Annual Report
2022

Triodos Bank

2022 – Being a frontrunner in a year of polycrisis

The past year was characterised by a range of challenges. While the COVID-19 pandemic eased during the year, the world faced challenges on other fronts. A multitude of interconnected crises (a polycrisis) exposed the vulnerability of our economic and social systems.

When war broke out in Ukraine, instigated by Russia, it was a watershed moment in European history, gravely impacting the lives of the people in both Ukraine and Russia. The conflict also had major economic and social consequences, as supply chains were disrupted leading, to an energy and food crisis as well as millions of people being displaced from their homes. The economies of the developed countries are slowing down and could enter recession, fuelled by high inflation, trade tensions and increasing interest rates.

These dynamics hit low-income households the hardest. Inequality is on the rise, now that the COVID-19 pandemic has reinforced existing patterns of exclusion and inequality by affecting lower income groups the most. At the same time, the transgressions of our planetary boundaries are ongoing. In 2022 once again there were clear signs that climate change is already happening and accelerating, costing trillions of euros, and that the window to limit global warming is closing.

These crises are interlinked and require an integrated and holistic approach that steers towards a more resilient system, one supporting an equitable society with healthy ecological conditions. This is exactly what Triodos Bank has been working on since its foundation in 1980. It is embedded in Triodos Bank's mission and goal: to make money work for positive social, environmental, and cultural change. In these challenging circumstances in 2022, Triodos Bank continued to focus successfully on combining its pursuit of growing positive societal impact with adequate financial performance, navigating, amongst others, rising interest rates, increasing costs associated with high inflation and growing regulatory requirements.

We could not do all this without the support of many others, which we experienced at numerous events last year. During the Made for Change Day in the Netherlands 25 changemakers opened their doors for thousands of Triodos Bank clients. Over 100 clients from the cultural sector in Belgium met to discuss how they too could reduce their carbon footprint. In Spain, we joined forces with Amnesty International and Doctors without Borders for an event about the importance of donation, while in the UK, over 600 clients came together to explore the changes needed to tackle the climate emergency and other societal challenges communally.

Net zero

Our target is to be net zero by 2035 at the latest

It is clear to us that more and more individuals and groups are ready to take action. We know this because many thousands of them are clients and/or Depository Receipt holders of Triodos Bank. These are people who are prepared to save and invest for the benefit of society. Thanks to their contributions, commitment and support, we can finance those initiatives that contribute to making society more sustainable. We would like to take this opportunity to specifically thank our clients, Depository Receipt holders and co-workers for their continued support of Triodos Bank in 2022.

Our impact strategy for a changing world

The polycrisis makes clear that an integrated and coordinated approach is needed to build a more resilient and sustainable society. Profound changes in human systems and institutions need to take place for people to live prosperous lives on a thriving planet.

Triodos Bank wants to contribute to building this society and has developed a focused vision on how it intends to continue to create positive impact. In 2022, we identified five interlinked transition themes: food, resource, energy, society and well-being.

Food transition
From a predominantly extractive food system to regenerative agriculture, fair supply chains and healthy diets, with the aim of developing sustainable food systems.

Resource transition
From a wasteful extract-use-dispose paradigm to an economy where resources – from materials to nature – are truly valued and used prudently, to create a circular economy.

Energy transition
From fossil fuel-based energy production to renewable energy generation and energy efficiency, to create a fossil-free economy.

Societal transition
From a society that incentivises competition leading to divisiveness, to one that is rooted in solidarity and collaboration, creating thriving, inclusive and cohesive communities.

Well-being transition
From a narrow focus on material satisfaction to an economy that deeply values and nurtures broader individual well-being, to have a society with prosperous and healthy people.

Our mission as a financial institution is to enable and accelerate these vital transitions in order to address key societal and environmental issues, including biodiversity loss, inequality and climate change, and improve life for all through continued financing of, for instance, culture and education.

Our focus on these transitions should be seen in the context of our target to be net zero by 2035 at the latest. Our ambition is that the greenhouse gas emissions of all Triodos Bank's loans and funds' investments will be reduced, using a science-based targets approach. The remaining emissions will be balanced or 'inset' by investing considerably in nature projects that remove greenhouse gases from the air.

We announced this target in 2021 and last year we analysed our loan and investment portfolio by sector to look at how decarbonisation can be achieved. To reach our goal, we have set an intermediate target to reduce net emissions by 32% in 2030 across the entire loans and funds' investments portfolios. In the context of portfolio growth, Triodos Bank expects net absolute emissions to be relatively stable until 2025 and to start declining from then onwards as a result of our sequestration investments and our reduction efforts diminishing the carbon intensity of portfolios.

Acting now – finance change and change finance

The current societal challenges need action now without losing sight of the bigger picture. For Triodos Bank, that means financing change, by lending to, investing in and donating to values-based enterprises and activities. It also means acting in the long term to change finance, as a pioneer of sustainable banking. This will always remain our focus as a values-based bank. In the current challenging times, we are convinced that our mission is more relevant than ever.

Last year, we updated our minimum standards, which form our exclusion criteria and set out the absolute minimum standards that we apply to all our loans, investments, current and saving accounts of business clients and suppliers. For example, we do not want to be involved in fossil fuel and nuclear power producers; we also exclude weapons, tobacco, industrial farming, deforestation and other harmful sectors and activities. In 2022, we updated these minimum standards by adding asbestos mining and deep-sea mining as excluded activities.

Our business model was tested last year against the strict international requirements for social and environmental performance, accountability and transparency set by the international B Corp organisation. We have been a B Corp member since 2015 and to remain one we had to undergo a periodic assessment. The outcome is expressed in a score. Our recertification resulted in a score of 131.3 (the average is 93.9). B Corp applauds our governance, how we measure the positive impact of our financing and how we support local communities. We are encouraged to increase the diversity of our own organisation to further improve our score.

Biodiversity

Biodiversity remains a key priority for us, as it was in 2022. Biodiversity loss is currently one of the most urgent and complex systemic risks we face. It can only be tackled through a serious re-assessment of our production and consumption patterns, and of the economic assumptions underlying individual and collective decision-making. We see it as our duty to preserve and restore nature and biodiversity. We published the paper ‘Biodiversity - Beyond risk and return’, in which we explain how the financial sector can contribute by reconsidering its practices and priorities.

We actively engaged with European lawmakers on the new deforestation regulation. Together with Triodos Investment Management and 11 other financial institutions we urged European lawmakers to include the financial sector in the proposal for a regulation on deforestation-free products to ensure that financed activities do not contribute to the loss of forests and biodiversity.

In the Netherlands, we launched the Triodos Bio-based Mortgage, allowing customers to receive a specific discount on their interest rate if they are going to live in or build a bio-based home. We are the first Dutch lender to offer this product, incentivising the housing market to become more sustainable.

Social inclusion

Social inclusion was another important topic last year. We published our vision paper 'Building open and resilient communities for an inclusive society' in November, in which we urged governments, companies, social institutions, and the financial sector to make the transition to a regenerative economy fairer and more inclusive. We have identified three courses of action: empowering people, building inclusive societies, and challenging dominant values and structures.

Promoting inclusion in society is a strategic priority for Triodos Bank: it uses loans and investments focused on making the labour market more accessible, on financial inclusion, affordable and sustainable housing, community projects and the welfare of children. This strategy is rooted in Triodos Bank's mission to create a society that promotes people's quality of life and in which human dignity is central.

A concrete example of this is the launch of the Triodos Future Generations Fund by Triodos Investment Management. This is a thematic fund aimed at improving the well-being and development of children worldwide. With its focus on child welfare and development, the fund provides a unique social thematic investment theme in support of UNICEF.

Impact of our green bond

In 2021, we successfully launched our Green Subordinated Tier 2 Bond. In our first green bond report, published in October 2022, we outlined how we have allocated the funds and the impact they are generating. Using the proceeds, 77 projects were funded in the renewable energy sector, with a combined productive capacity equivalent to the annual electricity needs of approximately 122,600 European households. Approximately 1,275 hectares of nature and conservation land and forestry in Europe were funded. This land is important for absorption (or sequestration) of greenhouse gases from the atmosphere. With this impact the green bond contributed significantly to our ambition to become net zero by 2035 at the latest.

122,600 households

With the proceeds from our green bond, we financed a production capacity for the annual electricity needs of 122,600 European households

Partnerships

We also seek partnerships with stakeholders to increase our impact. We announced an agreement with Alternative Bank Switzerland (ABS) to jointly finance up to EUR 300 million in the areas of renewable energy, sustainable property, organic farming and the health and educational sectors, primarily in the Netherlands, Belgium, and Germany. With this unique collaboration, we underline the crucial role of the financial sector in this transition and show what impact is possible by working together.

We also collaborated with several other financial institutions last year to actively advocate against European Commission plans to classify natural gas and nuclear energy as sustainable in the new taxonomy. On 6 July 2022, the European Parliament voted for the plans of the European Commission to classify natural gas and nuclear energy as sustainable in the new taxonomy. Triodos Bank believes natural gas and nuclear energy are not sustainable and that including these sources of energy weakens the impact of the EU taxonomy.

An organisation in transition

To ensure we remain a frontrunner in the future, we are addressing three internal transitions simultaneously, each at its own pace. The first of these is the transition of our capital strategy. Second, there is our leadership transition, which is taking shape at the various levels of the governing bodies and senior management. And third is the transition of our business and operating model, which is a multi-year process.

Progress of our capital strategy

During 2022 we made good progress with the implementation of our decision to pursue a listing of our Depository Receipts (DRs) on a Multilateral Trading Facility (MTF) by the second quarter of 2023.

Immediately following the decision to pursue a listing on an MTF on 21 December 2021, a project team was formed and external expertise was sought. On 23 February 2022, we announced that ABN AMRO had been appointed as financial advisor for the listing process and on 18 August 2022 we announced the appointment of Captin B.V. as provider of the MTF. The Extraordinary General Meeting (EGM) approved the listing and admission of the DRs to trading on the MTF on 11 October 2022.

As of December 2022, in a series of batches, DR holders have been made able to start their registration and onboarding process with the platform provider. This is necessary to ensure that they are technically ready to start trading once the listing takes effect. Trading at the MTF is expected to commence in the second quarter of 2023.

At the EGM of 11 October 2022, we presented a change in our capital strategy, which entails that we no longer issue new shares and DRs for organic growth but will use internally generated capital to finance this growth. The internally generated capital stems from profits of which, in principle, 50% will be paid out as dividend to DR holders and 50% retained by Triodos Bank. This new dividend policy was also set out during the EGM on 11 October and provides a new reference point and clarity for DR holders, as requested by SAAT.

During the same EGM, our shareholder SAAT also approved an extraordinary dividend payment of EUR 1.01 (before withholding tax) per DR up to the amount of EUR 14.4 million, due to the withdrawal of the formerly proposed restricted DR-buyback programme.

We believe the listing and the resumption of DR trading are in the best interests of all relevant stakeholders. We engaged with many of our DR holders during webinars held in February and during the General Meetings of March, May and October 2022. These were characterised by active participation with good, open and challenging conversations. We are committed to continue engaging with all our DR holders to ensure the best possible transfer to the new MTF.

In October 2022, Stichting Certificaathouders Triodos Bank filed with the Enterprise Chamber in Amsterdam a request for an inquiry into the policy and affairs of Triodos Bank concerning DRs. Triodos Bank asked the Enterprise Chamber to reject the request in December 2022. At the point of finalising this Annual Report, the decision by the Enterprise Chamber will probably be known.

Some individual DR holders have decided to pursue legal actions leading to court cases. We refer to the Annual Accounts for more information about this.

Leadership transition

During the year we saw several changes to our Executive Board. After we announced in January 2022 that our Chief Risk Officer (CRO) Carla van der Weerdt needed a recovery period from the health impacts of long COVID-19, we set out to find a temporary statutory replacement for this role on the Executive Board. In May 2022, our Chief Financial Officer (CFO) André Haag, who was also acting as CRO ad interim till that date, decided to pursue other career opportunities. In June 2022, the Supervisory Board appointed Willem Horstmann to take on a combined, ad interim role of CRO and CFO, giving the Supervisory Board time to identify longer-term solutions for both roles.

In November 2022, we announced that the Supervisory Board intended to nominate Kees van Kalveen as CFO. In December, we announced that Marjolein Landheer is the intended CRO on an interim basis.

The Supervisory Board then notified the General Meeting of both intended appointments at the Extraordinary General Meeting on 25 January 2023, after which Kees van Kalveen took over full CFO responsibilities and Marjolein Landheer full interim CRO responsibilities from Willem Horstmann.

The Supervisory Board and the Board of SAAT saw a number of changes in their composition. Mike Nawas became Chair of the Supervisory Board in May 2022. Kristina Flügel joined the Supervisory Board in October. Alexander Rinnooy Kan joined the Board of SAAT in the same month and became Chair of the Board of SAAT per 1 January 2023.

A more efficient and effective organisation

In May, we announced our intention to further optimise resources and deliver increased impact for our customers and investors by reviewing our operating model. Whilst our mission to create positive impact remains unchanged, the financial landscape has changed and requires us to evolve with it. Also, since its inception in 1980, Triodos Bank has grown from a small organisation into a medium-sized bank.

To remain a frontrunner in sustainable finance, we must invest in ensuring our structure, processes, and ways of working continue to support our current and future ambitions. As part of this commitment, we launched a bank-wide programme to move to a new operating model. The aim of adjusting our operating model is to better leverage our scale across the various countries, enabling us to move closer to achieving our targets to improve our cost-income ratio (CIR) and return on equity (RoE). Ultimately, the adjustment of our operating model will ensure greater efficiency in the use of our resources, greater integration and collaboration, and a strengthened commitment to continuous improvement – all of which will help to shape the future of our activities.

In 2022, the senior managers for this revised structure were appointed and continued to work on implementing the new operating model and way of working. We expect to have the new operating model fully implemented by 2024.

Financial results

The increased focus of society on sustainability and the demand for pro-actively driving the transition targets resulted in continuing strong demand for banking products which directly finance real change. Our community of loyal clients has remained stable at 744,477 customers at the end of December 2022 (2021: 747,413 customers).

Triodos Bank recorded an increase in sustainable lending in the amount of EUR 452 million in 2022 to EUR 10.6 billion at the end of December 2022 (2021: EUR 10.2 billion). The cash position decreased with EUR 1.7 billion mainly due to the early repayment of the TLTRO (targeted longer-term refinancing operations) funding by the European Central Bank (ECB). The loans-to-funds entrusted ratio increased to 76.9% in 2022 (2021: EUR 76.5%) as additional funds entrusted on the liability side were primarily used to further develop our sustainable loan portfolio.

4%
growth in sustainable lending in 2022

Our funds entrusted increased by EUR 0.5 billion in 2022, which resulted in an overall position of EUR 13.8 billion (2021: EUR 13.3 billion). The bank's equity position increased by EUR 9 million to EUR 1,259 million per December 2022 (2021: EUR 1,250 million) due to the result of 2022 minus the dividend pay-outs in May and October 2022. The underlying CET1 (Common Equity Tier 1) capital remained strong at 17.3% (2021: 17.5%). The total capital ratio also remained strong at 21.0% (2021: 21.3%).

In 2022 the interest rate environment changed significantly and Triodos Bank therefore decided to repay its EUR 1,550 million TLTRO facility to the Dutch Central Bank (DNB). This repayment resulted in a decrease of its balance sheet in 2022. The changing interest rate environment and the ongoing uncertainty in financial markets affected the value of our assets under management. The Russian invasion of Ukraine had a significant effect on financial markets, resulting in a decline in stock prices, a lower inflow of funds under management and, in some cases, an outflow of funds. This resulted in a decrease of our total assets under management by EUR 1.6 billion (-/-7%) in 2022 to EUR 22.6 billion (2021: EUR 24.2 billion). Nevertheless, the underlying trend is positive due to our loan growth. However our balance sheet decreased by 4%, or EUR 704 million, due to the early repayment of the TLTRO facility. Our funds under management decreased by 12% to EUR 6.8 billion. This was mainly driven by a decrease in market prices of 11% compared to year-end 2021.

Based on the expected benefits from the earlier announced optimisation of the business and operating model, and in view of the return to positive interest rates, Triodos Bank increases its medium term RoE target from 4-6% to 5-7%. This will further enable Triodos Bank to combine the distribution of half of its profits to the depository receipt holders in line with the dividend policy, with the funding of its organic growth by profit retention, a strategy which is in the interest of all its stakeholders.

For 2022, Triodos Bank reports 4.0% return on equity. When excluding the expenses for the provision for the Triodos operating model (EUR 5.0 million) and the expenses related to the MTF listing and DR litigations (EUR 13.9 million) the RoE would amount to 5.1%. The bank reports a net profit of EUR 49.9 million after tax for 2022, which is EUR 0.9 million lower than the same period last year (EUR 50.8 million).

After the above-mentioned adjustments, the net profit after tax would have amounted to EUR 64.5 million for 2022, EUR 13.7 million higher than the same period last year (EUR 50.8 million). Our total income in 2022, EUR 375.3 million (2021: EUR 341.9 million), increased, thanks to lending growth and improving interest margins, notwithstanding lower funds under management. The interest result records an increase of EUR 31.6 million to EUR 253.1 million in 2022 (2021: EUR 221.5 million), supported by conscious lending growth in sustainable economic sectors and improved interest margins, especially in the second half of 2022 as a result of the changed interest rate environment. The bank's commission result improved by 4% to EUR 120.9 million in 2022 (2021: EUR 116.0 million) due to additional management fees. The margin over balance sheet amounted to 0.3% in 2022, which is the same as in 2021. The margin over risk-weighted assets (RWAs) in 2022 was 0.7% in relation to the 0.8% in 2021.

The balance sheet provision for expected credit losses increased by EUR 1.5 million to EUR 53.0 million per end of December 2022 (2021: EUR 51.5 million). The expected credit loss (ECL) expenses on loans represent 8 bps of the average loan book (2021: 0 bps). The calculation of ECL stages 1 and 2 for expected future credit losses (not yet incurred) is particularly sensitive to forward-looking macro-economic parameters (e.g. gross domestic product, unemployment rate) and remained stable across the stage 1 and stage 2 ECL provision in the amount of EUR 13.4 million (2021: EUR 13.6 million). In 2022, as government support during the COVID-19 crisis was reduced, the related management overlays in the ECL provision were also removed. This positive impact was offset by the negative change in the global economic outlook, as inflation rates spiked causing uncertainties which could lead to significant disruptions in value chains. The balance sheet stage 3 ECL provision increased by EUR 1.7 million to EUR 39.7 million as per December 2022. The changes in the balance sheet ECL provisions led to an impairment loss of EUR 8.0 million. The overall ECL provision as a percentage of total loans remained stable at 0.5%, demonstrating the good quality of our loan book.

The bank's total operating expenses (excluding loan impairments) increased by EUR 24.9 million to EUR 300.1 million in 2022 (2021: EUR 275.2 million), mainly due to additional co-worker expenses for compliance and anti-money laundering activities, costs associated with the preparation of the MTF listing, legal advisor costs in relation to our DRs and the provision for the Triodos Operating Model (EUR 5.0 million). These expense drivers have an impact on our short-term ability to further improve our CIR. On 17 May 2022 we announced our intention to optimise our operating model to further sustain the increase of positive impact and the enhancement of delivering on a healthy financial return. The bank will continue to focus on realising cost synergies while coping with regulatory cost increases. Over 2022 the bank reports a CIR of 80% (2021: 80%). After excluding the provision for the Triodos Operating Model and the expenses related to the preparation of the MTF listing and DR litigations the CIR amounts to 75% (2021: 80%).

Resilient capital and liquidity position

Triodos Bank maintains a healthy capital position, which supports growth in our main business areas and allows us to create sustainable impact in line with our mission. Due to the suspension of DR trading on 5 January 2021, no new DRs were issued. Based on the shareholder's resolution at the Annual General Meeting (AGM) in May 2022, Triodos Bank has paid out a dividend amount of EUR 1.80 per Depository Receipt. In October 2022 the Extraordinary General Meeting (EGM) approved an extraordinary dividend of EUR 1.01 in addition to the interim dividend of EUR 0.35, which was paid in October 2022. In total, Triodos Bank paid out EUR 3.16 in dividends in 2022, which results in a capital position of EUR 1,259 million per end of December 2022. The net asset value (NAV) of the bank increased to EUR 89 (2021: EUR 88) per DR.

The bank's capital ratios (CET1 and TCR) were strengthened with the shareholder's resolution at the AGM in May 2022 to partially retain profits. This capital has been utilised for additional lending to our customers and has in this way contributed to new impact creation. Consequently, the bank's total capital ratio (TCR) developed from 21.3% in December 2021 to 21.0% in December 2022. The minimum total capital ratio for the bank is 13.9%

based on the overall capital requirement. The CET1 ratio ended at 17.3% in December 2022 (2021: 17.5%) in line with expectations and well above internal hurdle rates. The leverage ratio of Triodos Bank as per December 2022 is 6.9% (2021: 8.1%), well above the minimum requirement of 3.0%. The decrease of the leverage ratio is mainly due to the termination of the temporary application of the Capital Requirements Regulation (CRR) exemption as per 1 April 2022 where certain central bank exposures were previously allowed to be excluded from the leverage ratio.

The bank's overall liquidity position remains robust with a liquidity coverage ratio (LCR) of 193% at the end of December 2022 (2021: 229%). The regulatory minimum LCR is 100%. Triodos Bank will continue to work on improving its profitability while maintaining solid capital ratios and a substantial liquidity surplus. Fitch Ratings announced on 9 December 2022 it has reaffirmed Triodos Bank's Long-Term Issuer Default rating at 'BBB' and Viability rating at 'bbb'. Fitch has revised the outlook from stable to negative due legal disputes with some of Triodos Bank's Depository Receipt holders. According to Fitch, Triodos Bank's ratings primarily reflect its established niche franchise and business model in the sustainable banking segment and an average yet constrained profitability. The ratings also consider Triodos Bank's solid capitalisation, which compares well with those of similarly rated peers. The bank's adequate asset quality and healthy funding and liquidity profile support the ratings.

Dividend

Considering the achieved net result for the year 2022 and considering the feedback in the AGM (May 2022) and the EGM (October 2022) around our dividend policy, Triodos Bank proposes a final dividend amount of EUR 1.76 per share. This final dividend proposal is equivalent to a pay-out ratio of 50% of the net profit of 2022.

It needs to be considered that this final dividend comes on top of the interim dividend paid in October 2022 of EUR 0.35 per share, resulting in a total dividend 2022 of EUR 2.11 per DR. The total pay-out ratio 2022 of the interim and the final dividend together is equivalent to a one-time level of 60%, as explained in the EGM of October 2022. The dividend will be paid in cash only as a trading price for the DRs at which these new DRs would be issued can only be determined once trading resumes. The remaining profit will be attributed to the retained earnings of the bank and will be utilised to make impact with our lending activities.

Cash payments per DR represent gross amounts which are subject to Dutch dividend withholding tax and other applicable taxes for those DR holders domiciled outside the Netherlands.

Triodos Bank in 2023

Within the broader context of our capital strategy, restoring tradability of our DRs on the MTF provided by Captin will be the key strategic priority for the bank. This is of great importance to our DR holders and will also ensure potential access to CET1 capital, in case needed. We strive for restarting tradability in the second quarter of 2023. Meeting this deadline requires extraordinary effort and is only possible if there are no unforeseen setbacks. At the time of publication of this Annual Report we consider this to be achievable.

Since the ruling by the Enterprise Chamber is as yet unknown, the potential impact, if any, on the bank, cannot yet be assessed. Once the ruling has been given, Triodos Bank will study the contents and assess the potential impact, if any. In general terms, the same applies to other legal proceedings.

In 2023, we will continue the roll-out and implementation of the Triodos Bank Operating Model. We expect to experience the first benefits in terms of enhanced effectiveness and efficiency.

Next to our focus on these two key strategic projects and the wide range of business-related change initiatives to enhance our current banking and fund management activities, we will remain focused on serving our clients in the best way possible. Together with our clients, we will continue to create positive impact. We will target our activities towards the five transition themes and strengthen our reporting capabilities to substantiate the positive impact we create together with our clients.

In view of the rising interest rates, we expect to be able to leverage our competitive position and secure improved interest margins. The extent to which this will translate into further improvement of our financial results will be dependent, amongst others, on the development of our lending portfolio in view of the challenges for our business clients and the consequences for their creditworthiness of higher energy costs and inflation, as well as on the development of one-off costs related to the preparations for the MTF listing and litigation. We will continue to work on improving our cost efficiency towards meeting our target of 70-75% CIR and 5-7% RoE in the medium term. In 2023, Triodos Bank expects to receive guidance from the regulator about the new MREL capital requirements, which result from the implementation of the guidelines on capital reserves set by the European Banking Authority for banks in the eurozone.

Triodos Bank will continue to fulfil its role as frontrunner in 2023, by financing impactful initiatives on the one hand and by continuing to encourage the financial sector to structurally address the social challenges of our time on the other hand. All our stakeholders rightfully expect that of us.

We will continue our journey to be net zero by 2035 by further limiting greenhouse gas emissions together with our customers. We will work on the five transition themes so that Triodos Bank remains in the best position to tackle the polycrisis with a holistic approach.

Since its inception in 1980 Triodos Bank has enabled and accelerated the transitions it believes are necessary to enable people to live prosperous lives on a thriving planet. Notwithstanding all the challenges we face, our commitment to creating positive impact within our modest risk profile and with an adequate, gradually improving financial return remains unchanged. Our DR holders, our clients, our co-workers and society at large can rest assured that we will continue to do everything we can to fulfil that commitment, day in, day out.