

Triodos  Bank

Annual Report 2020

Consolidated balance sheet as at 31 December 2020

| Before appropriation of profit in thousands of EUR | Note* | 2020 | 2019 |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | 1 | 2,955,787 | 2,269,983 |
| Loans and advances to banks | 2 | 150,563 | 227,591 |
| Loans and advances to customers | 3 | 9,156,710 | 8,209,014 |
| Debt securities at amortised cost | 4 | 1,317,301 | 1,034,291 |
| Investment securities | 5 | 31,214 | 24,299 |
| Intangible assets | 6 | 45,763 | 41,543 |
| Property and equipment | 7 | 101,490 | 120,696 |
| Investment property | 8 | 10,914 | 11,012 |
| Right-of-use assets | 9 | 19,346 | 21,355 |
| Non-trading derivatives | 10 | 1,795 | 8,722 |
| Deferred Tax Assets | 30 | 14,864 | 16,098 |
| Current tax receivable | 30 | 1,764 | - |
| Other assets | 11 | 61,914 | 86,787 |
| Non-current Assets Held for Sale | 12 | 18,972 | 10,197 |
| Total assets | | 13,888,397 | 12,081,588 |
| LIABILITIES | | | |
| Deposits from banks | 13 | 815,140 | 70,720 |
| Deposits from customers | 14 | 11,747,207 | 10,693,699 |
| Lease liabilities | 9 | 19,963 | 22,078 |
| Non-trading derivatives | 10 | 10,452 | 15,063 |
| Deferred Tax Liabilities | 30 | 4,337 | 9,065 |
| Current tax liabilities | 30 | 16,540 | 14,815 |
| Other liabilities | 15 | 55,794 | 49,744 |
| Debt issued and other borrowed funds | 16 | 6,368 | - |
| Provisions | 17 | 4,384 | 5,477 |
| Total liabilities | | 12,680,185 | 10,880,661 |

| Before appropriation of profit in thousands of EUR | Note* | 2020 | 2019 |
|---|-------|-------------------|-------------------|
| Share Capital | 18 | 723,353 | 720,088 |
| Share premium reserve | 18 | 200,811 | 198,626 |
| Translation reserve | 18 | -4,385 | -3,354 |
| Cost of hedging reserve | 18 | -55 | 123 |
| Fair value reserve | 18 | -2,025 | 1,938 |
| Other reserve | 18 | 43,806 | 38,914 |
| Retained earnings | 18 | 219,504 | 205,587 |
| Result for the period | 18 | 27,203 | 39,005 |
| Equity | | 1,208,212 | 1,200,927 |
| Total equity and liabilities | | 13,888,397 | 12,081,588 |
| Contingent liabilities | 19 | 73,104 | 107,495 |
| Irrevocable facilities | 20 | 1,936,333 | 1,402,450 |
| | | 2,009,437 | 1,509,945 |

* Reference to the notes to the consolidated financial statements. These form an integral part of the consolidated financial statements.

Consolidated profit and loss account for 2020

| in thousands of EUR | Note | 2020 | 2019 |
|--|------|----------------|----------------|
| Income | | | |
| Interest income calculated using the effective interest method | 21 | 220,741 | 213,375 |
| Interest expense | 22 | -22,588 | -28,372 |
| Net interest income | | 198,153 | 185,003 |
| Investment income | 23 | 449 | 679 |
| Fee and Commission income | 24 | 114,191 | 112,703 |
| Fee and Commission expense | 24 | -8,066 | -7,363 |
| Net fee and commission income | | 106,125 | 105,340 |
| Net result from other financial instruments at FVTPL | 25 | -361 | 430 |
| Other income | 26 | 733 | 740 |
| Other income | | 372 | 1,170 |
| Total income | | 305,099 | 292,192 |
| EXPENSES | | | |
| Personnel expenses | 27 | 134,636 | 133,887 |
| Other administrative expenses | 27 | 82,072 | 79,920 |
| Amortisation and value adjustments of intangible assets | 28 | 10,646 | 10,319 |
| Depreciation and value adjustments of property and equipment | 28 | 18,056 | 10,293 |
| Operating expenses | | 245,410 | 234,419 |
| Impairment losses on financial instruments | 29 | 24,213 | 3,682 |
| Total expenses | | 269,623 | 238,101 |
| Operating result before taxation | | 35,476 | 54,091 |
| Taxation on operating result | 30 | -8,273 | -15,086 |
| Net profit | | 27,203 | 39,005 |

| in thousands of EUR | Note | 2020 | 2019 |
|--|------|------------|------------|
| Profit attributable to: | | | |
| Owners of Triodos Bank | | 27,203 | 39,005 |
| Average number of issued shares in circulation | | 14,260,146 | 13,952,803 |
| Amounts in EUR | | | |
| Earnings per share for profit attributable to the equity holders of the parent entity ¹ | | 1.91 | 2.80 |
| Dividend per share | | 0.65 | - |

¹The net profit per share is calculated by dividing the Net Profit by the average number of issued shares in circulation during the financial year.

Consolidated statement of comprehensive income for 2020

| in thousands of EUR | Note | 2020 | 2019 |
|---|------|--------|--------|
| Net result | | 27,203 | 39,005 |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income | 5 | -4,821 | 174 |
| Related tax | | 1,161 | -123 |
| Total items that will not be reclassified to profit or loss | | -3,660 | 51 |
| <i>Other comprehensive income that will be reclassified to profit or loss</i> | | | |
| Foreign operations – foreign currency translation differences | | -1,031 | 120 |
| Foreign operations – Cost of hedging | | -178 | 123 |
| Total items that will be reclassified to profit or loss | | -1,209 | 243 |
| Total comprehensive income | | 22,334 | 39,299 |
| Total comprehensive income attributable to: | | | |
| Owners of Triodos Bank | | 22,334 | 39,299 |

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Consolidated statement of changes in equity for 2020

| in thousands of EUR | Share capital |
|--|----------------|
| Equity as at | |
| 1 January 2019 | 674,734 |
| Result for the period | |
| Foreign operations – foreign currency translation differences | |
| Net gain (loss) on hedges of net investments in foreign operations | |
| Equity investments at FVOCI – net change in fair value | |
| Total comprehensive income | - |
| Increase of share capital | 32,148 |
| Stock dividend | 13,206 |
| Profit appropriation for previous financial year, addition to the other reserves | |
| Profit appropriation for previous financial year, dividend | |
| Dividend not distributed in cash | |
| Transfer to other reserve for development costs | |
| Purchasing or sale of own depository receipts | |
| Equity as at | |
| 31 December 2019 | 720,088 |

Consolidated statement of changes in equity for 2020

| Share premium | Translation reserve | Cost of hedging reserve | Fair value reserve | Other reserve | Retained earnings | Result for the period | Total equity |
|---------------|---------------------|-------------------------|--------------------|---------------|-------------------|-----------------------|--------------|
| 190,324 | -3,474 | - | 1,887 | 34,715 | 179,760 | 35,187 | 1,113,133 |
| | | | | | | 39,005 | 39,005 |
| | 120 | 123 | | | | | - |
| | | | 51 | | | - | 243 |
| | | | | | | | 51 |
| - | 120 | 123 | 51 | - | - | 39,005 | 39,299 |
| 21,508 | | | | | | | 53,656 |
| -13,206 | | | | | | | - |
| | | | | | 8,231 | -8,231 | - |
| | | | | | | -26,956 | -26,956 |
| | | | | | 21,921 | | 21,921 |
| | | | | 4,199 | -4,199 | | - |
| | | | | | -126 | | -126 |
| 198,626 | -3,354 | 123 | 1,938 | 38,914 | 205,587 | 39,005 | 1,200,927 |

| in thousands of EUR | Share capital |
|--|---------------|
| Equity as at | |
| 1 January 2020 | 720,088 |
| Result for the period | |
| Foreign operations – foreign currency translation differences | |
| Net gain (loss) on hedges of net investments in foreign operations | |
| Conversion Visa shares | |
| Equity investments at FVOCI – net change in fair value | |
| Total comprehensive income | - |
| Increase of share capital | 3,265 |
| 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 | |
| Reverted dividend | |
| Transfer to other reserve for development costs | |
| Purchasing or sale of own depository receipts | |
| Equity as at | |
| 31 December 2020 | 723,353 |

| Share premium | Translation reserve | Cost of hedging reserve | Fair value reserve | Other reserve | Retained earnings | Result for the period | Total equity |
|---------------|---------------------|-------------------------|--------------------|---------------|-------------------|-----------------------|--------------|
| 198,626 | -3,354 | 123 | 1,938 | 38,914 | 205,587 | 39,005 | 1,200,927 |
| | | | | | | 27,203 | 27,203 |
| | | | | | | | - |
| | -1,031 | -178 | | | | | -1,209 |
| | | | -303 | | 303 | | - |
| | | | -3,660 | | | | -3,660 |
| - | -1,031 | -178 | -3,963 | - | 303 | 27,203 | 22,334 |
| 2,185 | | | | | | | 5,450 |
| | | | | | | | - |
| | | | | | 39,005 | -39,005 | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | 4,892 | -4,892 | | - |
| | | | | | -20,499 | | -20,499 |
| 200,811 | -4,385 | -55 | -2,025 | 43,806 | 219,504 | 27,203 | 1,208,212 |

Consolidated cash flow statement for 2020

| in thousands of EUR | Note | 2020 | 2019 |
|---|------|----------------|----------------|
| Operating activities | | | |
| Net profit | | 27,203 | 39,005 |
| Net profit adjustments for: | | | |
| Depreciation | 28 | 12,812 | 10,116 |
| Amortisation | 28 | 10,646 | 10,319 |
| Amortisation premium and discount debt securities | 4 | 10,752 | 9,512 |
| Impairment losses on financial instruments | 29 | 24,213 | 3,682 |
| Interest expense on lease liabilities | 9 | 216 | 465 |
| Revaluation participating debt (investment securities) | 5 | 568 | -430 |
| Value adjustments property and equipment (incl. leases) | | 5,244 | 312 |
| Movements in provisions | 17 | -2,623 | -560 |
| Taxation on operating result | | 8,273 | 15,086 |
| Tax paid | 30 | -10,961 | -8,352 |
| Net cash flows from business operations | | 86,343 | 79,155 |
| Changes in: | | | |
| Loans and advances to banks | 2 | -1,378 | 47,837 |
| Loans and advances to customers | 3 | -970,326 | -946,353 |
| Debt securities at amortised cost | 4 | -301,760 | 229,238 |
| Deposits from banks | 13 | 744,420 | 2,686 |
| Deposits from customers | 14 | 1,053,508 | 1,129,966 |
| Other operating activities | | 37,842 | -33,368 |
| Net cash flows from operational activities | | 648,649 | 509,161 |
| Investment activities | | | |
| Investment in investment securities | 5 | -12,369 | -1,226 |
| Investment in intangible assets | 6 | -14,977 | -13,415 |
| Investment in property and equipment | 7 | -3,008 | -25,362 |
| Divestment in property and equipment | 7 | 1,226 | 4 |
| Cash flows from investment activities | | -29,128 | -39,999 |

| in thousands of EUR | Note | 2020 | 2019 |
|---|------|------------------|------------------|
| Financing activities | | | |
| Movements in Debt issued and other borrowed funds | 16 | 6,368 | - |
| Payments of lease liabilities | 9 | -3,578 | -4,297 |
| Increase share capital | 18 | 5,450 | 53,656 |
| Payment of cash dividend | 18 | - | -5,035 |
| Purchase of depository receipts of own shares | 18 | -20,499 | -126 |
| Cash flows from financing activities | | -12,259 | 44,198 |
| Net change in cash and cash equivalents | | 607,262 | 513,360 |
| Cash and cash equivalents at the beginning of the year | | 2,475,031 | 1,961,935 |
| <i>Effect of exchange rate fluctuations on cash and cash equivalents held</i> | | 112 | -264 |
| Cash and cash equivalents at the end of the year | | 3,082,405 | 2,475,031 |
| On demand deposits with central banks | | 2,955,787 | 2,269,983 |
| On demand deposits with banks | | 126,618 | 205,048 |
| Cash and cash equivalents at the end of the year | | 3,082,405 | 2,475,031 |
| Additional information on operational cash flows from interest and dividends | | | |
| Interest paid | | -24,257 | -29,622 |
| Interest received | | 216,686 | 215,533 |
| Dividend received | | 449 | 679 |