

Annual Report 2022

Triodos  Bank

Notes to the consolidated statement of profit or loss

Income

21 Interest income

Amounts in thousands of EUR	2022	2021
Loans and advances to customers	244,948	212,530
Loans and advances to banks	15,304	341
Debt securities at amortised cost	11,556	10,597
Negative interest expense on TLTRO III	9,757	13,703
Negative interest expense deposits from customers	5,683	6,441
Other interest income	631	2,708
Total interest income	287,879	246,320

The interest income includes income derived from loans and related transactions, as well as related commissions, which by their nature are similar to interest payments. The interest income on debt securities at amortised cost includes no sales result in 2022 (2021: EUR -236.0 thousand).

The negative interest expense on TLTRO III relates to the negative interest on the TLTRO III funding received from the ECB under Deposits from banks (refer to note 13 on page 189).

Accounting policy

Interest income on financial instruments is determined using the effective interest rate method. The effective interest rate allocates the interest income over the expected life of the asset or liability at the rate that exactly discounts all estimated future cash flows to equal the instrument's initial carrying amount.

Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instrument's yield, and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

Triodos Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the effective interest rate to the gross carrying amount. When a financial asset becomes credit impaired and is therefore regarded as 'Stage 3', the interest income is calculated by applying the effective interest rate to the net amortised cost.

22 Interest expense

Amounts in thousands of EUR	2022	2021
Deposits from customers	-12,070	-5,674
Subordinated liabilities	-6,297	-1,194
Deposits from banks	-1,041	-663
Negative interest income loans and advances to banks	-8,175	-13,598
Negative interest income debt securities	-1,463	-1,009
Other interest expense	-5,743	-2,712
Total interest expense	-34,789	-24,850
Net interest income	253,090	221,470

During 2022, interest rates on deposits from customers increased resulting in a sharp increase in interest expense on deposits from customers.

Negative interest income loans and advances to banks mainly relates to negative interest paid on cash at central banks up to July 2022. The decrease is caused by the increase in the ECB deposit rate from -0.5% to a positive deposit rate. The positive interest received on cash held at central banks is recorded in interest income.

In the other interest expense, a total of EUR 3.7 million (2021: EUR 1.3 million) was included for the interest on currency forward contracts.

Accounting policy

Interest expense on financial instruments is determined using the effective interest rate method. The effective interest rate allocates the interest expense over the expected life of the asset or liability at the rate that exactly discounts all estimated future cash flows to equal the instrument's initial carrying amount.

23 Investment income

Amounts in thousands of EUR	2022	2021
Dividend from investment securities	616	310
Investment income	616	310

Accounting policy

Investment income includes the dividend income from investments in equity instruments designated at fair value through other comprehensive income (FVOCI). Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

24 Net fee and commission income

Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated fee and commission income with the Group's reportable segments.

The fees and commission presented in this note include income of EUR 15.7 million (2021: EUR 14.0 million) relating to financial assets and financial liabilities not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets and financial liabilities.

Asset management fees include fees earned by Triodos Bank on trust and fiduciary activities in which the Triodos Bank holds or invests assets on behalf of its customers.

This page was intentionally left blank.

<i>For the year ended 31 December</i>	Reportable							
	Bank Netherlands		Bank Belgium		Bank United Kingdom		Bank Spain	
Amounts in thousands of EUR	2022	2021	2022	2021	2022	2021	2022	2021
Transaction fee securities	1,249	1,318	-	-	-	-	-	1
Payment transactions ¹	24,415	23,974	121	105	187	175	4,004	3,309
Lending	6,760	5,037	2,076	2,340	1,550	1,837	2,715	2,629
Asset Management ¹	12,230	12,822	2,493	2,745	-	-	-	-
Management fees	-	-	3,442	3,266	844	615	315	269
Other commission income	-	-	-	1	2,550	2,297	2,934	3,581
Total fee and commission income from contracts with customers	44,654	43,151	8,132	8,457	5,131	4,924	9,968	9,789
Financial guarantee contracts and loan commitments	68	73	-	-	-	-	362	383
Total fee and commission income	44,722	43,224	8,132	8,457	5,131	4,924	10,330	10,172
Commission to agents	-	-	-34	-289	-	-	-5	-6
Asset Management	-441	-916	-	-	-	-	-	-
Other commission expense	-	-	-1,472	-651	-2,322	-1,774	-2,680	-2,450
Total fee and commission expense	-441	-916	-1,506	-940	-2,322	-1,774	-2,685	-2,456
Net fee and commission income	44,281	42,308	6,626	7,517	2,809	3,150	7,645	7,716

¹ Service fees on investment accounts are reclassified from payment transactions to asset management. The comparative figures in the amount

Segments									
Bank Germany		Total banking activities		Investment Management		Other		Total	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
-	-	1,249	1,319	-	-	-	-	1,249	1,319
2,634	2,007	31,361	29,570	-	-	-	-	31,361	29,570
1,940	1,302	15,041	13,145	-	-	-	-	15,041	13,145
491	-	15,214	15,567	-	-	-	-	15,214	15,567
65	-	4,666	4,150	59,160	54,383	1,476	1,482	65,302	60,015
1	764	5,485	6,643	-	-	3	4	5,488	6,647
5,131	4,073	73,016	70,394	59,160	54,383	1,479	1,486	133,655	126,263
204	393	634	849	-	-	-	-	634	849
5,335	4,466	73,650	71,243	59,160	54,383	1,479	1,486	134,289	127,112
-	-	-39	-295	-	-	-	-	-39	-295
-	-	-441	-916	-4,532	-3,654	-	-	-4,973	-4,570
-1,533	-1,259	-8,007	-6,134	-218	-65	-149	-	-8,374	-6,199
-1,533	-1,259	-8,487	-7,345	-4,750	-3,719	-149	-	-13,386	-11,064
3,802	3,207	65,163	63,898	54,410	50,664	1,330	1,486	120,903	116,048

of EUR 6.5 million are adjusted accordingly.

Accounting policy

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. Triodos Bank recognises income when it transfers control over a service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related income recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Income recognition
Transaction fee securities	Fee charged to customers for processing security transactions. Fee is charged when the transaction is settled.	Income related to transactions is recognised at the point in time when the transaction takes place.
Payment transactions: Current and savings account subscriptions	Fee charged for opening and maintaining current and savings accounts. Fee is charged on a monthly basis for each month the account is active.	Income related to transactions is recognised at the point in time when the transaction takes place.
Payment transactions: Transaction fees	Fee charged for processing payment transactions of customers. Fee is charged when the transaction is processed.	Income related to transactions is recognised at the point in time when the transaction takes place.
Lending	Fee charged as part of the lending process, not an integral part of the effective interest rate. These fees are charged either at the start of the loan or during the lifetime.	Income related to transactions is recognised at the point in time when the transaction takes place.
Asset Management	Asset management fees include fees earned by Triodos Bank on trust and fiduciary activities in which the Triodos Bank holds or invests assets on behalf of its customers. Payment is due on at least quarterly basis.	Income from account service and servicing fees is recognised over time as the services are provided, at the latest on the moment of payment.
Management fees	Asset management fees include fees earned by Triodos Investment Management on asset management activities for clients or Triodos Investment Funds. Payment is due on at least quarterly basis.	Income from account service and servicing fees is recognised over time as the services are provided, at the latest on the moment of payment.
Other	These are other fees charged to clients. Payment is mostly due when transactions are settled.	Income related to transactions is recognised at the point in time when the transaction takes place.

25 Net result from other financial instruments at FVTPL

Amounts in thousands of EUR	2022	2021
Hedge accounting ineffectiveness	1,245	34
Fair value movement of derivatives not yet in a hedge relationship	-1,461	1,017
Fair value movement of participating debt at fair value through profit or loss	116	986
Net result from other financial instruments at FVTPL	-100	2,037

For further details on hedge accounting, refer to Non-trading derivatives and hedge accounting (see page 311) within the risk management section.

Accounting policy

Net result from other financial instruments at FVTPL includes the fair value movements of derivatives not yet designated in a hedge relationship, ineffectiveness related to hedge accounting, transactions results on foreign exchange forwards and net result on investments in debt instruments designated at fair value through profit or loss, including the related interest income.

26 Other income

Amounts in thousands of EUR	2022	2021
Exchange results for foreign currency transactions	39	-44
Transaction results on currency forward contracts	17	23
Realised results assets not in use ¹	219	1,225
Income assets not in use ¹	70	183
Modification result	268	27
Other income	183	652
Total other income	796	2,066

¹ Assets not in use relates to acquired collateral on written off loans.

For further information on the hedge accounting ineffectiveness, please refer to Non-trading derivatives and hedge accounting (see page 311).

The other income relates to fees for other services performed and results from asset disposals.

Expenses

27 Personnel and other administrative expenses

Amounts in thousands of EUR	2022	2021
Personnel expenses		
• salary expenses	108,681	98,065
• pension expenses	14,005	13,143
• social security expenses	18,979	16,790
• temporary co-workers	26,351	24,023
• other staff costs	10,080	7,579
• capitalised co-worker costs	-11,260	-9,670
Total personnel expenses	166,836	149,930
Average number FTE's during the year	1,632.6	1,532.7
Amounts in thousands of EUR	2022	2021
Other administrative expenses		
• IT costs	19,165	19,398
• external administration costs	13,101	11,641
• fees for advice	20,941	15,721
• advertising charges	8,030	8,947
• office costs	6,150	6,170
• accommodation expenses	5,128	5,283
• fees for independent auditor	2,471	2,439
• travel and lodging expenses	1,546	931
• other expenses ¹	12,902	7,809
Total other operating administrative expenses	89,434	78,339
Regulatory expenses	18,343	20,455
Total other administrative expenses	107,777	98,794
Operating expenses/total income	80%	80%
Operating expenses excluding regulatory expenses/total income	75%	75%

¹ The other expenses has increased due to the creation of a reorganisation provision in the amount of EUR 5.0 million.

Accounting policy

Expenses are recorded at the moment when they are incurred, or over time if the expense relates to a period.

Pension expenses

Amounts in thousands of EUR	2022	2021
Pension expenses, defined contribution schemes	14,005	13,143
Total pension expenses	14,005	13,143

The pension expenses for the defined contribution schemes and the defined benefit pension schemes are based on the contributions owed for the financial year.

Accounting policy

Defined contribution plan

Triodos Bank has a number of defined contribution pension schemes. Premiums are paid based on contractual and voluntary basis to insurance companies on a defined contribution basis. Premiums are recognised as employee cost when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

Defined benefit plan

The Belgian Branch has a minimum yield requirement to their defined contribution pension scheme which results in an actuarial provision which is determined on each reporting date. Changes to the actuarial provision are charged to the other comprehensive income and are not recycled to the profit or loss accounts in subsequent periods. The increase in the provision due to the passage of time is recognised as interest expense.

Pension scheme per country

Triodos Bank's pension scheme in The Netherlands is a defined contribution scheme. The commitment to the participating co-workers consists of paying the outstanding contribution to a maximum of the gross annual salary of EUR 114,886.

In The Netherlands, co-workers of related parties also participate in the pension scheme. The total pension commitment and the resulting expenses are reported here in note 27. Part of the expenses are charged to the respective related parties, based on their share of the total salaries of the participating co-workers.

The Triodos Bank pension schemes in the United Kingdom, Spain and Germany are defined contribution schemes that have been placed with life insurance companies in those countries. The commitment to the participating co-workers consists of paying any outstanding contribution. Participation in the pension scheme is obligatory for co-workers in Belgium, Spain and the United Kingdom. In Belgium the pension scheme is considered a defined benefit scheme for which co-workers' contribution is 2% of salary and the employer's contribution is 6%. In Spain, the pension contribution is 1.5% of salary, paid in full by the employer. In the United Kingdom, the co-workers' contributions are optional with those who opt to do so

contributing between 1% and 62% of their salary, and the employer's contribution amounts to 8% or 10% of salary depending on length of service.

In Germany, participation in the pension scheme is voluntary. The co-workers' contribution is 3.33% of the salary and the employer's contribution is 6.67%. In Germany 98% of the co-workers participate in the pension scheme.

Independent auditor's fees

The table below specifies the fees of the PricewaterhouseCoopers Accountants N.V. ('PwC Accountants NV') audit firm that relates to services concerning the financial year. The comparable figures 2021 have been adjusted to take into account the invoices received after the reporting period.

The column Other PwC network specifies the fees that were invoiced by PwC units with the exception of PwC Accountants NV.

2022	PwC	Other	Total
Amounts in thousands of EUR	Accountants N.V.	PwC network	PwC network
Audit of the financial statements	1,534	651	2,185
Other audit-related engagements	41	245	286
Tax-related advisory services	-	-	-
Other non-audit services	-	-	-
Total	1,575	896	2,471

2021	PwC	Other	Total
Amounts in thousands of EUR	Accountants N.V.	PwC network	PwC network
Audit of the financial statements	1,307	592	1,899
Other audit-related engagements	293	117	410
Tax-related advisory services	-	-	-
Other non-audit services	-	-	-
Total	1,600	709	2,309

Our independent auditor, PwC Accountants N.V., has rendered, for the period to which our statutory audit 2022 relates, in addition to the audit of the statutory financial statements the following services to the company and its controlled entities.

Other audit services required by law or regulatory requirements:

- Statutory audits of controlled entities
- Audit of the regulatory returns to be submitted to the Dutch Central Bank and the National Bank of Belgium
- Assurance engagement on cost price models to be submitted to the AFM

- Assurance engagement on segregation of assets to be submitted to the AFM
- Assurance engagement on TLTRO reporting to be submitted to the ECB
- Client Money and Custody Asset (CASS) Assurance Report
- Agreed upon procedures on interest rate risk to the Dutch Central Bank
- ISAE type II on Deposit Guarantee Scheme reporting to the Dutch Central Bank

Other audit services:

- Assurance engagement on the sustainability report
- ISAE type II engagement relating to Triodos Investment B.V.
- Assurance engagement on credit claims to the Dutch Central Bank
- Assurance engagement on credit claims to the Spanish Central Bank
- Comfort letter
- Review engagement on the interim condensed consolidated financial statements as of and for the six month period ended 30 June 2022

Regulatory expenses

The regulatory expenses can be broken down as follows:

Amounts in thousands of EUR	2022	2021
Bank tax	3,454	3,557
Depository Guarantee Scheme	12,998	15,721
Single resolution fund	1,891	1,177
Total regulatory expenses	18,343	20,455

28 Depreciation, amortisation and value adjustments of property and equipment, and intangible assets

Amounts in thousands of EUR	2022	2021
Amortisation of intangible fixed assets	13,908	11,687
Impairment of intangible fixed assets	-	333
Amortisation & impairment charge for the year	13,908	12,020
Depreciation of property and equipment	8,103	8,549
Impairment of property and equipment	-142	2,274
Total depreciation of ROUA	3,214	3,352
Assets held-for-sale value adjustments	234	44
Depreciation of investment properties	164	239
Depreciation & impairment charge for the year	11,573	14,458

29 Impairment result on financial instruments

Amounts in thousands of EUR	2022	2021
Allowance for expected credit loss	8,023	-500
Other impairments on financial instruments	104	80
Total impairment result on financial instruments for the year	8,127	-420

30 Taxation on operating result

Total taxation expense

Amounts in thousands of EUR	2022	2021
Taxation to be paid	13,517	13,836
Origination and reversal of temporary differences	3,627	2,402
Changes in tax rates	-	152
Deferred taxation	3,627	2,554
Total taxation expense	17,144	16,390

Current tax receivable and payable

Amounts in thousands of EUR	2022	2021
Corporate tax receivable	1,113	1,364
Other tax receivable	362	366
Current tax receivable	1,475	1,730

Amounts in thousands of EUR	2022	2021
Corporate tax payable	5,335	5,740
Other tax payable	6,878	7,132
Current tax payable	12,213	12,872

Amounts recognised in OCI

Amounts in thousands of EUR	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Other comprehensive income that will not be reclassified to profit or loss						
Revaluation gains/(losses) on equity instruments designated at fair value through other comprehensive income	5,279	-1,329	3,950	2,784	-677	2,107
Other comprehensive income that will be reclassified to profit or loss						
Foreign operations – foreign currency translation differences	56	-	56	-97	-	-97
Foreign operations – Cost of hedging	252	-	252	172	-	172
Total items that will be reclassified to profit or loss	308	-	308	75	-	75
Total amounts recognised in OCI	5,587	-1,329	4,258	2,859	-677	2,182

The other comprehensive income for Triodos Bank consists of revaluations of equity instruments at fair value through OCI and foreign currency translation differences. The equity instruments at fair value through OCI are part of investment securities (refer to note 5 Investment securities), for which any realised result will not subsequently be taken into the profit or loss. The foreign currency translation difference relates to the UK subsidiary for the part not subject to the net investment hedge. Tax on both of these items can be subject to the participation exemption under Dutch Tax Law.

Reconciliation of effective tax rate

Amounts in thousands of EUR	2022	2021
Result before taxation	67,084	67,149
Statutory tax rate	25.8%	25.0%
Statutory tax amount	17,308	16,787
Income Non Taxable	-41	-222
Tax Deduction Not Expensed	-	-
Expenses Non Deductible	2,040	1,338
Impact tax rate differences - statutory rate foreign jurisdictions	-434	-327
Restatement of deferred taxation items as the result of amended tax rates	-	152
Incentives for gifts, community investment and innovation	-1,365	-1,408
Other reconciling items	-364	70
Effective tax amount	17,144	16,390
Effective tax rate	25.6%	24.4%

Triodos Bank's approach to tax reflects its values. It sees paying taxes not as a burden, but as a contribution to the societies that the bank operates in. As such, Triodos Bank is not striving to reduce the effective tax rate. Triodos Bank is subject to income taxes in other jurisdictions which levy corporate income tax at different rates compared to the Dutch statutory rate (25%). Additionally, local taxation rules can also lead to differences in the effective tax rate. The effective tax rate amounted to 25.6% in 2022 (2021: 24.4%).

Movement in deferred tax balances

2022	Balance as at 31 December					
	Amounts in thousands of EUR	Net balance as at 1 January	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax assets
Property and equipment, and intangible assets	-6,380	-1,523	-	-7,903	1,435	9,338
Investment securities at FVOCI	-146	16	-1,330	-1,460	-53	1,408
Effective interest method application	4,791	-2,246	-	2,545	2,545	-
Allowance for expected credit losses	2,124	305	-	2,429	2,429	-
Employee benefits	193	-57	-	136	-	-136
Lease liability	123	2	-	125	46	-79
Loan modifications	38	-9	-	29	28	-1
Tax losses carried forward	6,036	-875	-	5,161	5,540	379
Other	520	760	-	1,280	1,215	-66
Tax assets (liabilities)	7,299	-3,627	-1,330	2,342	13,185	10,843

2021	Balance as at 31 December					
	Amounts in thousands of EUR	Net balance as at 1 January	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax assets
Property and equipment, and intangible assets	-4,860	-1,520	-	-6,380	1,879	8,259
Investment securities at FVOCI	665	-134	-677	-146	-57	89
Effective interest method application	4,543	248	-	4,791	2,766	-2,025
Allowance for expected credit losses	3,228	-1,104	-	2,124	1,466	-658
Employee benefits - Vitality leave	181	12	-	193	-	-193
Lease liability	128	-5	-	123	59	-64
Loan modifications	47	-9	-	38	37	-1
Tax losses carried forward	6,118	-82	-	6,036	7,084	1,048
Other	480	40	-	520	383	-137
Tax assets (liabilities)	10,530	-2,554	-677	7,299	13,617	6,318

Deferred tax balances

Amounts in thousands of EUR	2022		2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Current balance	303	1,822	233	1,002
Non-current balance	12,882	9,021	13,384	5,316
Total	13,185	10,843	13,617	6,318

The deferred tax asset relates for an amount of EUR 5.5 million (2021: EUR 6.4 million) to tax losses incurred by the German branch for which it is expected that these will be fully recovered against future taxable profits. Under the German corporate income tax code, tax losses have no expiration date. The remaining deferred tax asset relates to temporary differences because of differences between accounting rules and tax rules.

The deferred tax liability relates for an amount of EUR 9.4 million (2021: 8.3 million) to taxable temporary differences on self-developed software. From an accounting perspective these assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss over the asset's estimated economic life using the straight-line method that best reflect the pattern of economic benefits. For Dutch tax purposes the Dutch corporate income tax act 1969 allows to fully expense self-developed software in the year developed.

Fiscal unity

Triodos Bank, as a parent company, forms a tax unity for corporate income tax purposes with Triodos Investment Management as subsidiary. The method chosen for the taxation set-off between Triodos Bank and its subsidiary is that of proceeding as if the legal entities were independently liable to pay tax. In fact, the legal entities are jointly and severally liable for the tax liabilities of the companies belonging to the fiscal unity.

Accounting policy

Income tax on the result for the year consists of current and deferred tax. Income tax is recognised in the statement of profit or loss and in the statement of other comprehensive income in the period in which profits arise. Current tax is measured using tax rates enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. The tax effects of income tax losses available for carry forward are recognised as an asset to the extent that it is probable that future taxable profits will be available against which these losses can be utilised.

Current tax receivables and payables are offset where there is a legally enforceable right to offset and where simultaneous treatment or settlement is intended. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset and where they relate to the same tax authority and arise within the same taxable entity.

Related Parties

Triodos Bank enters into various transactions with related parties, as part of the normal course of business,

Related parties of Triodos Bank include, among others, its subsidiaries, associates and key management personnel. Transactions between related parties include rendering or receiving of services, deposits, transfers under finance arrangements and provisions of guarantees or collateral. All transactions with related parties took place at arm's length.

There are no significant provisions for doubtful debts or individually significant bad debt expenses recognised on outstanding balances with related parties.

Overview of related parties transactions

Amounts in thousands of EUR	Other related parties
Commission income	64,438
Commission expenses	-5,280
Deposits	103,381
Interest income	1,403
Interest expense	-23
Loan facilities and loan commitments (off balance)	167,997
Loans	24,531

Transactions with related parties

The commission income and commission expenses are related to fund management activities. The deposits and interest income are transactions following from regular banking activities, which are offered to the related parties at competitive rates. These transactions are interest free and unsecured and are to be settled in cash.

Loans

The loans granted to other related parties are provided to Hivos-Triodos Fund Foundation, Triodos SICAV II (TMF), Legal Owner Triodos Funds B.V., Sun Roof Limited and to several related parties from the Spanish branch.

The EUR 10.4 million loan provided to Hivos-Triodos Fund Foundation matures on January 1, 2027 and has an interest rate of 3.15%. Furthermore, Hivos-Triodos Fund Foundation has drawn EUR 7 million from an overdraft facility with an agreed limit of EUR 10 million and an interest rate of 6.06%.

Furthermore, the EUR 193 thousand loan provided to Sun Roof Limited matures on November 10, 2027 and has an interest rate of 6.5%. A total of EUR 14 million has been provided as loans to several related parties from the Spanish branch, including a EUR 5.5 million loan to Caprio Fotovoltaica, S.L.U. (maturity date of January 1, 2033 and an interest rate of 2.85%), a EUR 8.4 million loan to Lucentun Energia S.L. (maturity date of January 1, 2034 and an interest rate of 3.85%).

In 2022, the Netherlands branch purchased 9 business loans with a nominal value of EUR 73.4 million from Triodos Groenfonds NV. The loans were transferred at the fair value of EUR 63 million. The price of the transaction was at arm's length and externally validated. These business loans are with third parties and are therefore per year-end not a related party exposure.

Loan commitments and facilities off balance

The loan commitments and facilities are off balance sheet credit facilities of Triodos Bank the Netherlands branch that can be drawn upon by the other related parties.

These facilities are secured by means of collateral in the form of fund assets that cover the facility provided in full.

Key management personnel compensation

Transactions with key management personnel are transactions with related parties. The members of the Executive Board, supervisory board and the board of Stichting Administratiekantoor Aandelen Triodos Bank ("SAAT") are considered to be key management personnel and their compensation is therefore included in the tables below.

The remuneration paid to the members of the Executive Board is as follows:

Amounts in thousands of EUR	2022	2021
Fixed salary expenses	1,334	1,131
Pension expenses	129	99
Pension allowance for salary above EUR 100.000	135	128
Private use company car	32	12
Social security expenses	71	53
Severance payment ¹	-	264
Total key management personnel compensation	1,701	1,687

¹ In consultation with the Supervisory Board Jellie Banga stepped down from her position as a Member of the Executive Board of Triodos Bank N.V. as per 1 May 2021. A severance payment of 100% of her yearly salary was granted. The severance payment is in line with applicable regulations.

Remuneration paid to the Supervisory Board:

Amounts in thousands of EUR	2022	2021
Total compensation	182	179

Remuneration paid to the Board of SAAT

Amounts in thousands of EUR	2022	2021
Total compensation	59	46

Loans and advances to key management personnel

There are no loans and advances provided to Executive Board members that were outstanding on 31 December 2022 and 2021. No other loans, advances or guarantees have been granted to members of the Executive Board, Supervisory Board members or members of Board of SAAT. For reasons of principle, no share option scheme is offered to members of the Executive Board, Supervisory Board members or members of Board of SAAT.

Segregation of capital

Triodos Bank N.V. holds securities on behalf of its customers segregated from the assets and liabilities of the bank. A part of these securities are held by its related party Triodos Nominees Ltd.

The following securities are segregated from the assets and liabilities of the bank:

Amounts in thousands of EUR	2022	2021
Triodos Fair Share Fund	319,046	331,457
Triodos Groenfonds N.V.	485,666	620,803
Triodos Sicav I	628,292	1,154,878
Triodos Sicav II	7,820	32,898
Triodos Impact Strategies N.V.	173,351	26,345
Triodos Impact Strategies II N.V.	100,092	71,982
Total as at 31 December	1,714,267	2,238,363

Triodos Impact Strategies N.V. holds on behalf of its sub-fund Triodos Multi Impact Fund as at 31 December 2022 EUR 5,633 thousand (2021: 6,807 thousand) of securities Triodos Fair Share Fund and EUR 3,759 thousand (2021: 3,913 thousand) of securities Triodos Groenfonds N.V.. These securities are included in the above mentioned values of securities in Triodos Fair Share Fund and Triodos Groenfonds N.V.

Accounting policy

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control Triodos Bank are considered to be a related party. In addition, statutory directors and close relatives are regarded as related parties. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Subsequent events

There are no subsequent events that are of material nature for the annual accounts.