature are similar to interest payments. The interest-bearing securities item does not include sales result (2022: nil).

The interest income includes income derived from loans provided to consolidated participating interest in the amount of EUR 320.8 thousand (2022: EUR 109.0 thousand).

54 Interest expense

Amounts in thousands of EUR	2023	2022
Deposits from customers	-62,868	-2,601
Deposits from banks	-13,914	-1,026
Subordinated liabilities	-6,031	-6,030
Negative interest income loans and advances to banks	-	-8,175
Negative interest income debt securities	-684	-1,463
Other interest expense	-4,437	-5,916
Total interest expense	**-87,934**	**-25,211**

55 Income from participating interests

Amounts in thousands of EUR	2023	2022
Dividend from investment securities	695	616
Result on group companies after taxation	8,634	19,182
Total investment income	**9,329**	**19,798**

56 Fee and commission income

Amounts in thousands of EUR	2023	2022
Guarantee commission	584	633
Transaction fee securities	890	1,249
Payment transactions	28,193	31,174
Lending	12,503	13,492
Asset management	14,687	15,227
Management fees	7,654	8,161
Other commission income	2,517	2,938
Total fee and commission income	**67,028**	**72,874**

57 Fee and commission expense

Amounts in thousands of EUR	2023	2022
Commission to agents	-214	-39
Asset management	-2,098	-1,934
Other commission expense	-5,409	-5,833
Total fee and commission expense	**-7,721**	**-7,806**

58 Net result from other financial instruments at FVTPL

Amounts in thousands of EUR	2023	2022
Hedge accounting ineffectiveness	742	1,245
Fair value movement of derivatives not yet in a hedge relationship	-4,777	-1,461
Fair value movement of participating debt at fair value through profit or loss	326	116
Net result from other financial instruments at FVTPL	**-3,709**	**-100**

For further information on the hedge accounting ineffectiveness, refer to Non-trading derivatives and hedge accounting (see page 371).

59 Other income

Amounts in thousands of EUR	2023	2022
Exchange results on foreign currency transactions	66	-3
Transaction results on currency forward contracts	8	17
Realised results assets not in use[1]	81	219
Income assets not in use[1]	68	70
Modification result	-231	268
Other income	750	379
Total other income	**742**	**950**

[1] Assets not in use relates to acquired collateral on written off loans.

The other income relates to fees for other services performed and results from asset disposals.

60 Personnel and other administrative expenses

Amounts in thousands of EUR	2023	2022
Personnel expenses		
• salary expenses	87,775	78,286
• pension expenses[1]	11,288	10,022
• social security expenses	16,101	14,842
• temporary co-workers	22,397	23,311
• other staff costs	9,021	8,236
• capitalised co-worker costs	-11,954	-11,261
Total personnel expenses	**134,628**	**123,436**
• IT costs	21,652	16,807
• external administration costs	13,691	11,804
• advertising charges	8,524	6,173
• office costs	3,673	3,600
• accommodation expenses	3,975	4,276
• fees for advice and auditor[1]	28,015	18,482
• travel and lodging expenses	1,787	994
• other expenses	2,567	10,847
Total other administrative expenses	**83,884**	**72,983**
Total personnel and other administrative expenses	**218,512**	**196,419**
Average number FTEs during the year[2]	**1,220.1**	**1,181.4**

[1] The details of the pension scheme and of the auditor fees are included in note 27 Personnel and other administrative expenses of the financial statements.
[2] Of which 508.7 FTE (2022: 501.7 FTE) works outside of the Netherlands.

61 Depreciation, amortisation and value adjustments of property and equipment, and intangible assets

Amounts in thousands of EUR	2023	2022
Amortisation of intangible fixed assets	16,470	13,452
Impairment of intangible fixed assets	1,356	-
Amortisation and impairment charge for the year	**17,826**	**13,452**
Depreciation of property and equipment	9,788	10,469
Impairment of tangible fixed assets	1,470	92
Amortisation and impairment charge for the year	**11,258**	**10,561**

Depreciation has been reduced by the part that is charged on to related parties.

62 Impairment result on financial instruments

This item consists of expenses associated with write-downs on loans and other receivables.

Amounts in thousands of EUR	2023	2022
Allowance for expected credit loss	8,136	2,516
Total impairment result on financial instruments for the year	**8,136**	**2,516**

63 Taxation on operating result

Amounts in thousands of EUR	2023	2022
Taxation to be paid	26,963	11,621
Deferred taxation	-285	1,288
Total taxation on operating result	**26,678**	**12,909**

reconciliation of effective tax rate

Amounts in thousands of EUR	2023	2022
Result before taxation	103,853	62,703
Result on group companies after taxation	8,634	19,182
Statutory result before taxation	**95,219**	**43,521**
Statutory tax rate	25.8%	25.8%
Statutory tax	**24,567**	**11,228**
Income non-taxable	-40	2
Expenses non-deductible	2,880	1,927
Impact tax rate differences - statutory rate foreign jurisdictions	948	389
Incentives for gifts, community investment and innovation	-345	-329
Other reconciling items	-1,332	-308
Effective tax	**26,678**	**12,909**
Effective tax rate	**25.7%**	**20.6%**

Subsequent events

There are no subsequent events that have a material impact on these financial statements.

Driebergen-Rijsenburg, 13 March 2024

Supervisory Board

Mike Nawas, Chair
Daniëlle Melis, Vice-Chair
Sébastien D'Hondt
Kristina Flügel
Susanne Hannestad
Willem Horstmann

Executive Board

Jeroen Rijpkema, CEO, Chair
Kees van Kalveen, CFO
Marjolein Landheer, CRO a.i.[1]
Jacco Minnaar, CCO
Nico Kronemeijer, COO

[1] Marjolein Landheer temporarily replaces Carla van der Weerdt, who has stepped down from her role as CRO in October 2023 following a period of illness.

Other information

Profit appropriation

The appropriation of profit as set in the Articles of Association is presented under note 18 Equity on page 274.

The appropriation of profit in the Articles of Association is as follows:

Part of the profit as reported in the adopted profit or loss account shall be used by the Executive Board to form or add to the reserves to the extent that this is deemed desirable. The remaining profit shall be distributed to the shareholders, unless the General Meeting decides otherwise.

Banking entities

In addition to its head office in the Netherlands, Triodos Bank has branches in the Netherlands, Belgium, Spain, Germany and a subsidiary in the United Kingdom.

Over 8,000 people came together at De Reehorst for the first Triodos Festival.

Read more

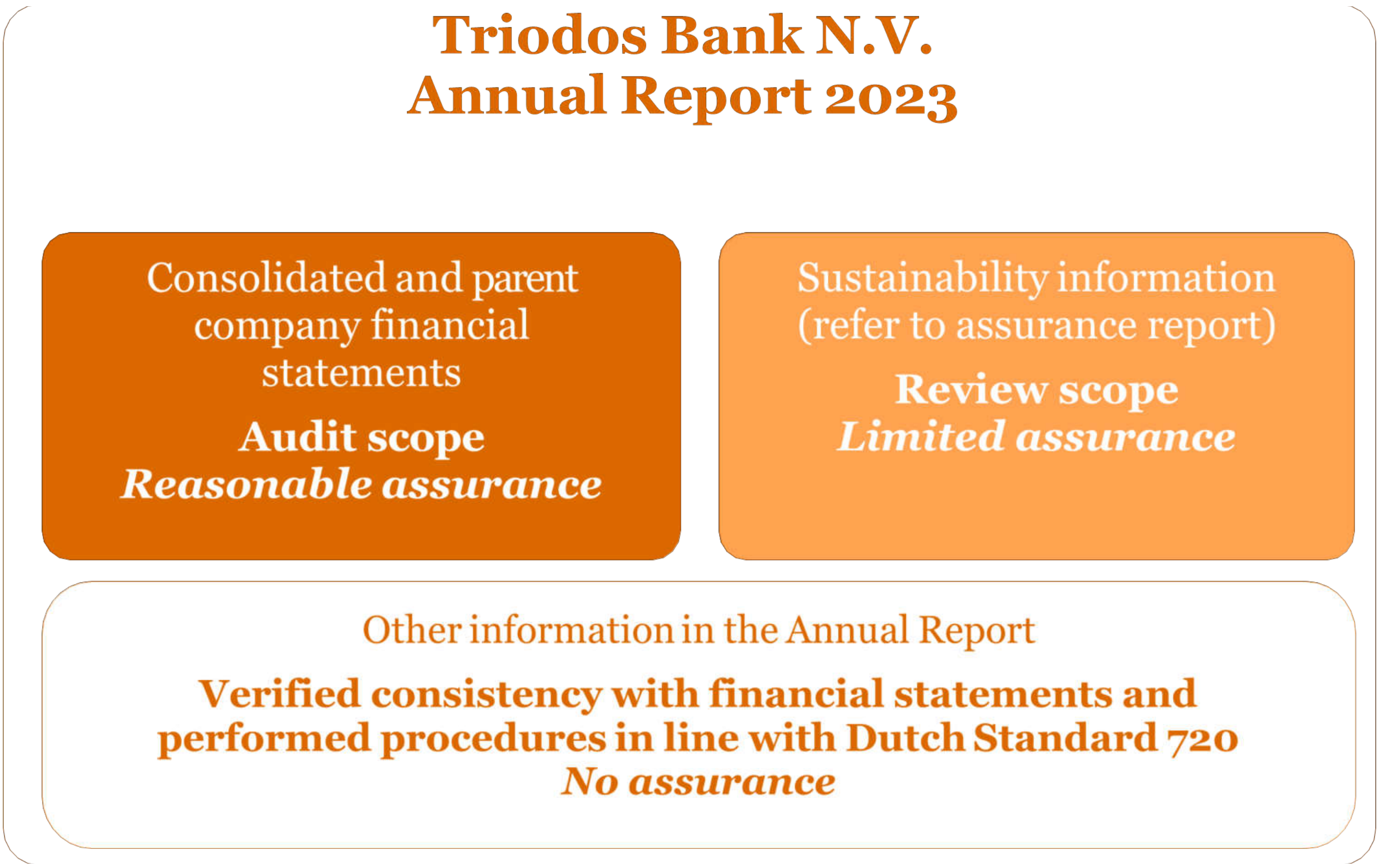
Combined independent auditor’s and assurance report

General

The purpose of Triodos Bank N.V. (‘the Bank’), as disclosed in the section ‘Our purpose: the conscious use of money’ as included in the annual report 2023, is to connect depositors and investors with socially responsible businesses to build a movement for a sustainable, socially inclusive society, built on the conscious use of money. This purpose makes that customers and other stakeholders are interested in more than just the financial performance of the Bank.

Our assurance procedures consisted of an audit of the consolidated and parent company financial statements (‘the financial statements’) of the Bank and limited assurance procedures (review procedures) over specific sections of the sustainability information included in the annual report 2023 of the Bank. The scope of our work is further detailed in the section ‘what we have reviewed’ in our ‘Assurance report with limited assurance on the sustainability information 2023’.

Our scope can be summarised as follows:



Independent auditor's report

To: the general meeting and the supervisory board of Triodos Bank N.V.

Report on the audit of the financial statements 2023

Our opinion

In our opinion:

- the consolidated financial statements of Triodos Bank N.V., together with its subsidiaries ('the Group'), give a true and fair view of the financial position of the Group as at 31 December 2023 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code; and

- the parent company financial statements of Triodos Bank N.V., ('the Bank') give a true and fair view of the financial position of the Bank as at 31 December 2023 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited
We have audited the accompanying financial statements 2023 of Triodos Bank N.V., Driebergen-Rijsenburg. The financial statements comprise the consolidated financial statements of the Group and the parent company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2023;
- the following statements for 2023: the consolidated profit and loss account, the consolidated statements of comprehensive income, and changes in equity and consolidated cash flow statement; and
- the notes to the consolidated financial statements, comprising a summary of the significant accounting policies and other explanatory information.

The parent company financial statements comprise:

- the parent company balance sheet as at 31 December 2023;
- the parent company profit and loss account for the year then ended;
- the parent company statement of changes in equity for 2023; and
- the notes to the parent company financial statements, comprising the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 Book 2 of the Dutch Civil Code for the parent company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of Triodos Bank N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, like our findings and observations related to individual key audit matters, the audit approach on fraud risk and the audit approach on going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Overview and context
Triodos Bank N.V. is a bank that is in business to help create a society that promotes the quality of life of all its members on a thriving planet, with human dignity at its core. The Group operates in Europe and is comprised of several components, refer to the consolidation principles as included in the section 'General accounting policies' in the financial statements for an overview of the companies and branches included in the consolidation, therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. Through these components, the Bank primarily offers retail and business banking as well as investment management services.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the executive board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In the section 'Critical judgements and estimates' of the financial statements, the Bank describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty.

Of the estimates and judgements mentioned in this section, we considered the allowance for expected credit losses on loans and advances to customers, given the complexity of the models used in the calculation of stage 1 and 2 expected credit losses and the inherent complexity of determining loan by loan provisions for stage 3 impaired loans, as a key audit matter as set out in the section 'Key audit matters' of this report.

In line with the previous year, we also raised the valuation of level 2 and level 3 financial instruments (which can create volatility in the results of the Bank) as a key audit matter as set out in the section 'Key audit matters' of this report.

Triggered by the suspension of trading in depository receipts issued by the Bank ('DRs') and the decision to pursue an MTF listing, the Bank received complaints and claims from certain DR holders and was subject to negative media attention. As also described in the section 'Legal proceedings' in the financial statements, during 2023 there has been significant communication and interaction with DR holders and interest groups representing DR holders. Given the inherent uncertainty and significance of complaints and legal claims from DR holders to the Bank, we raised the accounting implications and disclosures due to litigation and claims from DR holders as a key audit matter.

As part of Triodos Bank's mission, environmental impact is an important topic for the Group. This is also evidenced by the Group's ambition to be climate neutral by 2035, as further explained in the executive board report. In the section 1.6 'Risk and compliance' of the executive board report and the paragraph 'strategic risk' in the 'Risk management' section of the financial statements, the Group explains the possible effects of climate change in particular on its loan portfolios. We discussed the Group's assessment and governance thereof with the executive board and supervisory board and evaluated the potential impact on the underlying assumptions and estimates in respect of the allowance for expected credit losses of loans and advances to customers. As explained in the financial statements in the paragraph 'Environmental Social and Governance (ESG) risk in ECL' the impact on the current financial position of the Bank is limited. Subsequently, the impact of climate change is not considered a separate key audit matter, but is taken into account as part of the key audit matter on the allowance for expected credit losses on loans and advances to customers.

Other areas of focus that were not considered as key audit matters, were for example revenue recognition, management override of controls, reliability and continuity of IT systems and compliance with laws and regulation. Though these are areas of focus in our audit, they were not the matters of most significance in the audit of the financial statements for the current period.

We ensured that the audit teams at both group and component level included the appropriate skills and competences required for the audit of a bank and an investment manager. We therefore included experts and specialists in areas such as IT and taxation, as well as experts in the areas of valuation and credit modelling in our team.

The outline of our audit approach was as follows:

Materiality

- Overall materiality: EUR 5.2 million.

Audit scope

- We conducted audit work on Triodos Bank N.V.'s head office activities (hereafter: head office), its branches in the Netherlands, Germany, Spain and Belgium, Triodos Bank UK Ltd. and Triodos Investment Management B.V.
- Site visits were made by the group audit team to Belgium, Spain and the United Kingdom.
- We attended the closing meetings of head office, the branches in the Netherlands, Germany, Spain and Belgium, Triodos Bank UK Ltd. and Triodos Investment Management B.V. In addition, we reviewed selected working papers of our component auditors.
- Audit coverage: 99% of consolidated total income, 99% of consolidated total assets and 96% of consolidated profit before tax.

Key audit matters

- Allowance for expected credit losses on loans and advances to customers.
- Fair value measurement of level 2 and level 3 financial instruments.
- Legal proceedings in relation to DR certificates

Materiality
The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	EUR 5.2 million (2022: EUR 4.1 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 5% of profit before tax (prior year: 0.33% of total equity).
Rationale for benchmark applied	Compared to last year, we changed the primary materiality benchmark from equity to profit before tax. Both are commonly used (alternative benchmark) in the banking industry. Based on our analysis of the common information needs of the users of the financial statements, we decided for the 2023 audit to change the benchmark, primarily given the result of the introduction of the MTF and the observed increased focus and attention on profits and return on investments of stakeholders in the Bank. We utilised a 5% threshold, based on our professional judgement, noting it is within the range of commonly acceptable thresholds and the predominant threshold used for a bank with similar characteristics.
Component materiality	To each component in our audit scope, we, based on our judgement, allocated materiality that is less than our overall group materiality. The range of materiality allocated across components was between EUR 1.5 million and EUR 4.3 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons. We agreed with the supervisory board that we would report to them any misstatement identified during our audit above EUR 260 thousand (2022: EUR 207 thousand) as well as misstatements below that amount that, in our view, warrant reporting for qualitative reasons. For balance sheet only reclassifications, we agreed with the supervisory board to report on misstatements above EUR 9.5 million (2022: EUR 7.9 million).

The scope of our group audit
Triodos Bank N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Triodos Bank N.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

In determining the scope of the group audit, we assessed the components that are individually financially significant to the Group (i.e., significant component), specifically: head office, its branches (the Netherlands, Germany, Belgium and Spain), Triodos Bank UK Ltd. and Triodos Investment Management B.V. We subjected these components to audits of their complete financial information (full scope audit).

In total, in performing these procedures, we achieved the following coverage:

Total income	99%
Total assets	99%
Profit before tax	96%

For the remaining components, we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The group engagement team performed the audit work for the head office and the Netherlands branch. For Triodos

Investment Management B.V. we used a component auditor in the Netherlands. For the branches in Germany, Belgium and Spain and Triodos Bank UK Ltd., we used component auditors who are familiar with the local laws and regulations to perform the audit work. All components in scope for group reporting are audited by PwC member firms.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included amongst others our risk analysis, materiality and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments relevant for the component auditors, the risks identified, the materiality levels to be applied and our group audit approach.

We had individual interactions with each of the in-scope component audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters that could be of relevance for the consolidated financial statements. In addition, we reviewed a selection of working papers of our component auditors. During the closing meetings with local management and the component auditors, we discussed the strategy and financial performance of the local businesses, as well as the audit plan and execution, significant risks and other relevant audit topics and findings.

In the current year, site visits were made by the group audit team to Belgium, Spain and the United Kingdom. During these visits, we held in-person meetings with representatives of local management and with our component teams. For each of the in-scope locations, we reviewed selected working papers of the respective component auditors.

Given the importance of the judgements involved in litigation and claims from DR holders, the component auditor of the Spanish branch and the group engagement team were in close contact throughout the year about the findings of their procedures and other matters of relevance for the consolidated financial statements.

The group engagement team performed the audit work on the group consolidation, financial statements disclosures and a number of more complex items and topics at the head office, as these are performed centrally. These included amongst others derivative financial instruments, hedge accounting and allowance for expected credit losses on loans and advances to customers (stage 1 and 2).

Banks in general depend on an effective and efficient information technology (IT) environment. We engaged our IT specialists to assist us in assessing, for the purpose and to the extent relevant for our audit, the information technology general controls ('ITGCs') within the Group. This includes the policies and procedures used by the Group to ensure IT operates as intended and provides reliable data for financial reporting purposes. Furthermore, our IT specialists supported us in our key report testing and application controls testing.

We tailored our approach towards the fact that the Group operates an in-house developed IT system as well as off-the-shelf IT systems throughout the Group.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit, we obtained an understanding of the entity and its environment and the components of the internal control system. This included the executive board's risk assessment process, the executive board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the

outcomes. We refer to the paragraph ‘fraud risk’ in the risk management section of the financial statements and in section 1.6 ‘risk and compliance’ of the executive board report on how the risk of fraud is managed and mitigated by the Bank.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We conducted interviews with members of the executive board, the supervisory board and with others within the Bank, including internal audit, operational risk management and compliance, to obtain an understanding of the Bank's fraud risk assessment and of the processes for identifying and responding to the risks of fraud and the internal controls that the executive board has established to mitigate these risks.

As described in the auditing standards, management override of controls and risk of fraud in revenue recognition are presumed risks of fraud. Inherently, management of a company is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We addressed this risk of management override of controls, including evaluating whether there was evidence of bias in management's estimates and judgements that may represent a risk of material misstatement due to fraud (we refer in this respect to the key audit matters ‘allowance for expected credit losses of loans and advances to customers’).

The audit procedures to respond to the assessed risks include, amongst others, evaluation of the design and the implementation of internal controls that intend to mitigate fraud risks, assessing the Group's code of conduct, whistle-blower procedures and incident registration, back-testing of prior year's estimates, and procedures on unexpected journal entries with the support of data analytics. Furthermore, we paid attention to significant transactions outside the normal course of business.

With regard to the risk of fraud in revenue recognition, based on our risk assessment procedures, we concluded that this risk is related to revenue recognition in areas that are more complex, non–systematic or manual in nature, such as fee and commission income. We instructed our component auditors to perform procedures over this risk, including evaluation of the design and implementation of relevant internal controls, and procedures over revenue recognition such as test of details of fees and commissions, to ensure that the income recorded exists and is accurate.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Our procedures did not lead to indications for fraud potentially resulting in material misstatements in the context of our financial statements audit.

Audit approach with respect to non-compliance with laws and regulations

There is an industry risk that emerging compliance areas have not been identified and/or addressed by the executive board for financial statement purposes. This includes the consideration whether there is a need for the recognition of a provision or a contingent liability disclosure on the future outcome of legal or regulatory processes.

The primary responsibility for the prevention and the detection of non-compliance with laws and regulations lies with the executive board with the oversight of the supervisory board.

The objectives of our audit with respect to non-compliance with laws and regulations are:

- to identify and assess the risk of material misstatement of the financial statements due to non–compliance with laws and regulations; and
- to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

In line with Dutch Standard 250, we made in our audit approach a distinction between those laws and regulations that:

- have a direct effect on the determination of material amounts and disclosures in the financial statements. For this category, we obtained amongst others audit evidence regarding compliance with the provision of those laws and regulations; and
- do not have a direct effect on the determination of material amounts and disclosures in the financial statements, but where compliance may be fundamental to the operating aspects of the business.

Those include amongst others the Bank's ability to continue its business or to avoid material penalties (e.g. Anti-money laundering and anti-terrorist financing act (Wwft)). For this category, we inquired with members of the executive board, the supervisory board and the compliance department as to whether the Bank is compliant with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

Audit approach going concern
As disclosed in the paragraph 'basis of preparation' in the notes to the consolidated financial statements, the executive board performed their assessment of the Group's ability to continue as a going concern for the foreseeable future and has not identified events or conditions that may cast significant doubt on the Group's ability to continue as a going concern (hereafter: going-concern risks).

The executive board performed its assessment of the Bank's ability to continue as a going concern for at least twelve months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

We evaluated the executive board's assessment of the Group's ability to continue as a going concern. In doing so, we amongst others:

- considered whether the executive board's going-concern assessment includes all relevant information of which we are aware as a result of our audit procedures.
- read correspondence with the relevant regulators with regard to regulatory capital and liquidity requirements of the Group, as well as other correspondence such as the findings of the DNB's Supervisory Review and Evaluation Process (SREP), which determines the Group's required regulatory ratios;
- evaluated the Bank's medium-term planning and budget process (specifically for the next twelve months);
- analysed whether the current and the required liquidity has been secured to enable the continuation of the Bank's compliance with relevant prudential requirements;
- considered the results of our (other) risk assessment procedures and related activities performed to identify events or conditions that may cast significant doubt on the Group's ability to continue as a going concern;
- gained an understanding and evaluated the Group's financial position and stress testing of liquidity and regulatory capital requirements, including the severity of the stress scenarios that were applied;
- evaluated the adequacy of the disclosures in paragraph 'basis of preparation' to the financial statements in relation to going concern; and
- performed inquiries of the executive board as to its knowledge of going-concern risks beyond the period of the executive board's assessment.

Our procedures did not result in conclusions contrary to the executive board's assumptions and judgements used in the application of the going-concern assumption.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.

Our key audit matters 'allowance for expected credit losses of loans and advances to customers' and 'fair value measurement of level 2 and level 3 financial instruments' are recurring, as they relate to the Group's primary business processes and objectives and are therefore expected to occur every year. Compared to last year the key audit matter 'an organization in transition' has been made more specific and now only relates to the legal proceedings in relation to DR certificates.

Key audit matter	Our audit work and observations
Allowance for expected credit losses on loans and advances to customers Refer to sections 'Critical judgements and estimates', 'Impairment of financial assets', 'Financial instruments', note 3 'Loans and advances to customers' and paragraph 'Credit risk' in the Risk management section of the financial statements. In accordance with the requirements of IFRS 9 'Financial instruments', the Bank applies a three-stage expected credit loss impairment model: • stage 1: for assets that have not had a significant increase in credit risk ('SICR') since initial recognition, twelve-month expected credit losses ('ECL') are recognised; • stage 2: for assets that have experienced a SICR since initial recognition, but do not have objective evidence of impairment, lifetime ECLs are recognised; and • stage 3: for assets that have objective evidence of impairment at the reporting date, lifetime ECLs are recognised. The Bank has two different models. One for business loans and one for mortgage loans, based on the differences in characteristics. For business loans, the lifetime ECL in stage 3 is determined on a loan-by-loan basis. As the executive board considers the impact of climate risk to be limited on the Group's loan portfolios, the current models do not specifically measure or quantify the impact of risk resulting from transitional or physical climate change impact into the credit risk provisions. Model methodology and inputs (stage 1 and 2) In the models, the Bank utilises amongst others the probability of default (PD), the loss-given default (LGD) and the exposure at default (EAD) are important input parameters. The critical data elements as input for these models are retrieved from the core banking source systems. Additionally, three global macroeconomic scenarios (base, upside and downside) are incorporated into the models and the probability of the scenarios is weighted in order to determine the expected credit losses. When data limitations or other inherent model limitations are identified, expert judgement is applied to the model inputs.	**Control environment** Our audit procedures over the allowance for expected credit losses for loans and advances to customers started with gaining an understanding of the Group's internal controls over the credit risk management and impairment processes. We evaluated the governance framework over the development, periodic validation and calibration of the ECL models. We evaluated the design and tested the operating effectiveness of the Group's key controls in the following areas: • the loan origination and administration process, both for mortgages and business lending; • the internal credit rating system; • measuring and determining SICR; and • the review and approval process that management has in place for timely, accurate and complete determination of stage 3 loan–by–loan ECL allowances for business loans. We determined that we could rely on these controls for the purpose of our audit. Assessment of model-based ECL (stage 1 and 2) With support of our internal credit modelling experts, we performed the following procedures on the model-based ECL as at 31 December 2023: • evaluation of the reasonableness of the applied model methodology (including the assumptions regarding PD, LGD and EAD, applied criteria for SICR, assumptions for the measurement of ECL, and the number and relative weightings of forward-looking scenarios) in line with EU-IFRS and market practice; • evaluation of the applied definition of default and assessing the conceptual soundness; • evaluation of the macro-economic scenarios and macroeconomic variables applied by challenging these with observable market data; • testing the input data and data lineage in respect of the critical data elements and a reconciliation of a sample of input data to the source systems; • challenging management on the reasonableness of their provided explanations and evidence supporting the key model parameters; and • partial reperformance of the model assessment procedures performed by the model developers focusing on the more significant tests such as back-testing procedures on PD and EAD.

Key audit matter	Our audit work and observations
Stage 3 ECL allowance business loans For each individually credit-impaired business loan, the Group determines an impairment allowance based on management's most likely scenarios considering assumptions and data like timely identification of impairment triggers, expected future cash flows, discount rates and the value and recoverability of the corresponding collateral. The recorded ECL is the probability weighted average of the different identified scenarios. Judgements and estimation uncertainty The judgements and estimation uncertainty in the allowance for expected credit losses for loans and advances to customers are primarily linked to the following aspects: • determining criteria for SICR; • establishing the number and relative weightings of (forward-looking) scenarios; • establishing the number and relative weightings of (forward-looking) recovery scenarios for individually assessed credit-impaired business loans; • the determination of the future cash flows based on the appropriate use of key parameters (such as forward-looking information) and the valuation of the recoverable collateral; and • the need of determining sector specific exposures as vulnerable to macroeconomic events and the model overlay implications of this in the ECL models. The complexity of the models in the current inflationary environment and persisting interest rate rises, along with the significance of the assumptions applied and judgements made by management, increase the risks of material misstatement. Therefore, we consider this to be a key audit matter in our audit.	We paid attention to the potential impact of physical and transition climate-related risks on the allowance for expected credit losses. In this context, we assessed stress tests and self-assessments performed by management including the evaluation of the risk and any risk mitigating measures present within the Group. The impact of physical and transition climate-related risks currently does not have a material impact on the measurement of the loans and advances to customers. Assessment of individually assessed loans ECL allowance (stage 3) We examined the methodology applied by the Group in determining the loan-by-loan ECL allowances. We validated a sample of loans included in the specific loan loss provision to verify judgemental elements such as: • the nature and accuracy of the expected future cash flows; • valuation of the corresponding collateral based on external appraisal reports and other external information, with an independent valuation performed by our valuation experts, for a sample of collateral objects; • evaluating management's analysis of the probability allocation of the recovery scenarios; and • furthermore, we assessed the watch list, past due listings and loans with low credit ratings and compared these to the loans actually provided for in the specific loan loss provision to determine whether the loans were adequately classified as performing or non-performing. Furthermore, we assessed the adequacy of the disclosures, including disclosures on estimation uncertainty and judgements, and observed that the disclosures comply with the disclosure requirements included in EU-IFRS. Based on the above, we assessed the methodology and inputs for determining the allowance for expected credit losses on loans and advances to customers to be in line with market and industry practice.

Key audit matter	Our audit work and observations
Fair value measurement of level 2 and level 3 financial instruments Refer to sections 'Critical judgements and estimates', 'Financial Instruments', 'Derivatives' and 'Investment securities', note 3 'Loans and advances to customers' (fair value hedge accounting), note 5 'Investment securities', note 10 'Non-trading derivatives' in the financial statements, and paragraphs 'Fair value of financial instruments' and 'Non-trading derivatives and hedge accounting' in the Risk management section of the financial statements In the determination of the fair value of financial instruments, the fair value hierarchy is applied: • level 1: valuations based on quoted prices (unadjusted) in active markets for identical instruments; • level 2: valuations based on other than quoted market prices within level 1 that are observable either directly or indirectly; and • level 3: valuations based on unobservable inputs for the asset. The areas that involved significant audit effort and judgement relate to the level 2 and level 3 investments, since these are valued using model valuations instead of quoted prices in an active market. No level 3 debt securities are held as at 31 December 2023 while some equity instruments are included as level 3 financial instruments. The fair value of level 2 and level 3 financial instruments is determined using valuation techniques (such as discounted cash flow models) and the use of assumptions and estimates. The judgement applied by management mainly relates to: • the price used for the level 2 and level 3 investment securities and debt securities; • the discount rates used in the valuation of the (embedded) derivatives; and • prepayment rate and spread applied in the valuation of loans and advances to customers.	**Control environment** Our audit procedures included an assessment of the overall governance of the treasury and investment process of the Group and the testing of design and operational effectiveness of the key controls with respect to financial instrument deal capturing and source data management. We determined that we could rely on these controls for the purpose of our audit. For a sample of the investment securities, we performed the following substantive procedures: • testing the mathematical accuracy of the valuation performed by management; • reconciling the applied pricing at year-end to supporting documentation and assessed the appropriateness of the pricing applied; and • assessing the classification as participating interest based on the level of influence. Based on the above, we assessed the estimates in line with industry practice. For our substantive audit procedures with respect to derivatives we performed the following: • evaluating the appropriateness of the valuation models used considering market practices; • comparing on a sample basis the observable input data against externally available market data and evaluating the reasonableness of the unobservable inputs applied; and • independently reperforming management's valuation using our own valuation tools for the full portfolio of derivatives and debt securities. We identified no material differences in the reperformance of the valuation of the financial instruments nor in the testing of the input data. Based on our independent valuation procedures performed, we consider the estimates made by management to be within an acceptable range in the context of the estimation uncertainty in the fair valuation of these financial instruments. Furthermore, we assessed the adequacy of the disclosures, including disclosures on estimation uncertainty and judgements, and observed that the disclosures comply with the disclosure requirements included in EU-IFRS.

Key audit matter	Our audit work and observations
Legal proceedings in relation to DR certificates Refer to sections 'Critical judgements and estimates', note 19 'Contingent liabilities' and 'Legal proceedings' in the financial statements Triggered by the suspension of trading in depository receipts issues by the Bank and the decision to pursue an MTF listing, the Bank received complaints and claims from certain DR holders and was subject to negative media attention. During 2023 there has been significant communication and interaction with DR holders and interest groups representing DR holders. Judgements and estimation uncertainty The recognition and measurement of provisions and the disclosure of (contingent) liabilities require considerable management judgement regarding the future outcome of existing and potential court cases with DR holders. Given the inherent uncertainty and the judgemental nature, we determined the provisions and disclosures on contingent liabilities due to legal proceedings by DR holders to be of importance to our audit. Therefore, we determined this to be a key audit matter in our audit.	We performed the following procedures on the accounting and disclosure for legal proceedings by DR holders as at 31 December 2023: • evaluated the design and implementation of controls by the Bank to identify, monitor and disclose for liabilities and DR claims, and to assess the completeness and accuracy of data used to estimate DR claims; • for claims cases brought before courts, requested the external lawyer of the Bank to provide us with their perspective in order to scrutinize the legal uncertainties and assumptions used; • examined relevant internal reports as well as regulatory and legal correspondence throughout the year to evaluate developments; • held meetings with local management and the Bank's internal and external legal counsel to get further legal context, insights into the case-by-case probability weighting of scenarios and the accounting implications as at 31 December 2023; • evaluated and challenged the assumptions used by the Bank in determining the case-by-case provision, for cost compensation that plaintiffs may be entitled to; • we challenged the Bank's assessment on DR legal cases and resulting conclusion. In particular for those cases where the Bank concluded that there is not a more likely than not chance of outflow and thus no provision was recognised for these cases at 31 December 2023; • inquired with the Bank's risk, compliance, and internal audit departments, as well as the executive, supervisory boards and legal departments, to evaluate the existing and potentially new obligations and litigation matters; and • we assessed the disclosures that were made in highlighting the uncertainties and exposures of provisions and contingent liabilities due to litigation and claims.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were re-appointed as auditors for another period of four years on 20 March 2019 by the supervisory board, following the passing of a resolution by the shareholders at the annual meeting held on 17 May 2019. Currently, we are at a total period of uninterrupted engagement appointment of eight years. Following the passing of a resolution by the DR holders at the annual meeting held on 26 May 2023, we were appointed for another period of two years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Bank or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 'Independent auditor's fees' to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the executive board and the supervisory board for the financial statements

The executive board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the executive board is responsible for assessing the Bank's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going-concern basis of accounting unless the executive board either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so. The executive board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Bank's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Bank's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Appendix to our auditor's report on the financial statements 2023 of Triodos Bank N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluding on the appropriateness of the executive board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Assurance report of the independent auditor

To: the general meeting and supervisory board of Triodos Bank N.V.

Assurance report with limited assurance on the sustainability information 2023

Our conclusion

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the sustainability information included in the annual report 2023 of Triodos Bank N.V. (the 'Bank') does not present fairly, in all material respects:

- the policy with regards to corporate social sustainability; and
- the business operations, events and achievements in that area for the year ended 31 December 2023, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria developed by the Bank as included in the section 'About this report' of our report.

What we have reviewed
We have reviewed the sustainability information included in the following sections of the annual report 2023 (hereafter: the sustainability information):

- Triodos Bank in 2023;
- Our impact;
- ESG reporting;
- Risk management;
- Appendix I - GABV Scorecard; and
- Appendix II – EU Taxonomy table.

A review is aimed at obtaining a limited level of assurance.

The basis for our conclusion

We conducted our review in accordance with Dutch law, including Dutch Standard 3810N 'Assuranceopdrachten inzake duurzaamheidsverslaggeving' (assurance engagements relating to sustainability reporting), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' of our report.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control
We are independent of Triodos Bank N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO - Code of ethics for professional accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA - Dutch Code of ethics for professional accountants, a regulation with respect to rules of professional conduct).

PwC applies the 'Nadere voorschriften kwaliteitssystemen' (NVKS – Regulations for quality systems) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Reporting criteria
The reporting criteria applied for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria, as disclosed in chapter 'About this report' of the annual report 2023.

The sustainability information is prepared in accordance with the GRI Standards and the supplemental reporting criteria, as disclosed in chapter 'ESG Reporting –

Framework and Standards' of the annual report 2023. The GRI Standards applied are listed in the GRI Content Index as disclosed in the annual report 2023.

The absence of an established practice on which to draw, to evaluate and measure the sustainability information allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

Consequently, the sustainability information needs to be read and understood together with the reporting criteria applied.

Limitations to the scope of our review

The sustainability information includes prospective information such as expectations on ambitions, strategy, plans, and estimates. Inherent to this prospective information, the actual future results are uncertain, and are likely to differ from these expectations. These differences may be material. We do not provide any assurance on the assumptions and achievability of prospective information.

In the sustainability information references are made to external sources or websites. The information on these external sources or websites is not part of the sustainability information reviewed by us. We therefore do not provide assurance on this information.

With regards to the calculated CO2e emissions related to Triodos Bank N.V.'s loans and investments portfolio (the financed emissions) as at 31 December 2023 based on the PCAF methodology we have performed review procedures on the application of the methodology, not on the actual emissions itself. Our work did not include testing of proxies of industry related emission data and modelled data nor did it include testing of client data.

With regards to the calculation of the negative environmental and social impact of wind and solar energy projects financed by the Bank as at 31 December 2023, based on the Impact Institute model, we have performed review procedures on the application of the methodology. Our work did not include testing of model parameters based on assumptions.

Responsibilities for the sustainability information and the review thereon

Responsibilities of the executive board and the supervisory board for the sustainability information

The executive board of Triodos Bank N.V. is responsible for the preparation and fair presentation of the sustainability information in accordance with the reporting criteria as included in the section 'About this report', including applying the reporting criteria, the identification of stakeholders and the definition of material matters. The executive board is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of the intended stakeholders, considering applicable law and regulations related to reporting. The choices made by the executive board regarding the scope of the sustainability information and the reporting policy are summarised in the section 'About the report' of the annual report 2023.

Furthermore, the executive board is responsible for such internal control as the executive board determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the Bank's reporting process on the sustainability information.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the sustainability information is free from material misstatements and to issue a limited assurance conclusion in our report. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a review (limited assurance) is therefore substantially less than the assurance obtained in an audit (reasonable assurance) in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Procedures performed
We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, amongst other things of the following:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues and the characteristics of the Bank.
- Evaluating the appropriateness of the reporting criteria applied, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the Bank's materiality assessment and the reasonableness of estimates made by the executive board.
- Through inquiries, obtaining a general understanding of the control environment, the reporting processes, and the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without obtaining assurance evidence about the implementation or testing the operating effectiveness of controls.
- Identifying areas of the sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise.
- Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted among others of:
  - Interviewing management and relevant staff at various levels responsible for the sustainability strategy, policy and results.
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information.
  - Obtaining assurance evidence that the sustainability information reconciles to underlying records of the Bank.
  - Reviewing, on a limited test basis, relevant internal and external documentation.
  - Considering the data and trends.
  - Considering whether the assumptions applied in the calculation of the impact data as included in the chapter Our approach to impact are plausible, which are included in the methodology of the impact model.
  - Evaluating the suitability and plausibility of the assumptions and external sources used in the calculations on which the impact data as included in the chapter Our approach to impact is based, which are included in the methodology of the impact model.

- With regards to the calculated CO2e emissions related to Triodos Bank N.V.'s loans and investments portfolio (the financed emissions) as at 31 December 2023 based on the PCAF methodology we have performed review procedures on the application of the methodology, not on the actual emissions itself. Our procedures performed included:
  - Assessing the reasonableness of the scope of the measurement and the suitability of the methodology chosen.
  - Reviewing the final report of the measurement containing a description of the calculation models, assumptions used and the outcome(s) of the calculated CO2e emissions.
  - Obtaining a key understanding of the calculation model.
  - Reviewing the relevant assumptions on suitability, reasonableness, completeness and relevance.
  - Reconciling a sample of emissions factors, proxies of industry related emission data, modelled data and client data to the external sources.
  - Reconciling the loans and investments portfolio balances as at 31 December 2023 to the underlying financial administration.
- With regards to the negative environmental and social impact of wind and solar energy projects financed by the Bank as at 31 December 2023 and based on Impact Institute model we have performed review procedures on the application of the model, not on the assumptions itself. Our procedures performed included:
  - Obtaining a key understanding of the model, calculations and assumptions applied.
  - Assessing relevant assumptions on suitability, reasonableness, completeness and relevance of the model.
  - Sampling of the life cycle assessment factors, reconciliation of the factors to the external source, excluding reference data.

  - Reconciliation of the renewable energy wind and solar portfolio balance with the underlying financial administration.
  - Assessing the reasonableness of the scope of the measurement and the suitability of the methodology chosen.

- Reconciling the relevant financial information to the financial statements.

- Considering the consistency of the sustainability information with the information in the annual report, which is not included in the scope of our review.
- Considering the overall presentation, structure and balanced content of the sustainability information.
- Considering whether the sustainability information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with the applicable reporting criteria.

We have communicated with the supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we have identified during our review.

Amsterdam, 13 March 2024

PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.S. de Bruin RA

The film Sauvages! communicates the importance of environmental conservation, sustainable living and the interdependence of all living beings.

Appendices

Appendix I – GABV scorecard

The Global Alliance for Banking on Values (GABV) scorecard provides qualitative and quantitative evidence of the sustainable impact of banks. You can find Triodos Bank's full scorecard here: www.gabv.org/the-impact/the-scorecard. Here, we report the quantitative impact of Triodos Bank, as a strong indicator of Triodos Bank's values-based agenda, not least because these measures are linked to Principles of Values Based Banking, established by the GABV and its members (available on the same page above).

These factors provide insights into the three key elements of a bank's activity, which are fundamental to understanding its focus on values-based banking:
- Focus on a triple bottom line of people, planet and prosperity
- Focus on the real economy
- Financial viability

Triodos Bank's performance in relation to these factors follows below. For further explanation see the general accounting principles on page 218.

GABV scorecard

Triple bottom line assets ratio

This figure provides the best indication of a bank's commitment to sustainability. Triple Bottom line assets (TBL) don't just mean assets in the real economy. They specifically refer to assets focused on social empowerment, environmental regeneration and economic resilience: people, planet and prosperity. This figure relates to assets on the balance sheet only.

Not all assets will be committed, however, because some liquidity needs to be available for the bank to support its clients in case of disruptions in the market such as repaying savings deposited with it. The increase of the loans to customers and a shift from liquidities to TBL debt securities has resulted in a higher triple bottom line ratio in 2023.

Quantitative factors	2023	2022	2021	2020	2019
Assets committed to the triple bottom line to total assets	82.0%	77.4%	70.1%	73.9%	74.5%
Assets committed to the real economy to total assets	77.3%	77.1%	70.2%	75.4%	75.7%
Income from the real economy to total income	80.5%	92.9%	95.1%	97.6%	96.6%
Bank resiliency through earnings: 3 year average return on assets	0.37%	0.27%	0.28%	0.28%	0.32%
Bank resiliency through capital: Equity to total assets	8.0%	7.9%	7.6%	8.7%	9.9%
Bank resiliency through asset quality: Low-quality assets to total assets	2.0%	2.0%	1.5%	1.5%	1.1%
Bank resiliency through client based liquidity: Customer deposits to total assets	85.1%	87.4%	80.5%	84.6%	88.5%

Real-economy assets ratio

Assets and financial exposures can be classified as 'real economy' (as opposed to financial economy) if they are directly linked to a real economy asset or activity. This means that the asset is aimed at directly supporting the production of goods and services, as opposed to focusing primarily on buying and selling in the financial markets. Values-based banks are strongly and directly connected to financing the real economy because that's where they can have a positive impact on people's lives and safeguard the environment. Triodos Bank lends and invests in the real economy for this reason. Real-economy assets in a values-based bank should, therefore, be relatively high. By the same token financial economy assets should be relatively low because their impact on people's lives is, at best, indirect.

In addition to a relatively high real-economy assets ratio, Triodos Bank targets a ratio of customer loans (almost all of which are in the real economy) to deposits of 75 to 85% to make sure it always has enough money available (or liquidity) to support its clients in case of disruptions in the market. Where it is possible to do so, and to have access to the banking services we need, this liquidity is invested in line with Triodos Bank's minimum standards. In 2023 most investments were in 'neutral' organisations like municipalities and sovereign debt.

Real economy income ratio

If a bank is earning more of its income from the real economy, it is both making more of a difference to people's lives and is a more resilient institution. Income from the financial economy tends to be more volatile, more removed from most people's lives, highly unlikely to be sustainable and means a bank is less resilient over the long term.

In 2023, the real economy income ratio declined due to relative higher interest expenses on customer deposits and lower fee and commission income from customers compared to last year.

Average return on assets ratio

This figure relates to how profitable a bank is and is a good measure of a bank's operating performance. This is important because sustainable banks need to be resilient financially, in order to deliver long-term, positive impact. It is also reasonable to assume that if a bank's profits are excessively high, the bank may be taking inappropriate risks and may be enjoying unreasonable profits at the expense of its customers.

The three year average return on assets has improved considerably due to a strong profit in 2023, mainly from increased interest income.

Equity to total assets ratio

This figure tells you how strong a bank is. It includes the total balance sheet, which means it provides a transparent and conservative measure of a bank's resiliency. This is important for values-based banks which are focused on lasting benefits to society, and want to develop strong capital positions that make them stronger over the long term. Other measures, such as Risk Weighted Assets, are used for the same purpose but they are both more complex and less transparent, so the scorecard has chosen to use equity to total assets instead.

As a guide, a benchmark figure of 8% is significantly higher than regulatory requirements. Triodos Bank's equity to total assets figure has, except for the years 2021 and 2022, consistently been on or well above this level. In 2023 Triodos Bank increased its equity by 2.9%, or EUR 37 million, from EUR 1,252 million to EUR 1,289 million. This increase is caused by retained net profit. Triodos Bank's balance sheet total increased by 2.4% to EUR 16.2 billion (2022: 15.8 billion), mainly by growth of the mortgage portfolio in the Netherlands.

Asset quality ratio

Low quality assets (such as loans to enterprises that struggle to repay them), at levels significantly above the market average, are generally a bad thing for banks because they represent the risk of financial losses in the future. Values-based banks should have strong customer relationships, and have a deep understanding of their activities and the sectors they work in. Together this will limit the chances of loans and investments going wrong in the first place and should make working through challenges with clients easier when problems do occur. Meaningful relationships with customers and precisely this expertise, is at the core of Triodos Bank's approach to banking.

In 2023, the volume of defaults remained stable. The asset quality ratio is mainly affected by two large, defaulted exposures at Triodos Bank UK.

Customer deposits ratio

Banks finance their assets (such as loans, investments and their wider activities) with money that's either deposited with them by customers, borrowed from others (mostly other banks), or sourced from investors.
A large amount of borrowing from the markets to finance a bank's activity is, by definition, riskier because markets are more volatile. Banks are both stronger and more values-based when more of the money they use to finance their activity comes from customers. High levels of funding from customer deposits suggests a strong connection with clients and the real economy – both important elements of a values-based bank.

Triodos Bank funds most of its lending from customer deposits.

Appendix II – EU Taxonomy table

Explaining the template

Triodos Bank uses the templates in Annex VI of the Taxonomy Art. 8 Delegated Act. This is the the first year alignment is reported in addition to eligibilty. The assessment of Taxonomy alignment for 2023 includes our business loans, treasury positions, mortgage loans, specialised lending to municipalities and equity positions on our balance sheet. Exposures within Triodos Bank UK are to be considered if they are to (subsidiaries of) an EU based group. Triodos Investment Management activities are seen as 'off-balance sheet positions'. Additionally, while Triodos Investment Management is active in Europe, the global activities outside the EU are out of scope for Taxonomy-eligibility. The information referred to in Art. 8(6) and (7) on nuclear and fossil gas related activities can be found at the end of this annex. Triodos Bank can input "No" for all six questions because all of these activities are excluded based on the Minimum Standards. In the templates below, a blank cell implies not applicable, a "-" implies 0.

The EU Taxonomy figures can be reported at three levels: client-level, position-level, or object-level. Client-level represents EU Taxonomy figures of the (parent of) the client, as reported in their annual reports. Position-level becomes relevant when the asset has a known use of proceeds. Alignment can then either be derived from the full EU Taxonomy tables in the annual report of the (parent) company, or from information about the use of proceeds obtained bilaterally. Residential mortgages are a special case where it concerns loans with a known use of proceeds where alignment is determined at object-level. Substantial Contribution to the environmental objective of CCM of mortgages is based on the energy label of the collateral. Triodos has 11 years of track record collecting energy performance certificates, that are also used for the interest rates of the mortgages. In the Netherlands, these certificates are used complementary to freely accessible public database EP-online. Do No Significant Harm to the environmental objective of CCA is assessed using a physical climate risk model. More information can be found on the website of our 2023 annual report where we have published a more detailed methodology on how we report on the EU Taxonomy.

The EU Taxonomy information is disclosed at the level of "prudential consolidation", meaning on the basis of the prudential consolidated financial statements that are disclosed in the context of supervisory financial reporting (FinRep). To ensure consistency with the annual accounts, FinRep is reconciled with the consolidated financial statements. The major difference stems in the requirement to report EU Taxonomy figures in gross carrying amounts (amortised cost of a financial asset before adjusting for any loss allowance), whereas the IFRS balance sheet total is reported in carrying amounts.

Assumptions and limitations

For a correct categorisation of the numerator and denominator we need to know if a counterparty is subject to NFRD disclosure obligations. For this NFRD assessment, no public database or repository is present in the EU to determine which counterparties must report on non-financial information. The NFRD check consisted of two steps. In the first phase we determined whether counterparties on an entity or consolidated basis met the size thresholds for NFRD. If these size thresholds were met, a PIE (Public Interest Entity) assessment was performed. In several instances clients have indicated they are not obligated to report under NFRD. In those situations we consider the client information to be leading and we do not consider the client as being NFRD-obligatory.

0. Summary of KPIs

in EURm	Total environmentally sustainable assets Turnover	CapEx	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Green asset ratio (GAR) stock	2,457.4	2,465.1	**19.7%**	**19.7%**	**76.2%**	**39.3%**	**23.8%**
GAR (flow)	55.2	55.2	3.2%	3.2%	10.6%[4]		
Trading book[5]	-	-					
Financial guarantees	0.3	0.3	0.0%	0.0%			
Assets under management	169.9	204.9	18.0%	21.7%			
Fees and commissions income[6]							

1 based on the Turnover KPI of the counterparty
2 based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
3 % of assets covered by the KPI over banks´ total assets
4 flow of total GAR assets over total assets
5 For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
6 Fees and commissions income from services other than lending and AuM. Reporting as of January 2026

1. Assets for the calculation of GAR - Turnover

	in Million Euro	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,064.1	4,969.7	2,457.4	2,452.8	-	-
2	**Financial undertakings**	702.6	57.1	-	-	-	-
3	Credit institutions	456.8	54.9	-	-	-	-
4	Loans and advances	135.5	54.9	-	-	-	-
5	Debt securities, including UoP	306.4	-	-	-	-	-
6	Equity instruments	14.9	0.0	-		-	-
7	Other financial corporations	245.8	2.2	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	0.5	0.2	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	0.5	0.2	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	154.3	62.5	15.4	10.8	-	-
21	Loans and advances	129.4	43.5	11.3	10.8	-	-
22	Debt securities, including UoP	24.9	19.0	4.1	-	-	-

	in Million Euro	Total [gross] carrying amount	Climate Change Mitigation (CCM) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
23	Equity instruments	-	-	-		-	-
24	**Households**	5,063.4	4,778.3	2,442.0	2,442.0	-	-
25	of which loans collateralised by residential immovable property	4,778.3	4,778.3	2,442.0	2,442.0	-	-
26	of which building renovation loans	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	135.1	63.0	-	-	-	-
29	Housing financing	0.1	-	-	-	-	-
30	Other local government financing	135.0	63.0	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	8.7	8.7	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6,440.1					
33	**Financial and Non-financial undertakings**	5,849.8					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	4,534.2					
35	Loans and advances	4,339.9					
36	of which loans collateralised by commercial immovable property	1,245.3					
37	of which building renovation loans	-					
38	Debt securities	192.6					
39	Equity instruments	1.7					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,315.6					
41	Loans and advances	1,282.3					

	in Million Euro	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
42	Debt securities	10.8					
43	Equity instruments	22.5					
44	**Derivatives**	207.9					
45	**On demand interbank loans**	153.0					
46	**Cash and cash-related assets**	-					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	229.5					
48	**Total GAR assets**	12,504.2	4,969.7	2,457.4	2,452.8	-	-
49	**Assets not covered for GAR calculation**	3,900.7					
50	**Central governments and Supranational issuers**	1,759.7					
51	**Central banks exposure**	2,141.0					
52	**Trading book**	-					
53	**Total assets**	16,404.9	4,969.7	2,457.4	2,452.8	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	0.3	0.3	0.3	0.3	-	-
55	Assets under management	944.8	236.0	169.9	17.9	0.1	89.4
56	Of which debt securities	287.9	87.0	55.3	17.9	0.1	14.0
57	Of which equity instruments	656.9	149.0	114.6	-	0.0	75.4

in Million Euro	Total [gross] carrying amount	Climate Change Adaptation (CCA)				WTR	CE	PPC	BIO
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)
			Of which environmentally sustainable (Taxonomy-aligned)						
				Of which Use of Proceeds	Of which enabling				
1	6,064.1	2.3	-	-	-	1.7	-	-	-
2	702.6	-	-	-	-	-	-	-	-
3	456.8	-	-	-	-	-	-	-	-
4	135.5	-	-	-	-	-	-	-	-
5	306.4	-	-	-	-	-	-	-	-
6	14.9	-	-		-	-	-	-	-
7	245.8	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
11	-	-	-		-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-		-	-	-	-	-
16	0.5	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-
18	0.5	-	-	-	-	-	-	-	-
19	-	-	-		-	-	-	-	-
20	154.3	2.3	-	-	-	1.7	-	-	-
21	129.4	0.1	-	-	-	-	-	-	-
22	24.9	2.3	-	-	-	1.7	-	-	-
23	-	-	-		-	-	-	-	-
24	5,063.4	-	-	-	-	-	-	-	-
25	4,778.3	-	-	-	-	-	-	-	-

		Climate Change Adaptation (CCA)				WTR	CE	PPC	BIO
in Million Euro	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)
26	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	-	-	-
28	135.1	-	-	-	-	-	-	-	-
29	0.1	-	-	-	-	-	-	-	-
30	135.0	-	-	-	-	-	-	-	-
31	8.7	-	-	-	-	-	-	-	-
32	6,440.1								
33	5,849.8								
34	4,534.2								
35	4,339.9								
36	1,245.3								
37	-								
38	192.6								
39	1.7								
40	1,315.6								
41	1,282.3								
42	10.8								
43	22.5								
44	207.9								
45	153.0								
46	-								
47	229.5								
48	12,504.2	2.3	-	-	-	1.7	-	-	-
49	3,900.7								
50	1,759.7								

in Million Euro	Total [gross] carrying amount	Climate Change Adaptation (CCA)				WTR	CE	PPC	BIO
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)
			Of which environmentally sustainable (Taxonomy-aligned)						
				Of which Use of Proceeds	Of which enabling				
51	2,141.0								
52	-								
53	16,404.9	2.3	-	-	-	1.7	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	0.3	-	-	-	-	-	-	-	-
55	944.8	-	-	-	-	-	-	-	-
56	287.9	-	-	-	-	-	-	-	-
57	656.9	-	-	-	-	-	-	-	-

1. Assets for the calculation of GAR - CapEx

	in Million Euro	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,064.1	4,936.8	2,464.5	2,452.8	-	-
2	**Financial undertakings**	702.6	8.2	-	-	-	-
3	Credit institutions	456.8	6.1	-	-	-	-
4	Loans and advances	135.5	6.1	-	-	-	-
5	Debt securities, including UoP	306.4	-	-	-	-	-
6	Equity instruments	14.9	0.0	-		-	-
7	Other financial corporations	245.8	2.1	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	0.5	0.0	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	0.5	0.0	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	154.3	78.6	22.5	10.8	-	-
21	Loans and advances	129.4	58.3	12.4	10.8	-	-
22	Debt securities, including UoP	24.9	20.3	10.1	-	-	-

	in Million Euro	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
23	Equity instruments	-	-	-		-	-
24	**Households**	5,063.4	4,778.3	2,442.0	2,442.0	-	-
25	of which loans collateralised by residential immovable property	4,778.3	4,778.3	2,442.0	2,442.0	-	-
26	of which building renovation loans	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	135.1	63.0	-	-	-	-
29	Housing financing	0.1	-	-	-	-	-
30	Other local government financing	135.0	63.0	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	8.7	8.7	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6,440.1					
33	**Financial and Non-financial undertakings**	5,849.8					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	4,534.2					
35	Loans and advances	4,339.9					
36	of which loans collateralised by commercial immovable property	1,245.3					
37	of which building renovation loans	-					
38	Debt securities	192.6					
39	Equity instruments	1.7					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,315.6					
41	Loans and advances	1,282.3					

	in Million Euro	Total [gross] carrying amount	Climate Change Mitigation (CCM) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
42	Debt securities	10.8					
43	Equity instruments	22.5					
44	**Derivatives**	207.9					
45	**On demand interbank loans**	153.0					
46	**Cash and cash-related assets**	-					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	229.5					
48	**Total GAR assets**	12,504.2	4,936.8	2,464.5	2,452.8	-	-
49	**Assets not covered for GAR calculation**	3,900.7					
50	**Central governments and Supranational issuers**	1,759.7					
51	**Central banks exposure**	2,141.0					
52	**Trading book**	-					
53	**Total assets**	16,404.9	4,936.8	2,464.5	2,452.8	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	0.3	0.3	0.3	0.3	-	-
55	Assets under management	944.8	330.6	204.9	17.9	1.2	98.0
56	Of which debt securities	287.9	103.6	62.9	17.9	0.7	15.8
57	Of which equity instruments	656.9	227.0	142.1	-	0.6	82.2

in Million Euro	Total [gross] carrying amount	Climate Change Adaptation (CCA)				WTR	CE	PPC	BIO
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)
			Of which environmentally sustainable (Taxonomy-aligned)						
				Of which Use of Proceeds	Of which enabling				
1	6,064.1	13.9	0.7	-	-	1.7	-	-	-
2	702.6	-	-	-	-	-	-	-	-
3	456.8	-	-	-	-	-	-	-	-
4	135.5	-	-	-	-	-	-	-	-
5	306.4	-	-	-	-	-	-	-	-
6	14.9	-	-		-	-	-	-	-
7	245.8	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
11	-	-	-		-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-		-	-	-	-	-
16	0.5	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-
18	0.5	-	-	-	-	-	-	-	-
19	-	-	-		-	-	-	-	-
20	154.3	13.9	0.7	-	-	1.7	-	-	-
21	129.4	11.6	0.7	-	-	-	-	-	-
22	24.9	2.3	-	-	-	1.7	-	-	-
23	-	-	-		-	-	-	-	-
24	5,063.4	-	-	-	-	-	-	-	-

in Million Euro	Total [gross] carrying amount	Climate Change Adaptation (CCA)				WTR	CE	PPC	BIO
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)
			Of which environmentally sustainable (Taxonomy-aligned)						
				Of which Use of Proceeds	Of which enabling				
25	4,778.3	-	-	-	-	-	-	-	-
26	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	-	-	-
28	135.1	-	-	-	-	-	-	-	-
29	0.1	-	-	-	-	-	-	-	-
30	135.0	-	-	-	-	-	-	-	-
31	8.7	-	-	-	-	-	-	-	-
32	6,440.1								
33	5,849.8	0	0						
34	4,534.2	0	0						
35	4,339.9	0	0						
36	1,245.3	0	0						
37	-	0	0						
38	192.6	0	0						
39	1.7	0	0						
40	1,315.6	0	0						
41	1,282.3	0	0						
42	10.8	0	0						
43	22.5	0	0						
44	207.9	0	0						
45	153.0	0	0						
46	-	0	0						
47	229.5	0	0						
48	12,504.2	13.9	0.7	-	-	1.7	-	-	-
49	3,900.7	0	0						

in Million Euro	Total [gross] carrying amount	**Climate Change Adaptation (CCA)** Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	**WTR** Of which towards taxonomy relevant sectors (Taxonomy-eligible)	**CE** Of which towards taxonomy relevant sectors (Taxonomy-eligible)	**PPC** Of which towards taxonomy relevant sectors (Taxonomy-eligible)	**BIO** Of which towards taxonomy relevant sectors (Taxonomy-eligible)
50	1,759.7	0	0						
51	2,141.0	0	0						
52	-	0	0						
53	16,404.9	13.9	0.7	-	-	1.7	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	0.3	-	-	-	-	-	-	-	-
55	944.8	-	-	-	-	-	-	-	-
56	287.9	-	-	-	-	-	-	-	-
57	656.9	-	-	-	-	-	-	-	-

2. GAR sector information turnover

	Breakdown by sector - NACE 4 digits level (code and label)	CCM		CCA		WTR	CE	PPC	BIO
		Non-Financial corporates (Subject to NFRD)							
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Mn EUR	Mn EUR	Mn EUR
1	26	-	-	-	-	-	-	-	-
2	29_32	0.6	0.5	-	-	-	-	-	-
3	35	5.2	5.2	-	-	-	-	-	-
4	35_11	24.4	5.6	-	-	-	-	-	-
5	36_00	-	-	2.3	-	1.7	-	-	-
6	41_10	0.2	-	-	-	-	-	-	-
7	55_10	0.0	-	-	-	-	-	-	-
8	68_10	8.5	-	-	-	-	-	-	-
9	68_20	19.1	4.1	0.0	-	-	-	-	-
10	70_10	0.8	-	-	-	-	-	-	-
11	71_12	3.8	-	-	-	-	-	-	-
12	77_32	0.0	-	-	-	-	-	-	-
13	87_30	0.1	-	0.0	-	-	-	-	-
14	88_1	-	-	-	-	-	-	-	-
15	96_01	-	-	-	-	-	-	-	-

2. GAR sector information CapEx

	Breakdown by sector - NACE 4 digits level (code and label)	CCM		CCA		WTR	CE	PPC	BIO
		Non-Financial corporates (Subject to NFRD)							
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Mn EUR	Mn EUR	Mn EUR
1	26	-	-	-	-	-	-	-	-
2	29_32	0.6	0.6	-	-	-	-	-	-
3	35	5.2	5.2	-	-	-	-	-	-
4	35_11	24.4	5.6	-	-	-	-	-	-
5	36_00	-	-	2.3	-	1.7	-	-	-
6	41_10	1.7	-	-	-	-	-	-	-
7	55_10	0.0	-	0.0	-	-	-	-	-
8	68_10	8.5	-	-	-	-	-	-	-
9	68_20	20.9	10.3	0.4	0.2	-	-	-	-
10	70_10	5.8	-	5.0	-	-	-	-	-
11	71_12	3.8	-	-	-	-	-	-	-
12	77_32	0.7	-	-	-	-	-	-	-
13	87_30	2.0	0.8	1.3	0.5	-	-	-	-
14	88_1	2.1	-	2.1	-	-	-	-	-
15	96_01	2.8	-	2.8	-	-	-	-	-

3. GAR KPI stock turnover

	% (compared to total covered assets in the denominator)	CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	39.7%	19.7%	19.6%	0.0%	0.0%
2	**Financial undertakings**	0.5%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.4%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.4%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%
20	**Non-financial undertakings**	0.5%	0.1%	0.1%	0.0%	0.0%
21	Loans and advances	0.3%	0.1%	0.1%	0.0%	0.0%
22	Debt securities, including UoP	0.2%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%

	% (compared to total covered assets in the denominator)	CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
				Of which Use of Proceeds	Of which transitional	Of which enabling
24	**Households**	38.2%	19.5%	19.5%	0.0%	0.0%
25	of which loans collateralised by residential immovable property	38.2%	19.5%	19.5%	0.0%	0.0%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%
28	**Local governments financing**	0.5%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.5%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.1%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	39.7%	19.7%	19.6%	0.0%	0.0%

% (compared to total covered assets in the denominator)	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible				Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
		Taxonomy-aligned						
			Of which Use of Proceeds	Of which enabling				
1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
16	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
20	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

% (compared to total covered assets in the denominator)	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible				Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
		Taxonomy-aligned						
			Of which Use of Proceeds	Of which enabling				
26	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

3. GAR KPI stock CapEx

		CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	39.5%	19.7%	19.6%	0.0%	0.0%
2	**Financial undertakings**	0.1%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%
20	**Non-financial undertakings**	0.6%	0.2%	0.1%	0.0%	0.0%
21	Loans and advances	0.5%	0.1%	0.1%	0.0%	0.0%
22	Debt securities, including UoP	0.2%	0.1%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%

	% (compared to total covered assets in the denominator)	CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
				Of which Use of Proceeds	Of which transitional	Of which enabling
24	**Households**	38.2%	19.5%	19.5%	0.0%	0.0%
25	of which loans collateralised by residential immovable property	38.2%	19.5%	19.5%	0.0%	0.0%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%
28	**Local governments financing**	0.5%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.5%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.1%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	39.5%	19.7%	19.6%	0.0%	0.0%

% (compared to total covered assets in the denominator)	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible				Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
		Taxonomy-aligned						
			Of which Use of Proceeds	Of which enabling				
1	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
16	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
20	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

% (compared to total covered assets in the denominator)	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible							
		Taxonomy-aligned			Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
			Of which Use of Proceeds	Of which enabling				
26	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

4. GAR KPI flow turnover

		CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	26.8%	3.2%	3.2%	0.0%	0.0%
2	**Financial undertakings**	3.2%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	3.2%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	3.2%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%
20	**Non-financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%

			CCM			
			Taxonomy Eligible			
				Taxonomy Aligned		
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
24	**Households**	23.7%	3.2%	3.2%	0.0%	0.0%
25	of which loans collateralised by residential immovable property	23.7%	3.2%	3.2%	0.0%	0.0%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	26.8%	3.2%	3.2%	0.0%	0.0%

% (compared to flow of total eligible assets)	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible				Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
		Taxonomy-aligned						
			Of which Use of Proceeds	Of which enabling				
1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
16	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
20	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible							
		Taxonomy-aligned			Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which enabling				
26	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

4. GAR KPI flow capex

		CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	24.1%	3.2%	3.2%	0.0%	0.0%
2	**Financial undertakings**	0.4%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.4%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.4%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%
20	**Non-financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%

		CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
24	**Households**	23.7%	3.2%	3.2%	0.0%	0.0%
25	of which loans collateralised by residential immovable property	23.7%	3.2%	3.2%	0.0%	0.0%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	24.1%	3.2%	3.2%	0.0%	0.0%

% (compared to flow of total eligible assets)	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible				Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
		Taxonomy-aligned						
			Of which Use of Proceeds	Of which enabling				
1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
16	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
20	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

% (compared to flow of total eligible assets)	CCA				WTR	CE	PPC	BIO
	Taxonomy-eligible				Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
		Taxonomy-aligned						
			Of which Use of Proceeds	Of which enabling				
26	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

5. KPI off-balance sheet exposures - Stock - turnover

% (compared to total eligible off-balance sheet assets)		CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	25.0%	18.0%	1.9%	0.0%	9.5%

% (compared to total eligible off-balance sheet assets)		CCA				WTR	CE	PPC	BIO
		Taxonomy Eligible							
			Taxonomy Aligned			Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
				Of which Use of Proceeds	Of which enabling				
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

5. Kpi off-balance sheet exposures - Flow - turnover

% (compared to total eligible off-balance sheet assets)		CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	22.8%	18.4%	10.6%	0.0%	1.6%

% (compared to total eligible off-balance sheet assets)		CCA				WTR	CE	PPC	BIO
		Taxonomy Eligible							
			Taxonomy Aligned			Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
				Of which Use of Proceeds	Of which enabling				
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

% (compared to total eligible off-balance sheet assets)		CCA				WTR	CE	PPC	BIO
		Taxonomy Eligible							
			Taxonomy Aligned			Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
				Of which Use of Proceeds	Of which enabling				
2	Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

5. KPI off-balance sheet exposures - Stock - CapEx

% (compared to total eligible off-balance sheet assets)		CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	35.0%	21.7%	1.9%	0.1%	10.4%

% (compared to total eligible off-balance sheet assets)		CCA				WTR	CE	PPC	BIO
		Taxonomy Eligible							
			Taxonomy Aligned			Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
				Of which Use of Proceeds	Of which enabling				
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

5. Kpi off-balance sheet exposures - Flow - CapEx

	% (compared to total eligible off-balance sheet assets)	CCM				
		Taxonomy Eligible				
			Taxonomy Aligned			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0%	0%	0%	0%	0%
2	Assets under management (AuM KPI)	30.6%	18.2%	10.6%	0.4%	1.7%

	% (compared to total eligible off-balance sheet assets)	CCA				WTR	CE	PPC	BIO
		Taxonomy Eligible							
			Taxonomy Aligned			Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible	Taxonomy-eligible
				Of which Use of Proceeds	Of which enabling				
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Template 1 Nuclear and fossil gas related activities

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No

	Nuclear energy related activities	
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Glossary of terms

AFM	Autoriteit Financiële Markten (The Netherlands Authority for the Financial Markets)
AGM	Annual General Meeting
ALCo	Asset and Liability Committee
AML	Anti-Money Laundering
AR	Annual Report
ATM	Automatic Teller Machine
BCBS	Basel Committee on Banking Supervision
BCM	Business Continuity Management
BIA	Basic Indicator Approach
BMR	Benchmarks Regulation
BRRD	Bank Recovery and Resolution Directive
CASS	Client Money and Custody Asset
CBS	Central Bureau of Statistics (Netherlands)
CCA	Climate Change Adaptation
CCM	Climate Change Mitigation
CEO	Chief Executive Officer
CET	Common Equity Tier
CET-1	Common Equity Tier 1
CET-2	Common Equity Tier 2
CFO	Chief Financial Officer
CFRO	Chief Financial and Risk Officer
CO_2e	CO_2 equivalent
COO	Chief Operating Officer
CRO	Chief Risk Officer
CRR/CRD	Capital Requirements Regulation/Capital Requirements Directive
CSRD	Corporate Sustainability Reporting Directive
DGS	Deposit Guarantee Scheme
DNB	De Nederlandsche Bank (The Central Bank of the Netherlands)

DR	Depository Receipts
DRH	Depository Receipt Holders
EAD	Exposure at Default
EB	Executive Board
EBA	The European Banking Authority
ECAI	External Credit Assessment Institutions
ECB	European Central Bank
ECL	Expected Credit Losses
EDI	Equity, Diversity and Inclusion
EDRHM	Extra Depository Receipt Holders' Meeting
EGM	Extraordinary General Meeting
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
EU	European Union
EUR	Euro
EURIBOR	Euro Interbank Offered Rate
EVE	Economic Value of Equity
FTE	Full Time Equivalent
FVOCI	Fair Value Through Other Comprehensive Income
FVPL	Fair Value Through Profit or Loss
FX Forward	Foreign Exchange Swap
GABV	Global Alliance for Banking on Values
GAR	Green Asset Ratio
GBP	The British pound sterling
GDP	Gross Domestic Product
GHG	Greenhouse gases
HQLA	High-Quality Liquid Assets
HR	Human Resources
IAS	International Accounting Standards

IASB	International Accounting Standards Board
IBOR	Interbank Offered Rate
IBR	Incremental Borrowing Rate
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	The International Capital Market Association
ICT	Information and Communication Technology
IEB	Impact Equities and Bonds (funds)
IFRS	International Financial Reporting Standards
ILAAP	The Internal Liquidity Adequacy Assessment Process
IRRBB	Interest Rate Risk in the Banking Book
IRS	Interest Rate Swaps
ISAE	International Standard on Assurance Engagements
ISDA	The International Swaps and Derivatives Association
IT	Information Technology
ITGC	Information Technology General Controls
KYC	Know Your Customer
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LoD	The Three Lines of Defence
MARC	Model and Assumptions Review Committee
MTF	Multilateral Trading Facility
NAV	Net Asset Value
NCI	Non Controlling Interest
NFRD	Non-Financial Reporting Directive
NII	Net Interest Income
NSFR	Net Stable Funding Ratio
NZBA	Net-Zero Banking Alliance
OCI	Other Comprehensive Income
OIS	The Overnight Index Swap

ORM	Operational Risk Management
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
POCI	Purchased or Originated Credit Impaired
PRB	UN Principles for Responsible Banking
PwC	PricewaterhouseCoopers Accountants N.V.
Q&A	Questions and Answers
RCSA	Risk and Control Self-Assessment
RMBS	Residential Mortgage-Backed Securitisation
RoA	Return on Assets
RoE	Return on Equity
SAAT	Stichting Administratiekantoor Aandelen Triodos Bank
SBTi	Science Based Targets initiative
SDG	UN Sustainable Development Goals
SFAP	Sustainable Finance Action Plan
SFDR	Sustainable Finance Disclosure Regulation
SIRA	Systematic Integrity Risk Analysis
SME	Small and Medium-sized Enterprises
SOC	Security Operations Centre
SPPI	Solely Payments of Principal and Interest
SRA	Strategic Risk Assessments
SREP	Supervisory Review and Evaluation Process
STS	Simple Transparent and Standardised (Securitisation Framework)
TBL	Triple Bottom Line
TCR	Total Capital Ratio
TIBER	Threat Intelligence Based Ethical Red Teaming
T-IM	Triodos Investment Management
TLTRO	TLTROIII or Targeted Longer-Term Refinancing Operations
TMF	Triodos Microfinance Fund

TRMC	Triodos Regenerative Money Center
UK	United Kingdom
UN GPs	UN Guiding Principles on Business and Human Rights
VAT	Value-Added Tax
VGBA	Verordening gedrags- en beroepsregels accountants (Dutch Code of Ethics)
ViO	Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten (Code of Ethics for Professional Accountants, a regulation with respect to independence)

Addresses

Triodos Bank N.V. International Head Office

Landgoed De Reehorst
Hoofdstraat 10a, Driebergen-Rijsenburg
PO Box 55
3700 AB Zeist, The Netherlands
Telephone +31 (0)30 693 65 00
www.triodos.com

Triodos Investment Management B.V.

Landgoed De Reehorst
Hoofdstraat 10, Driebergen-Rijsenburg
PO Box 55
3700 AB Zeist, The Netherlands
Telephone +31 (0)30 693 65 00
www.triodos-im.com

Banking activities

The Netherlands

Landgoed De Reehorst
Hoofdstraat 10, Driebergen-Rijsenburg
PO Box 55
3700 AB Zeist, the Netherlands
Telephone +31 (0)30 693 65 00
www.triodos.nl

Belgium

Boudewijnlaan 31/5 - Boulevard Baudouin 31/5
1000 Brussels, Belgium
Telephone +32(0)2 548 28 00
www.triodos.be

Ghent Regional office
Nieuwewandeling 62 (bus 7)
9000 Gent, Belgium
Telephone +32 (0)9 265 77 00

United Kingdom

Deanery Road
Bristol BS1 5AS, United Kingdom
Telephone +44 (0)117 973 9339
www.triodos.co.uk

Edinburgh Regional office
50 Frederick Street
Edinburgh, EH2 1EX, United Kingdom

London Regional office
5th Floor,
20 Old Bailey,
EC4M 7LN,
London, United Kingdom

Germany

Falkstraße 5
60487 Frankfurt am Main, Germany
Telephone +49 (0)69 717 19 100
www.triodos.de

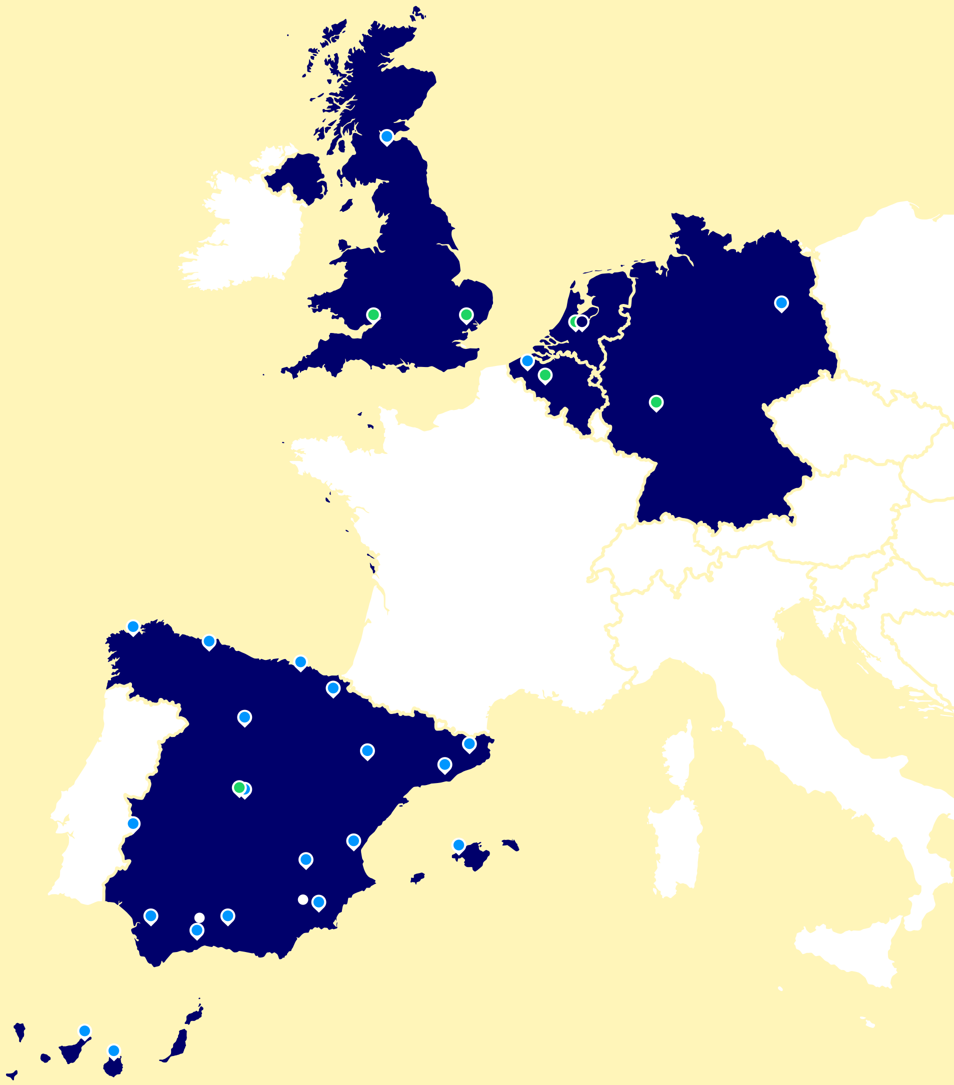
Berlin Regional office
Paul-Lincke-Ufer 41
10999 Berlin, Germany
Telephone: +49 (0)30 206 414 930

Spain

C/ José Echegaray 7
28232 Las Rozas
Madrid, Spain
Telephone +34 (0) 900 82 29 82
www.triodos.es

A Coruña office
C/ Calle Cantón Pequeño 9
15003 A Coruña, Spain

Albacete co-working space
C/ Tesifonte Gallego 9, segunda planta
02001 Albacete, Spain



Badajoz office
C/Ricardo Fernández de la Puente 29
Centro de negocios Medea
06001 Badajoz, Spain

Barcelona office
Avda. Diagonal 418
Casa de Les Punxes
08037 Barcelona, Spain

Bilbao co-working space
Gran Vía de Don Diego López de Haro 1
48001 Bilbao, Spain

Girona office
C/ Riu Güell 58
17005 Girona, Spain

Granada office
C/ Gran Vía de Colón 29
18001 Granada, Spain

Las Palmas de Gran Canaria office
Avenida Alcalde José Ramírez Bethencourt 13, bajo
35004 Las Palmas de Gran Canaria, Spain

Madrid office
C/ Mártires Concepcionistas, 18
esq,. Ortega y Gasset
28006 Madrid, Spain

Málaga co-working space
Callejones del Perchel 8
29002 Málaga, Spain

Murcia office
C/ Gran Vía Escultor Francisco Salzillo 28, 3º derecha
30009 Murcia, Spain

Oviedo office
C/ Melquíades Álvarez nº 26, 1A
33003 Oviedo, Spain

Palma de Mallorca office
Carrer del Fluvià 1, bajos
07009 Palma de Mallorca, Spain

Pamplona office
Calle Larrabide 21, bajo
31005 Pamplona, Spain

Santa Cruz de Tenerife office
Calle San Francisco Javier 47
38001 Santa Cruz de Tenerife, Spain

Sevilla office
Plaza de Villasís 2, Módulo 302, tercera planta
41003 Sevilla, Spain

Valencia co-working space
Carrer de l'Almirall Cadarso 28
46005 Valencia, Spain

Valladolid co-working space
C/ de Recondo S/N
47007 Valladolid, Spain

Zaragoza office
Paseo de Pamplona 13
50004 Zaragoza, Spain

Production

Triodos Bank N.V. 2023 Annual Report

Published

March 2024

Text and coordination

Triodos Bank, Driebergen-Rijsenburg, the Netherlands

Concept, design and art direction

Dietwee, Utrecht, the Netherlands

Layout

Tangelo, Ziest, the Netherlands

Graphic design

Dietwee, Utrecht, the Netherlands

Printing

Libertas Pascal, Utrecht, The Netherlands

Contact

If you have comments or questions about this report, please contact your local office of Triodos Bank. Addresses are provided on page 482.

This document can be downloaded fromwww.annual-report-triodos.com and www.triodos.co.uk.

Photography copyright

Sustainable banking

means using money with conscious thought about its environmental, cultural and social impact, with the support of savers and investors who want to make a difference.
It means meeting present day needs without compromising those of future generations.

Triodos Bank