

Triodos  Bank

Annual Report 2020

Key figures

amounts in millions of EUR *	2020	2019	2018	2017	2016
Financial					
Equity	1,208	1,201	1,112	1,013	904
Deposits from customers	11,747	10,694	9,564	8,722	8,025
Loans and advances to customers	9,157	8,209	7,267	6,598	5,708
Balance sheet total	13,888	12,082	10,867	9,902	9,081
Funds under management ¹	6,362	5,671	4,673	4,604	4,373
Total assets under management	20,250	17,753	15,540	14,506	13,454
Total income	305.1	292.2	257.1	240.3	217.6
Operating expenses	-245.4	-234.4	-204.3	-190.2	-171.9
Impairment losses on financial instruments	-24.2	-3.7	-6.4	-1.8	-5.7
Value adjustments to participating interests	-	-	-	1.3	-1.5
Operating result before taxation	35.5	54.1	46.4	49.6	38.5
Taxation on operating result	-8.3	-15.1	-11.2	-12.2	-9.3
Net profit	27.2	39.0	35.2	37.4	29.2
Total Capital ratio	18.8%	17.9%	17.5%	19.2%	19.2%
(Common) Equity Tier 1 ratio	18.7%	17.9%	17.5%	19.2%	19.2%
Leverage ratio	8.8%	8.5%	8.9%	8.9%	8.8%
Return on equity in %	2.3%	3.4%	3.3%	3.5%	5.5%
Return on assets in %	0.2%	0.3%	0.3%	0.3%	0.5%
Operating expenses/total income	80%	80%	79%	79%	79%
Real Economy assets/Balance sheet total ²	75%	76%	77%	80%	81%
Triple Bottom Line assets/Balance sheet total ²	74%	75%	76%	75%	77%

* IFRS - EU was adopted as of 1 January 2018, and therefore the key figures for 2020, 2019 and 2018 are reported under IFRS. Key figures for 2017 and 2016 are reported under Dutch Gaap.

¹ Including funds under management with affiliated parties that have not been included in the consolidation.

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. The assets and revenues committed to the Real Economy and to the Triple Bottom Line for the year 2016 has not been reviewed. The 2019 and 2018 figures have been adjusted to IFRS reporting.

amounts in millions of EUR *	2020	2019	2018	2017	2016
Per share (in EUR)					
Net asset value at year end	85	83	82	83	82
Net profit ³	1.91	2.80	2.73	3.19	2.83
Dividend ⁴	0.65	-	1.95	1.95	1.95
Key figures					
Number of depository receipt holders	43,614	44,401	42,416	40,077	38,138
Number of accounts - funds entrusted from customers	867,377	830,816	839,242	808,090	759,738
Number of accounts - loans and advances to customers	81,726	77,984	68,751	60,339	50,765
Number of customers	728,056	721,039	714,887	681,082	651,945
Social					
Number of co-workers at year end	1,592	1,493	1,427	1,377	1,271
Co-worker turnover	8%	10%	9%	9%	8%
Women as percentage of management team	39%	44%	39%	44%	40%
Ratio of highest to median salary ⁵	5.5	5.6	5.6	5.7	5.7
Environment					
Triodos Bank's own emissions, 100% compensation (in ktonne CO ₂ eq.)	1.0	2.9	2.8	3.1	3.1
Net emissions in outstanding loans and investments (in ktonne CO ₂ eq.) ⁶	358	293	152	-	-
Avoided emissions in renewable energy loans and investments (in ktonne CO ₂ eq.) ⁶	-933	-963	-985	-	-

³ The figure of net profit per share is calculated on the average number of issued shares in circulation during the financial year.

⁴ 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.

⁵ 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.

⁶ 2018 is the first year of reporting using the Platform for Carbon Accounting Financials (PCAF) methodology. Around 68% of our outstanding loans and funds' investments are assessed.

Governance structure

Executive Board

The daily management and strategic development of Triodos Bank N.V. (hereafter Triodos Bank) lies with the Executive Board. The Executive Board is formally responsible for the management of Triodos Bank and the members are appointed by the Supervisory Board.

Supervisory Board

Triodos Bank has a Supervisory Board, which monitors the Bank's business operations and advises its Executive Board, to benefit its business interests.

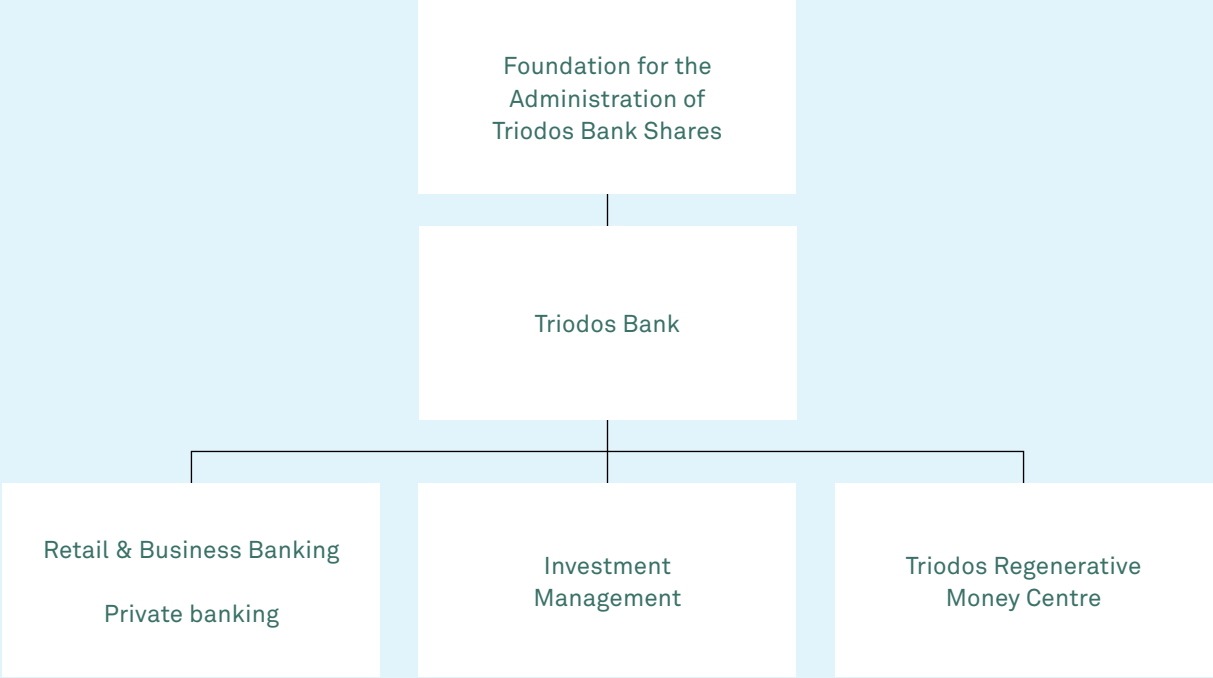
New members of the Supervisory Board are appointed by the Annual General Meeting, based on recommendations from the Supervisory Board.

SAAT – Foundation for the Administration of Triodos Bank Shares

Triodos Bank believes it is crucial that its mission and identity is protected. As a result, all Triodos Bank's shares are held in trust by SAAT – the Foundation for the Administration of Triodos Bank Shares. SAAT then issues depository receipts for Triodos Bank shares to the public and to institutions. These depository receipts embody the economic aspects of the shares of Triodos Bank N.V. In addition, SAAT exercises the voting rights for the Triodos Bank N.V. shares. The Board of SAAT's voting decisions are guided by the Bank's ethical goals and mission, its business interests, and the interests of the depository receipt holders. Triodos Bank depository receipts are not listed on any stock exchange. Instead, Triodos Bank maintains its own platform for trading in depository receipts.

More information about Triodos Bank's Boards is available at www.triodos.com and in the biographies in the appendix of the audited, English language version of the annual report.

Triodos Bank Group structure 2020



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 only to organisations working to bring about positive and lasting change. Our lending focuses on three key areas:

- Energy and climate
- Food and agriculture
- Socially inclusive business

Private Banking

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

Investment Management

Impact investing takes place through investment funds or investment institutions bearing the Triodos name.

The 16 active funds are grouped in business lines based on the themes they invest in:

- Energy and Climate
- Inclusive Finance
- Sustainable Food and Agriculture
- Impact Equities and Bonds

Triodos Regenerative Money Centre

Triodos Regenerative Money Centre lends, invests and donates money through Triodos impact investment funds and the Triodos Foundation with an innovative and impact-first perspective and the objective to make pioneering, transformative initiatives possible that cannot (yet) be financed by traditional loans and investments.

Our purpose: the conscious use of money

Triodos Bank wants to promote human dignity, environmental conservation and a focus on people's quality of life in general. Key to this is a genuinely responsible approach to business, transparency and using money more consciously. Triodos Bank puts values-based banking into practice. We want 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.

Triodos Bank's mission is

- To help create a society that promotes people's quality of life and that has human dignity at its core
- To enable individuals, institutions and businesses to use money more consciously in ways that benefit people and the environment, and promote sustainable development
- To offer customers sustainable financial products and high-quality service.

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

Market and core activities

Triodos Bank aims to achieve its mission as a sustainable bank in three ways.

As a values-driven service provider

Bank customers not only want sustainable products and services, but also fair prices and a reliable service. Triodos Bank offers products and services with a purpose to promote sustainable development. And it does so, in the context of meaningful, transparent relationships with its customers.

As a relationship bank

Triodos Bank's service is built on deepening and developing long-term relationships with its customers. Relationships are nurtured through various on and offline channels, including offices where customers meet co-workers face-to-face and at community events. Triodos Bank's aim is to create a broad customer base that's closely connected to it – a combination of private and corporate customers who have made a conscious decision to bank with Triodos Bank.

Exactly how this happens differs in each country; its services have developed in different ways in each of the countries where it works, depending in part on the stage of development of the banking entities in question.

As a frontrunner in responsible banking

Triodos Bank wants to promote the conscious use of money, in its own organisation, but also in the financial sector as a whole. It stimulates public debate on issues such as the need to make corporate social responsibility mainstream as a frontrunner of values-based banking which can transform the economy. Stakeholders have encouraged Triodos Bank to focus on this role as a frontrunner. Triodos Bank, with 40 years of experience in values-based banking was a founder of the Global Alliance for Banking on Values, a global movement of more than 60 like-minded banks committed to advancing positive change in the banking sector. Triodos Bank's vision and approach has led to international recognition. Its participation in the public debate, often through high-impact events that it hosts and participates in, means people can see what Triodos Bank stands for and hear its opinions about important social trends. Triodos Bank's identity is crucial for its brand and reputation.