

Annual Report 2022

Triodos  Bank

Key figures

amounts in millions of EUR	2022	2021	2020	2019	2018
Equity	1,259	1,250	1,208	1,201	1,112
Deposits from customers	13,816	13,285	11,747	10,694	9,564
Loans and advances to customers	10,620	10,168	9,157	8,209	7,267
Balance sheet total	15,800	16,504	13,888	12,082	10,867
Funds under management ¹	6,793	7,695 ²	6,362	5,671	4,673
Total assets under management	22,593	24,199	20,250	17,753	15,540
Total income	375.3	341.9	305.1	292.2	257.1
Operating expenses	-300.1	-275.2	-245.4	-234.4	-204.3
Impairment result on financial instruments	-8.1	0.4	-24.2	-3.7	-6.4
Operating result before taxation	67.1	67.1	35.5	54.1	46.4
Taxation on operating result	-17.2	-16.4	-8.3	-15.1	-11.2
Net profit³	49.9	50.8	27.2	39.0	35.2
Return on equity in %	4.0%	4.1%	2.3%	3.4%	3.3%
Return on assets in %	0.3%	0.3%	0.2%	0.3%	0.3%
Operating expenses/total income	80%	80%	80%	80%	79%
Total Capital Ratio	21.0%	21.3%	18.8%	17.9%	17.5%
Minimum requirement Total Capital Ratio ⁴	13.9%	14.2%	13.6%	13.8%	14.7%
(Common) Equity Tier 1 Ratio	17.3%	17.5%	18.7%	17.9%	17.5%
Minimum requirement Equity Tier 1 Ratio ⁴	11.1%	11.6%	11.1%	11.8%	12.7%
Leverage Ratio	6.9% ⁵	8.1%	8.8%	8.5%	8.9%
Minimum requirement Leverage Ratio	3.0%	3.5%	3.0%	3.0%	3.0%
Return on Risk Weighted Assets in %	0.7%	0.8%	0.5%	0.6%	0.6%

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

² The 2021 funds under management have been restated by EUR 33 million due to an improvement to the internal definition of funds under management in 2022.

³ Net profit is subject to rounding difference.

⁴ These are the minimum requirements based on the overall capital requirements instead of the SREP requirements. The comparative figures are adjusted accordingly.

⁵ The decrease of the leverage ratio is mainly due to the termination of the temporary application of the CRR exemption as per April 1, 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	2022	2021	2020	2019	2018
Real Economy assets/Balance sheet total ¹	77%	70%	75%	76%	77%
Triple Bottom Line assets/Balance sheet total ²	77%	70%	74%	75%	76%

Per share (in EUR)					
Net asset value at year end ³	89	88	85	83	82
Net profit ⁴	3.51	3.57 ⁵	1.91	2.80	2.73
Dividend ⁶	3.12	1.80	0.65	-	1.95

Number of depository receipt holders	43,545 ⁷	43,521	43,614	44,401	42,416
Number of accounts - deposits from customers	884,607	880,374	867,377	830,816	839,242
Number of accounts - loans and advances to customers	82,931	84,386	81,726	77,984	68,751
Number of customers	744,477	747,413	728,056	721,039	714,887

Social

Number of co-workers at year end	1,815	1,715	1,592	1,493	1,427
Number of FTE at year end	1,679.0	1,583.5	1,463.1	1,370.3	1,317.4
Co-worker turnover	11%	10%	8%	10%	9%
Women as percentage of management team	43%	39%	39%	44%	39%
Ratio of highest to median salary ⁸	5.1	5.2	5.4	5.6	5.6

Environment

Triodos Bank's own emissions, 100% compensated (in ktonne CO2e)	1.3	0.9	1.2	2.9	2.8
Net emissions in outstanding loans and investments (in ktonne CO2e) ⁹	314	364	358	293	152
Avoided emissions in renewable energy loans and investments (in ktonne CO2e) ⁹	-1,048	-851	-933	-963	-985

¹ Assets are classified as 'real economy' (as opposed to financial economy) if it is 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 net asset value per share is the total equity divided by the total shares outstanding. The net asset value per share is not the trading price since 2021.

⁴ The figure of net profit per share is calculated on the average number of issued shares in circulation during the financial year.

⁵ The earnings per share in 2021 has been restated from € 3.56 to € 3.57 as a result of the restatement of the average number of issued shares in circulation in the annual report 2021.

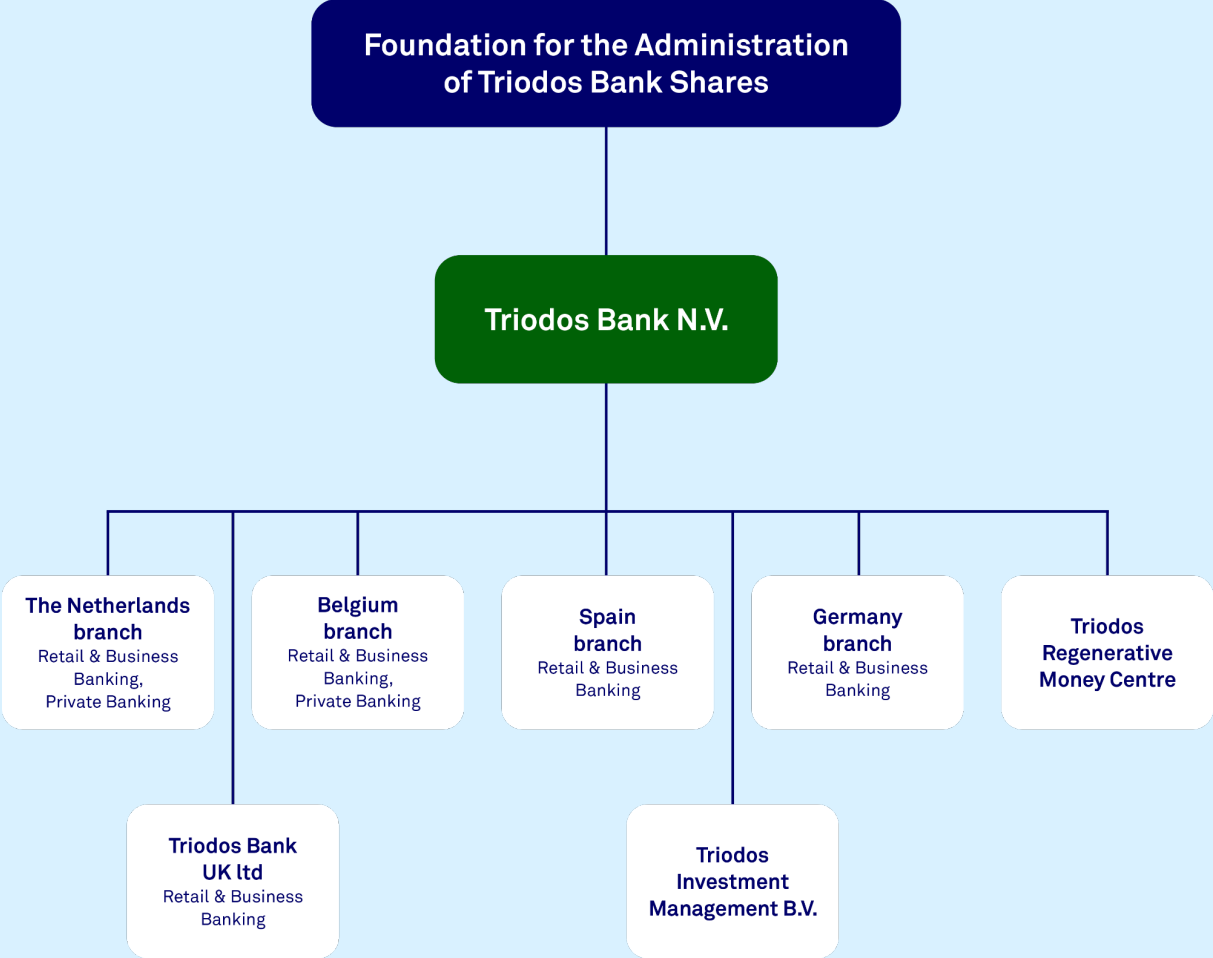
⁶ The dividend over 2022 amounts to EUR 2.11 per Depository Receipt (DR) (2021: EUR 1.80) excluding the extraordinary dividend of EUR 1.01 per DR. This includes the earlier paid interim dividend of EUR 0.35 and a final dividend amount of EUR 1.76 per DR that Triodos Bank will propose at the Annual General Meeting in May 2023.

⁷ The number of depository receipt holders increased due to transactions among depository receipt holders, without the involvement of Triodos Bank.

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 2018 was the first year of reporting using the Partnership for Carbon Accounting Financials (PCAF) methodology. Since 2019 Triodos Bank assesses 100% of our loans and funds' investments to calculate Triodos Bank's share in the GHG emissions by using the global PCAF Standard (in 2018 around 68% of Triodos Bank's loans and funds' investments were assessed).

Triodos Bank Group structure 2022



Through these entities, we cover the following client groups:

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

Triodos Investment Management manages 20 Triodos impact investing funds with the aim to generate social and environmental impact alongside a healthy financial return.

The 20 active funds of Triodos Investment Management are grouped along impact investment themes:

- 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 Sustainable Finance Foundation, Triodos Ventures B.V., Triodos Renewable Energy for Development Fund and Triodos Foundation with an innovative and impact-first approach and the objective to make pioneering, transformative initiatives possible that cannot (yet) be financed by the traditional banking and investment system.

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

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

New members of the Supervisory Board are appointed by the Annual General Meeting, based on recommendations from the Supervisory Board. With regard to one-third of the number of its members, the Supervisory Board nominates a person recommended by the Works Council.

SAAT – Foundation for the Administration of Triodos Bank Shares

Triodos Bank believes it is crucial that its mission and identity are 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 maintained its own platform for trading in Depository Receipts. For more information on the current suspension of trade in Depository Receipts, please refer to the chapter 2022 – Being a frontrunner in a year of polycrisis (see page 14).

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.

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. 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.
- Enable individuals, institutions and businesses to use money more consciously in ways that benefit people and the environment, and promote sustainable development.
- 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 aims to create a broad customer base that is closely connected to the Bank – 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, through 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 42 years of experience in values-based banking was a founder of the Global Alliance for Banking on Values, a global movement of 70 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 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.

Executive Board report