

Triodos  Bank

Annual Report 2020

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:

	2020	2019
On demand deposit Dutch Central Bank	1,961,432	1,406,709
On demand deposit Belgian Central Bank	167,249	228,736
On demand deposit German Central Bank	183,657	100,700
On demand deposit Spanish Central Bank	224,358	247,031
On demand deposit United Kingdom Central Bank	419,467	279,463
Cash in ATM's	16	7,585
Interest receivable	-392	-241
Balance sheet value as at 31 December	2,955,787	2,269,983

Interest payable regarding cash and cash equivalents was recognised as other liabilities but are transferred to cash and cash equivalents. The comparative figure in the amount of EUR 241 are adjusted accordingly.

2 Loans and advances to banks

	2020	2019
On demand deposits with banks	126,618	205,048
Deposits with banks	23,948	22,513
Interest receivable	15	72
Allowance for ECL	-18	-42
Balance sheet value as at 31 December	150,563	227,591

An amount of EUR 22.1 million of the deposits is encumbered (2019: EUR 21.7 million). These are on demand deposits at Cecabank in the amount of EUR 1.0 million (2019: EUR 1.0 million), ING Bank EUR 13.0 million (2019: EUR 13.0 million), Banco Cooperativo EUR 7.5 million (2019: EUR 7.0 million) and Mastercard EUR 0.6 million (2019: EUR 0.7 million). A deposit of EUR 1.0 million (2019: EUR 1.0 million) is subordinated. All other deposits can be freely disposed of.

By residual maturity:

	2020	2019
On demand	126,615	205,078
1 to 3 months	8,948	7,513
3 months to 1 year	15,000	15,000
1 to 5 years	-	-
Longer than 5 years	-	-
Balance sheet value as at 31 December	150,563	227,591

The balance sheet value of the loans and advances to banks as at 31 December can be broken down as follows:

	2020	2019
ABN AMRO Bank	6,654	-
Banco Cooperativo	8,595	8,131
Caja de Ingenieros	1,062	604
Cecabank	4,000	4,111
DZ Bank	24,304	51,873
Euroclear Bank	2,248	2,595
ING Bank	57,681	103,281
National Westminster Bank (Natwest)	21,897	29,906
Rabobank	15,884	20,790
Other	8,238	6,300
Balance sheet value as at 31 December	150,563	227,591

3 Loans and advances to customers

Loans and advances to customers at amortised cost

	2020			2019		
	Gross carrying amount	Allowance for ECL	Carrying amount	Gross carrying amount	Allowance for ECL	Carrying amount
Corporate loans	5,987,800	-46,524	5,941,276	5,829,505	-32,093	5,797,412
Mortgage lending	2,739,930	-1,650	2,738,280	1,977,175	-838	1,976,337
Municipality loans	332,713	-	332,713	360,053	-	360,053
Current accounts and credit cards	122,593	-2,796	119,797	54,102	-848	53,254
Fair value hedge accounting	5,286	-	5,286	2,424	-	2,424
Interest receivables	19,358	-	19,358	19,534	-	19,534
Balance sheet value as at 31 December	9,207,680	-50,970	9,156,710	8,242,793	-33,779	8,209,014

Loans and advances to customers classified by residual maturity:

	2020	2019
Payable on demand	132,435	218,894
1 to 3 months	615,256	470,833
3 months to 1 year	832,317	554,765
1 to 5 years	3,202,127	2,311,366
Longer than 5 years	4,374,575	4,653,156
Balance sheet value as at 31 December	9,156,710	8,209,014

EUR 16.9 million (2019: EUR 24.9 million) of the loans are subordinated. EUR 252.7 million (2019: EUR 271.0 million) of the loans relates to loans to local authorities with a maximum original maturity of one year and one day.

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 263) for additional information.

4 Debt securities at amortised cost

	2020	2019
Dutch government bonds	69,983	70,292
Belgian government bonds	141,697	168,222
Spanish government bonds	63,209	72,182
United Kingdom government bonds	63,120	78,068
Other bonds	968,775	634,658
Interest receivable	9,434	9,223
Fair value hedge accounting	1,146	1,680
Allowance for ECL	-63	-34
Balance sheet value as at 31 December	1,317,301	1,034,291

The movement in debt securities at amortised cost is as follows:

	2020	2019
Balance sheet value as at 1 January	1,034,291	1,270,624
Purchase	527,238	141,558
Repayments	-225,689	-368,610
Sale	-	-
Amortisation difference between acquisition price and redemption value	-10,752	-9,512
Exchange rate results on foreign currencies	-7,435	1,770
Interest receivable movement	211	-2,186
Fair value hedge accounting movement	-534	650
Net movement in allowance for ECL	-29	-3
Balance sheet value as at 31 December	1,317,301	1,034,291

The increase in the debt securities are in the other bonds. The other bonds consists of European regional government and corporate bonds, listed and non-listed. The debt securities including the other bonds are specified below.

The interest bearing securities in the statement below, as at 31 December, are valued at amortised cost. This is the book value without the interest receivable, fair value hedge accounting and the allowance for the ECL.

Issuer	2020				
	Listed	Non-listed	Maturity <1 year	Maturity >1 year	Of which Green bond ¹⁾
Public sector entities					
Belgium, government	141,697	-	32,882	108,815	-
Comunidad Autonoma de Madrid, Spain	125,350	-	25,108	100,242	14,486
Hessen, Germany	86,319	-	-	86,319	-
Region Wallonne, Belgium	71,128	20,001	30,001	61,128	-
The Netherlands, government	69,983	-	-	69,983	-
Kingdom of Spain, government	63,209	-	10,038	53,171	-
United Kingdom, government	63,120	-	17,414	45,706	-
European Investment Bank	50,935	-	4,932	46,003	-
Berlin, Germany	41,607	-	-	41,607	-
Autonomous Community of Basque Country, Spain	41,495	-	-	41,495	-
Instituto de Crédito Oficial (government guaranteed), Spain	37,396	-	31,398	5,998	-
Schleswig-Holstein, Germany	30,080	-	10,004	20,076	-
Xunta de Galicia, Spain	28,027	-	-	28,027	-
Niedersachsen, Germany	24,711	-	-	24,711	-
Junta de Castilla y Leon, Spain	24,127	-	-	24,127	-
Ayuntamiento de Madrid, Spain	23,672	-	8,153	15,519	-
Gemeinsame Deutsche Bundeslaender, Germany	21,920	-	-	21,920	-
Nordrhein-Westfalen, Germany	20,019	-	-	20,019	-
Region Ile de France	17,986	-	-	17,986	17,986
Rheinland-Pfalz, Germany	15,116	-	-	15,116	-
Transport for London, United Kingdom	5,729	-	-	5,729	5,729
Comunidad Autónoma de Andalucía, Spain	3,729	-	-	3,729	-

Issuer	2020					
Deutschsprachige Gemeinschaft Belgiens, Belgium	-	20,005	20,005	-	-	
Brussels Region, Belgium	-	17,301	-	17,301	-	
Fonds régional bruxellois de refinancement des trésoreries communales, Belgium	-	10,026	-	10,026	-	
La Commanauté Francaise de Belgique, Belgium	-	10,000	-	10,000	-	
Provincie Vlaams-Brabant, Belgium	-	6,000	6,000	-	-	
Total public sector entities		1,007,355	83,333	195,935	894,753	38,201

¹ These are Green/sustainable bonds of which the proceeds are invested by the issuer in areas such as sustainable energy, energy efficiency and microfinance.

Issuer	2020				
Non-public sector entities	Listed	Non-listed	Maturity <1 year	Maturity >1 year	Of which Green bond ¹⁾
Adif Alta Velocidad, Spain	48,125	-	-	48,125	-
Coöperative Rabobank U.A., The Netherlands	24,996	-	24,996	-	24,996
NRW Bank (government guaranteed), Germany	24,939	-	-	24,939	19,891
Kreditanstalt für Wiederaufbau (government guaranteed), Germany	21,820	-	-	21,820	-
Unibail-Rodamco-Westfield, France	15,941	-	-	15,941	-
Landwirtschaftliche Rentenbank, Germany	11,549	-	-	11,549	-
Nationwide Building Society, United Kingdom	11,171	-	-	11,171	-
Anglian Water Services Financing Plc, United Kingdom	10,522	-	-	10,522	10,522
ABN AMRO Bank N.V., The Netherlands	10,497	-	-	10,497	10,497
Bank Nederlandse Gemeenten (BNG), The Netherlands	6,037	-	6,037	-	-
Cofinimmo SA N.V., Belgium	4,999	-	-	4,999	4,999
Ethias Vie, Belgium	500	-	-	500	-
Société Régionale Wallonne du Transport (government guaranteed), Belgium	-	15,000	15,000	-	-
Aquafin NV, Belgium	-	10,000	2,000	8,000	10,000
Total non-public sector entities	191,096	25,000	48,033	168,063	80,905

¹ These are Green/sustainable bonds of which the proceeds are invested by the issuer in areas such as sustainable energy, energy efficiency and microfinance.

Issuer	2019				
	Listed	Non-listed	Maturity <1 year	Maturity >1 year	Of which Green bond ¹⁾
Public sector entities					
Belgium, government	168,222	-	25,228	142,994	-
Comunidad Autonoma de Madrid, Spain	114,355	-	2,873	111,482	11,107
United Kingdom, government	78,069	-	10,631	67,438	-
Kingdom of Spain, government	72,182	-	28,829	43,353	-
The Netherlands, government	70,292	-	-	70,292	-
Region Wallonne, Belgium	40,000	20,000	10,000	50,000	-
Instituto de Crédito Oficial (government guaranteed), Spain	38,708	-	6,500	32,208	-
Junta de Castilla y Leon, Spain	24,558	-	-	24,558	-
Ayuntamiento de Madrid, Spain	24,019	-	-	24,019	-
Autonomous Community of Basque Country, Spain	20,629	-	-	20,629	-
Xunta de Galicia, Spain	15,000	-	-	15,000	-
European Investment Bank	11,828	-	11,828	-	11,828
Transport for London, United Kingdom	6,096	-	-	6,096	6,096
Deutschsprachige Gemeinschaft Belgiens, Belgium	-	20,017	-	20,017	-
Brussels Region, Belgium	-	10,044	-	10,044	-
La Communauté Française de Belgique, Belgium	-	10,000	-	10,000	-
Provincie Vlaams-Brabant, Belgium	-	6,000	-	6,000	-
Total public sector entities	683,958	66,061	95,889	654,130	29,031

¹⁾ These are Green/sustainable bonds of which the proceeds are invested by the issuer in areas such as sustainable energy, energy efficiency and microfinance.

Issuer	2019				
	Listed	Non-listed	Maturity <1 year	Maturity >1 year	Of which Green bond ¹⁾
Non-public sector entities					
Landwirtschaftliche Rentenbank, Germany	50,000	-	50,000	-	50,000
Adif Alta Velocidad, Spain	45,305	-	-	45,305	-
ABN AMRO Bank N.V., The Netherlands	26,487	-	15,992	10,495	26,487
Coöperative Rabobank U.A., The Netherlands	24,991	-	-	24,991	24,991
NRW Bank (government guaranteed), Germany	19,872	-	-	19,872	19,872
Kreditanstalt für Wiederaufbau (government guaranteed), Germany	17,165	-	5,907	11,258	5,907
ING Bank N.V., The Netherlands	13,009	-	13,009	-	13,009
Nationwide Building Society, United Kingdom	11,820	-	-	11,820	-
Anglian Water Services Financing Plc, United Kingdom	11,174	-	-	11,174	11,174
Bank Nederlandse Gemeenten (BNG), The Netherlands	6,082	-	-	6,082	-
Cofinimmo SA N.V., Belgium	4,998	-	-	4,998	4,998
Ethias Vie, Belgium	500	-	-	500	-
Société Régionale Wallonne du Transport (government guaranteed), Belgium	-	30,000	15,000	15,000	-
Aquafin NV, Belgium	-	12,000	2,000	10,000	12,000
Total non-public sector entities	231,403	42,000	101,908	171,495	168,438

¹ These are Green/sustainable bonds of which the proceeds are invested by the issuer in areas such as sustainable energy, energy efficiency and microfinance.

Part of the value of securities is used as collateral for a possible debit balance, amounting to EUR 177.5 million at the Dutch Central Bank (2019: EUR 89.4 million).

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. Triodos Bank changed its risk management strategy by using portfolio fair value hedging. The remaining fair value hedge accounting movement will amortise over the remaining lifetime.

5 Investment securities

	2020	2019
Shares S.W.I.F.T. SCRL	80	20
Participating interests designated at fair value through OCI	26,673	19,542
Participating debt at mandatory fair value through profit and loss	4,461	4,737
Balance sheet value as at 31 December	31,214	24,299

The shares in S.W.I.F.T. SCRL are held in the framework of the Bank's participation in S.W.I.F.T. payment transactions.

	2020	2019
Balance sheet value as at 1 January	20	20
Purchase	60	-
Sales	-	-
Balance sheet value as at 31 December	80	20

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. No significant influence can be exercised on our participating interests. The value of these interests is based on the published share price. In absence of a public share price or if such a public share price is established in a non active stock exchange market (low trading activity) Triodos Bank estimates the fair value through the net asset value. The other participating interests can be broken down as follows.

	2020		2019	
	Participating interest	Amount in thousands of EUR	Participating interest	Amount in thousands of EUR
Participating interests at fair value through OCI				
Amalgamated Bank, New York ¹⁾	2.3%	8,156	2.3%	12,569
Merkur Bank KGaA, Copenhagen ¹⁾	6.2%	3,150	3.0%	1,210
Cultura Bank Sparebank, Oslo ¹⁾	1.2%	95	1.2%	102
GLS Gemeinschaftsbank eG, Bochum ¹⁾	1.8%	10,050	0.0%	50
Banca Popolare Etica Scpa, Padova ¹⁾	0.2%	133	0.2%	133
Ekobanken Medlemsbank, Järna ¹⁾	0.6%	52	0.6%	49
Social Enterprise Finance Australia Limited, Sydney	4.5%	1	4.5%	1
Bpifrance Financement S.A., Maisons-Alfort.	0.0%	140	0.0%	140
Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. (FMO), The Hague ¹⁾	2.0%	702	2.0%	861
Thrive Renewables Plc, Bristol	5.8%	3,275	5.7%	3,434
Transactie Monitoring Nederland BV, Purmerend	3.0%	210	0.0%	-
La Société d'Investissement France Active (SIFA), Montreuil	0.1%	300	0.1%	302
Visa Inc, San Francisco ¹⁾	0.0%	309	0.0%	591
La Bolsa Social, plataforma de financiación participativa, S.A., Madrid	6.0%	100	6.0%	100
Balance sheet value as at 31 December		26,673		19,542
Participating debt at fair value through profit and loss				
Sustainability – Finance – Real Economies SICAV-SIF public limited liability company, Luxembourg	12.8%	4,150	13.0%	4,737
Visa Inc, San Francisco ¹⁾	0.0%	311	0.0%	-
Balance sheet value as at 31 December		4,461		4,737

¹⁾ Credit institution

The movement of the participating interest at fair value through OCI is as follows:

	2020	2019
Balance sheet value as at 1 January	19,542	19,018
Acquisitions	210	-
Increase of capital	12,099	349
Revaluation	-4,138	-279
Repayment of capital	-	-
Divestments	-	-
Conversion*	-292	-
Exchange rate results on foreign currencies	-748	454
Balance sheet value as at 31 December	26,673	19,542

The movement of the participating debt at fair value through profit and loss is as follows:

	2020	2019
Balance sheet value as at 1 January	4,737	3,430
Acquisitions	-	-
Increase of capital	-	877
Revaluation	-208	352
Repayment of capital	-	-
Divestments	-	-
Conversion*	292	-
Exchange rate results on foreign currencies	-360	78
Balance sheet value as at 31 December	4,461	4,737

* A portion of the shares held in Visa were converted and are therefore derecognised as participating interest at fair value through OCI and recognised as participating debt at fair value through profit and loss.

6 Intangible assets

	2020	2019
Development costs for information systems	43,274	38,212
Management contracts	1,159	1,360
Computer software	1,330	1,971
Balance sheet value as at 31 December	45,763	41,543

The development costs for information systems

The development costs for information systems contain costs for the development of the Bank's ICT systems in The Netherlands, Spain and Germany.

The movement in the development costs for the information systems item is as follows:

	2020	2019
Purchase value as at 1 January	70,628	58,524
Cumulative amortisation as at 1 January	-32,416	-24,416
Balance sheet value as at 1 January	38,212	34,108
Internal development	14,732	12,901
Acquisitions	-	-
Amortisation	-9,577	-7,931
Impairments	-	-891
Exchange rate results on foreign currencies	-93	25
Balance sheet value as at 31 December	43,274	38,212
Purchase value as at 31 December	69,830	70,628
Cumulative amortisation as at 31 December	-26,556	-32,416
Balance sheet value as at 31 December	43,274	38,212

Management contracts

The 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:

	2020	2019
Purchase value as at 1 January	4,030	4,030
Cumulative amortisation as at 1 January	-2,670	-2,468
Balance sheet value as at 1 January	1,360	1,562
Amortisation	-201	-202
Balance sheet value as at 31 December	1,159	1,360
Purchase value as at 31 December	4,030	4,030
Cumulative amortisation as at 31 December	-2,871	-2,670
Balance sheet value as at 31 December	1,159	1,360

Computer software

Computer software relate to software that has been purchased. The movement in computer software is as follows:

	2020	2019
Purchase value as at 1 January	4,573	5,256
Cumulative amortisation as at 1 January	-2,602	-2,502
Balance sheet value as at 1 January	1,971	2,754
Internal development	-	-
Acquisitions	245	514
Amortisation	-882	-1,260
Impairment	-	-37
Exchange rate results on foreign currencies	-4	-
Balance sheet value as at 31 December	1,330	1,971
Purchase value as at 31 December	3,903	4,573
Cumulative amortisation as at 31 December	-2,573	-2,602
Balance sheet value as at 31 December	1,330	1,971

7 Property and equipment

	2020	2019
Property for own use	72,537	86,150
Equipment	28,953	34,546
Balance sheet value as at 31 December	101,490	120,696

The movement in the property for own use is as follows:

	2020	2019
Purchase value as at 1 January	95,495	96,365
Cumulative revaluation as at 1 January	-1,596	-1,596
Cumulative depreciation as at 1 January	-7,749	-6,629
Balance sheet as at 1 January	86,150	88,140
Purchase	152	3,724
Depreciation	-2,322	-1,043
Revaluation	-	-
Impairment	-4,971	-
Transfer to equipment *	-	-4,663
Transfer to held for sale	-5,764	-
Exchange rate differences	-708	-8
Balance sheet value as at 31 December	72,537	86,150
Purchase value as at 31 December	79,196	95,495
Cumulative revaluation as at 31 December	-1,596	-1,596
Cumulative depreciation as at 31 December	-5,063	-7,749
Balance sheet value as at 31 December	72,537	86,150

* With the realisation of a new office building in The Netherlands in 2019 a part of the development cost of this building in the amount of EUR 4,663 has been transferred to equipment.

The Executive Board of Triodos Bank decided in December 2020 to sell the buildings located at the Nieuweroordweg 1 and Utrechtseweg 60 in Zeist and related to Triodos Head Office. The decision to sell the buildings was made in December 2020 and is a consequence of the new way of working within Triodos Bank during 2020 resulting from the COVID-19 pandemic. This way of working entails a combination of working from home and working from the office. Triodos Bank believes that this is a more efficient way of working and it is in line with the Triodos Bank values of lowering the carbon footprint which will be continued after the COVID-19 pandemic such that less office space is required.

This decision triggered an impairment because the carrying value of the buildings will no longer be recovered through its continuing use, but through the sale of the property. An impairment loss of EUR 5.1 million for property and equipment related to Triodos Head Offices combined 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. Therefore the fair value less cost of disposal is categorised as a level 3 valuation within the fair value hierarchy. This valuation report estimated a market price of EUR 6.2 million for the buildings. Disposal costs are costs that are incremental and directly attributable to the disposal of the buildings and are estimated at 4% of the market price and an additional EUR 90 thousand moving costs need to be taken into account. The buildings are expected to be sold during 2021, such that the buildings located at the Nieuweroordweg 1 and Utrechtseweg 60 in Zeist will be reclassified to assets held for sale. Refer to note 12 Non-current Assets Held for Sale for further details.

The movement in equipment is as follows:

	2020	2019
Purchase value as at 1 January	60,460	36,982
Cumulative depreciation as at 1 January	-25,914	-24,085
Balance sheet value as at 1 January	34,546	12,897
Purchase*	2,856	21,638
Sale**	-1,226	-4
Depreciation**	-6,954	-4,614
Impairment	-83	-60
Transfer from property for own use ***	-	4,663
Transfer to held for sale	-97	-
Exchange rate differences	-89	26
Balance sheet value as at 31 December	28,953	34,546
Purchase value as at 31 December	56,736	60,460
Cumulative depreciation as at 31 December	-27,783	-25,914
Balance sheet value as at 31 December	28,953	34,546

* The purchase in 2019 mainly relates to the investment in the installation and the inventory of the new office building in The Netherlands.

** Excluding disposal in the amount of EUR 4.1 million (2019: EUR 3.0 million).

*** With the realisation of a new office building in The Netherlands in 2019 a part of the development cost in the amount of EUR 4,663 has been transferred from property for own use to equipment.

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 and are therefore presented as investment property.

The movement in the investment property is as follows:

	2020	2019
Acquisition value as at 1 January	12,630	12,589
Cumulative depreciation as at 1 January	-1,618	-1,265
Balance sheet as at 1 January	11,012	11,324
New foreclosed assets	158	41
Depreciation	-234	-239
Impairments	-22	-114
Balance sheet value as at 31 December	10,914	11,012
Purchase value as at 31 December	12,788	12,630
Cumulative depreciation as at 31 December	-1,874	-1,618
Balance sheet value as at 31 December	10,914	11,012

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 and loss account.

	2020	2019
Rental income	181	246
Operating expenses	-46	-262
Total result on investment properties	135	-16

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

	2020				2019			
	Property	Vehicles	Other	Total	Property	Vehicles	Other	Total
Balance at 1 January	19,357	1,656	342	21,355	19,260	1,674	14	20,948
Depreciation	-2,541	-687	-68	-3,296	-3,633	-579	-8	-4,220
Additions	859	433	174	1,466	3,653	561	336	4,550
Exchange rate difference	-119	-	-	-119	77	-	-	77
Disposals	-18	-42	-	-60	-	-	-	-
Balance at 31 December	17,538	1,360	448	19,346	19,357	1,656	342	21,355

Lease liabilities

Maturity analysis – contractual undiscounted cash flows	2020				2019			
	Property	Vehicles	Other	Total	Property	Vehicles	Other	Total
Less than one year	2,418	397	72	2,887	2,336	435	62	2,833
One to five years	8,042	1,041	242	9,325	8,097	1,199	244	9,540
More than five years	12,082	-	144	12,226	13,649	34	54	13,737
Total undiscounted lease liabilities at 31 December	22,542	1,438	458	24,438	24,082	1,668	360	26,110
Current	1,912	463	72	2,447	1,611	453	59	2,123
Non-current	16,207	929	380	17,516	18,429	1,242	284	19,955
Lease liabilities included in the statement of financial position at 31 December	18,119	1,392	452	19,963	20,040	1,695	343	22,078

Amounts recognised in profit or loss

	2020	2019
Interest on lease liabilities	216	465
Expenses of short-term leases	61	111
Expenses of low-value assets	212	392
Sub-lease income	48	42

Amounts recognised in the statement of cash flows

	2020	2019
Total cash outflow for leases	3,578	4,297

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 5.000 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 these leases.

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 263) 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.

Breakdown of derivatives by remaining term to maturity and fair value:

Non-trading derivative assets

2020	Total	Notional amount			Fair value
		<= 1 year	> 1 year <= 5 years	> 5 years	
Currency contracts:					
OTC:					
Forwards	4,908	-	4,908	-	176
Non deliverable forwards	9,191	5,013	4,178	-	1,595
Swap	-	-	-	-	-
Other OTC contracts:					
Interest rate swaps	70,000	-	-	70,000	24
Total derivatives	84,099	5,013	9,086	70,000	1,795
Average IRS rates:				0.00%	
2019	Total	Notional amount			Fair value
		<= 1 year	> 1 year <= 5 years	> 5 years	
Currency contracts:					
OTC:					
Forwards	14,206	8,863	5,343	-	1,965
Non deliverable forwards	43,380	33,079	10,301	-	5,840
Swap	387	387	-	-	9
Other OTC contracts:					
Interest rate swaps	33,500	-	-	33,500	908
Total derivatives	91,473	42,329	15,644	33,500	8,722
Average IRS rates:				-0.25%	

Triodos Bank entered into currency contracts with Triodos Investment Management in order to manage the currency risk of the investment funds. Triodos Bank hedges these positions directly in the market. Therefore the long and short position are almost the same. The decline of the nominal amount from 2019 to 2020 relates to the fact that at the end of 2017 Triodos Bank stopped entering into new currency contract with Triodos Investment Management because of new regulation.

Non-trading derivative liabilities

2020	Total	Notional amount			Fair value
		<= 1 year	> 1 year <= 5 years	> 5 years	
Currency contracts:					
OTC:					
Forwards	206,008	201,100	4,908	-	2,584
Non deliverable forwards	9,191	5,013	4,178	-	1,524
Swap	-	-	-	-	-
Other OTC contracts:					
Interest rate swaps	295,175	24,975	187,500	82,700	6,344
Total derivatives	510,374	231,088	196,586	82,700	10,452
Average IRS rates:		-0.12%	0.24%	0.18%	
2019	Total	Notional amount			Fair value
		<= 1 year	> 1 year <= 5 years	> 5 years	
Currency contracts:					
OTC:					
Forwards	206,726	201,383	5,343	-	4,460
Non deliverable forwards	43,380	33,079	10,301	-	5,583
Swap	387	387	-	-	8
Other OTC contracts:					
Interest rate swaps	270,975	6,500	208,475	56,000	5,012
Total derivatives	521,468	241,349	224,119	56,000	15,063
Average IRS rates:			0.21%	0.55%	

The forward currency contracts relates mainly to GBP contracts that Triodos Bank entered for a notional amount of EUR 201.1 million (2019: EUR 192.5 million) for hedging the currency risk of the UK subsidiary equity participation of Triodos Bank. The other currency contracts relates to contracts that Triodos Bank entered into with Triodos Investment Management in order to manage the currency risk of the investment funds. Triodos Bank hedges these positions directly in the market. Therefore the long and short position of these contracts are almost the same.

11 Other assets

The balance sheet value of the other assets as at 31 December can be broken down as follows:

	2020	2019
Receivable regarding the deposit guarantee scheme	3,916	3,916
Other prepayments and accrued income	22,702	44,596
Other	35,296	38,275
Balance sheet value as at 31 December	61,914	86,787

12 Non-current Assets Held for Sale

The balance sheet value of the assets held-for-sale as at 31 December can be broken down as follows:

	2020	2019
Repossessed assets	10,343	10,197
Own property held for sale	5,860	-
Shares in investment funds held for sale	2,769	-
Balance sheet value as at 31 December	18,972	10,197

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 a realtor.

Triodos Investment Management has provided seed capital to a new investment fund in November 2020 to improve the product offering and with the intention to 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, on page 148 of the financial statements.

	2020	2019
Impairments recorded in other income	-594	-135
Total for the year	-594	-135

Equity and liabilities

13 Deposits from banks

	2020	2019
Deposits from banks	66,965	70,023
Deposits from Central Banks (TLTROIII.5)	750,000	-
Interest payable	-1,825	697
Balance sheet value as at 31 December	815,140	70,720

The deposits from banks concerns credits held by Kreditanstalt für Wiederaufbau, Germany and Landwirtschaftliche Rentenbanken, Germany for interest-subsidised loans in the renewable energy sector.

Triodos Bank entered into TLTROIII (hereafter 'TLTRO') funding with the ECB, with early repayment option after 1 year, on 30 September 2021. The interest rate on the TLTRO depends on the lending volumes granted to corporates (excluding financial institutions) and households (excluding mortgages).

Under the conditions of the program, if a bank shows growth in its lending volumes equal to or above 0% between 1 March 2020 and 31 March 2021, the interest rate applied on all TLTRO operations outstanding over the period between 24 June 2020 and 23 June 2021 will be 50 basis points below the average interest rate on the deposit facility prevailing over the same period, and in any case not higher than -1%. In subsequent years the interest will be between the Deposit Facility and Main Refinancing Operations interest rates, depending to what lending growth conditions Triodos Bank meets within the TLTRO program. The amount of interest to be recognised on the TLTRO depends on a reasonable expectation of whether the conditions will be met over the life of the loan. Triodos Bank expects that the conditions will be met. Interest on TLTRO is presented as part of net interest margin.

Deposits from banks classified by residual maturity:

	2020	2019
Payable on demand	87	697
1 to 3 months	-	1,425
3 months to 1 year	753,067	5,267
1 to 5 years	13,378	27,484
Longer than 5 years	48,608	35,847
Balance sheet value as at 31 December	815,140	70,720

14 Deposits from customers

	2020	2019
Savings	7,762,988	6,365,076
Other funds entrusted	3,979,681	4,324,929
Interest payable	4,538	3,694
Balance sheet value as at 31 December	11,747,207	10,693,699

Savings are defined as:

- savings accounts (with or without notice) of natural persons and non-profit institutions
- fixed term deposits of natural persons and non-profit institutions

Other funds entrusted are defined as:

- current accounts of natural persons and non-profit institutions
- all accounts of governments, financial institutions (excluding banks) and non-financial corporations

Deposits from customers classified by residual maturity:

	2020			2019		
	Savings	Other funds entrusted	Total	Savings	Other funds entrusted	Total
Payable on demand	7,032,403	3,703,255	10,735,658	5,233,233	4,123,538	9,356,771
1 to 3 months	300,844	193,933	494,777	592,673	137,552	730,225
3 months to 1 year	241,029	37,005	278,034	270,145	36,029	306,174
1 to 5 years	162,358	41,743	204,101	238,907	26,818	265,725
Longer than 5 years	29,457	5,180	34,637	32,318	2,486	34,804
	7,766,091	3,981,116	11,747,207	6,367,276	4,326,423	10,693,699

15 Other liabilities

The balance sheet value of the other liabilities as at 31 December can be broken down as follows:

	2020	2019
Other liabilities	17,830	20,226
Other accruals and deferred income	37,964	29,518
Balance sheet value as at 31 December	55,794	49,744

Interest payable regarding cash and cash equivalents was recognised as other accruals and deferred income but are transferred to cash and cash equivalents. The comparative figure in the amount of EUR 241 are adjusted accordingly.

16 Debt issued and other borrowed funds

This relates to a 10-year GBP bond issued in 2020 by Triodos Bank UK Ltd. The bond was issued at nominal value. The nominal interest rate is 4% for the first five 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 3.9% above the Bank of England base rate. The bonds are subordinated to all other liabilities.

The movement of the debt issued is as follows:

	2020	2019
Balance sheet value as at 1 January	-	-
Issuance	6,359	-
Interest payable	9	-
Exchange rate difference	-	-
Balance sheet value as at 31 December	6,368	-

17 Provisions

	2020	2019
ECL on financial guarantee contracts issued	14	19
ECL on loan commitments issued	2,233	676
Other provisions	2,137	4,782
Balance sheet value as at 31 December	4,384	5,477

A provision in the amount of EUR 0.6 million has been created regarding the conversion of regulated savings accounts. A provision regarding the internal reorganization was made of which EUR 0.4 million (2019: EUR 3.5 million) is still unutilised. Further provisions have been formed regarding disputes and claims.

An amount of EUR 4.1 million (2019: EUR 3.5 million) can be classified as shorter than one year.

The movement of the other provisions is as follows:

	2020	2019
Balance sheet value as at 1 January	4,782	5,259
Addition	1,179	5,024
Withdrawal	-1,952	-2,471
Release	-1,850	-3,113
Exchange rate differences	-22	83
Balance sheet value as at 31 December	2,137	4,782

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 (2019: 14,401,765 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 (2019: 14,401,765 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 re-issuing of all own depository receipts purchased shall be placed at

the disposal of the Annual General Meeting. More details on capital ratios are included in the Pillar 3 report which can be found on the internet site of Triodos Bank.

The movement of the number of shares is as follows:

	2020	2019
Number of shares as at 1 January	14,401,765	13,494,697
Increase of share capital	65,291	642,944
Stock dividend	-	264,124
Number of shares as at 31 December	14,467,056	14,401,765

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.

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 revaluation reserve relates to the unrealised value adjustments in respect of the acquisition price for participating interests.

	2020	2019
Development costs	43,806	38,914
Balance sheet value as at 31 December	43,806	38,914

Development costs

The movement in the other reserve for development costs is as follows:

	2020	2019
Balance sheet value as at 1 January	38,914	34,715
Transfer of other reserve	4,892	4,199
Balance sheet value as at 31 December	43,806	38,914

Retained earnings

The movement in other reserves includes purchasing of own depository receipts. At year-end 2020, Triodos Bank had purchased 237,975 own depository receipts amounting to EUR 20,656 (2019: 1,321 own depository receipts amounting to EUR 126).

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 2020, 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:

Net profit	27,203
Addition to the retained earnings	-17,954
Dividend (EUR 0.65 per depository receipt)	9,249

Dividend proposal of 18 March 2020 as published in the annual accounts 2019 was revised. This was a direct response to the recommendation made by the European Central Bank and De Nederlandsche Bank (DNB) on 27 March to all banks, not to pay out dividend in order to prioritise supporting the real economy by lending to customers during the COVID-19 pandemic. For the year result of 2020 Triodos Bank proposes a dividend of EUR 0.65 per share, equivalent to a 15% pay-out ratio (the percentage of total profit distributed as dividends) of 2019 and 2020 together in compliance with the latest guidelines of DNB following the instruction of the ECB.

Off-balance sheet liabilities

19 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.

	2020	2019
Credit substitute guarantees	41,009	75,901
Non-credit substitute guarantees	32,095	31,594
	73,104	107,495

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).

The decrease of the credit substitute guarantees is mainly due to the repayment of two large loans which were guaranteed by Triodos Bank.

20 Irrevocable facilities

These relate to the total liabilities in respect of irrevocable undertakings, which may lead to a further loan.

	2020	2019
Undrawn debit limits on current accounts and credit cards	385,280	252,564
Accepted loans not yet paid out	1,442,923	1,120,627
Valid loan offers not yet accepted	107,634	28,972
Other facilities	496	287
	1,936,333	1,402,450

The increase of the irrevocable facilities is mainly due to the increase in mortgage loan offers issued and outstanding construction mortgage accounts.

Other off-balance sheet liabilities

In addition to the contingent liabilities and irrevocable facilities reported on the balance sheet the deposit guarantee scheme and the investor compensation scheme is 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 €8,166 million (2019: €7,211 million) and in the United Kingdom €1,099 million (£985 million, 2019: €990 million or £838 million). In 2016 the annually 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 amount to EUR 12.2 million in 2020 (2019: EUR 10.5 million).

Commitments for software use

in thousands of EUR

The following commitments have been entered for software use:

- For a period of at least 1 year a fixed annual payment of EUR 168 regarding a mortgage tool.
- For a period of at least 1 year a fix annual payment of EUR 145 regarding a customer due diligence application.
- For a period of at least 1 year a variable annual charge of approximately EUR 662 regarding the use of a banking system.
- For a period of at least 4 year a fixed annual payment of EUR 470 regarding a regulatory reporting tool.
- For a period of at least 1 year a variable annual charge of approximately EUR 90 regarding an application and database server.
- For a period of at least 1 year a variable annual charge of approximately EUR 25 regarding the support of a customer engagement tool.
- For a period of at least 1 year an annual charge of EUR 78 regarding the support of a securities administration tool.
- For a period of at least 5 years a variable annual charge of approximately EUR 2,207 regarding the use of a banking system.
- For a period of at least 2 years a variable annual charge of approximately EUR 65 regarding the use of an asset management tool.

Other Commitments

in thousands of EUR

The following commitments have been entered:

- Services relating managing of mortgages for a period of at least 1 year with an annual charge of EUR 2,638
- Services relating payment transactions for a period of at least 2 years with a variable annual charge of approximately EUR 4,800.
- Services relating payment transactions for a period of at least 1 year with a variable annual charge of approximately EUR 100.
- Services relating payment transactions for a period of at least 1 year with a variable annual charge of approximately EUR 121.
- Services relating private banking for a period of at least 1 year with a variable annual charge of approximately EUR 600.
- Services relating payment transactions for a period of at least 1 year with an annual charge of approximately EUR 32.
- Services relating payment transactions for a period of at least 2 years with an annual charge of approximately EUR 32.

- Services relating payment transactions for a period of at least 1 years with an annual charge of approximately EUR 379.
- Services relating clearing and payment transactions for a period of at least 1 year with an annual charge of EUR 480.
- Services relating protection of payment systems for a period of at least 0.5 years with a variable annual charge of approximately EUR 550.
- Services relating to credit checks / business information searches with an estimated annual charge of EUR 212.
- Services relating to provision of debit cards with an estimated annual charge of EUR 391.
- Services relating maintenance of building equipment for a period of at least 0.5 year with an annual charge of EUR 42.
- Security services with an annual charge of EUR 93K.
- Services relating providing temporary co-workers for the customer contact centre for a period of at least 3 months with an variable annual charge of approximately EUR 1,075.
- Services relating to crowdfunding platforms for at least 1 year with an annual charge of EUR 53.
- Management of investment accounts until end of 2021 with an annual charge of EUR 259k including transaction charges.
- Audit services for at least a period of 3 years with a variable annual charge of approximately EUR 2,300.