

Half year report 2023

Triodos  Bank

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Triodos Bank is a co-founder of the Global Alliance for Banking on Values, a network of leading sustainable banks visit www.gabv.org

Half year report 2023

Triodos Bank N.V.

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Key figures

	30 June	31 December
Amounts in millions of EUR	2023	2022
Financial		
Equity	1,266	1,259
Deposits from customers	13,729	13,816
Loans and advances to customers	10,857	10,620
Balance sheet total	15,859	15,800
Funds under management ¹	7,089	6,793
Total assets under management	22,948	22,593
	First half year	First half year
	2023	2022
Total income	230.7	174.4
Operating expenses	-168.8	-152.1
Impairment result on financial instruments	-12.7	1.9
Operating result before taxation	49.2	24.2
Taxation on operating result	-14.0	-5.4
Net profit²	35.2	18.8
	First half year	First half year
	2023	2022
Operating expenses/total income	73%	87%
Net profit per share (in EUR) ³	2.47	1.32

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

² Net profit is subject to rounding difference.

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

	30 June	31 December
Per share (in EUR)	2023	2022
Net asset value at the end of the period	89	89
Total Capital Ratio	20.9%	21.0%
Minimum requirement Total Capital Ratio	14.4%	13.9%
(Common) Equity Tier 1 Ratio	17.2%	17.3%
Minimum requirement Equity Tier 1 Ratio	11.7%	11.1%
Leverage Ratio	7.0%	6.9%
Minimum requirement Leverage Ratio	3.0%	3.0%
Number of accounts - deposits from customers	885,018	884,607
Number of accounts - loans and advances to customers	82,185	82,931
Number of customers	743,883	744,477
Social		
Number of co-workers at the end of the period	1,821	1,815

Executive Board report

Executive Board report

- Triodos Bank recorded a net profit after tax of EUR 35.2 million for the first six months of 2023, an increase of EUR 16.4 million (+87%) compared to EUR 18.8 million in the same period in 2022, mainly driven by the improved net interest margin. This is the highest net profit ever achieved by Triodos Bank in a six-month period and contributed to achieving our cost income ratio (CIR) and return on equity (ROE) medium-term targets earlier than expected.
- The bank's net profit in the first six months of 2023 was supported by a revenue increase of EUR 56.3 million (+32%) to EUR 230.7 million, partly offset by higher costs of EUR 16.7 million (+11%) compared to the same period in 2022.
- The annualised ROE was 5.6%, and the CIR was 73% compared to 3.0% and 87% in the same period in 2022.
- Triodos Bank maintained solid capital ratios at end June 2023, which were in line with the values recorded at the end of December 2022. The bank's Common Equity Tier 1 (CET1) ratio was 17.2% at end June 2023 (December 2022: 17.3%), in line with expectations and well above internal hurdle rates. The total capital ratio (TCR) was 20.9% at end June 2023 (December 2022: 21.0%).
- Tradability of Depository Receipts (DRs) on a Multilateral Trading Facility (MTF) has been restored effectively as at 5 July 2023.
- Triodos Bank took an important step towards its objective to reach net-zero greenhouse gas emissions by 2035: near-term emissions reduction targets were validated as science-based.
- Triodos Bank has decided to distribute part of the 2023 profit as an interim cash dividend of EUR 1.23 in September 2023 (total dividend over 2022 was EUR 2.11 per share excluding the extraordinary dividend of EUR 1.01 per share).

In the first six months of 2023, Triodos Bank continued its pursuit to contribute to meeting today's societal challenges. We financed initiatives that tackle the climate and biodiversity crises and aim to improve social inclusion and cohesion. Our financial results improved significantly, and at the same time we made good progress to ensure our organisation can continue to have a positive impact in the future.

The listing of Triodos Bank Depository Receipts (DRs) on a multilateral trading facility (MTF) marked an important milestone for DR Holders and Triodos

Bank. On 28 June 2023, the order book for Triodos Bank DRs opened on the Captin MTF for the first time. The initial trading round commenced one week later on 5 July 2023, marking the official moment of listing of the DRs on an MTF. The listing ended a long period from March 2020 when Triodos Bank DR Holders had mostly been unable to trade their DRs in a structured manner.

Restoring tradability of the DRs is a prominent goal of the capital transition Triodos Bank has been working on. In the initial weekly rounds of trading DRs on the MTF, there have been fluctuations

between supply and demand, and consequently in pricing. It has become clear that it will take time before a new balance between supply and demand will be found. DR Holders, Triodos Bank and Captin all have an interest in a well-functioning trading platform, both in terms of liquidity and pricing. Triodos Bank is in dialogue with DR Holders as well as with Captin about this topic.

Performance Half Year 2023

Triodos Bank has continued to achieve positive financial results in the first six months of 2023. Net profit amounted to EUR 35.2 million, substantially higher than in the same period last year (EUR 18.8 million), mainly driven by the improved net interest margin. This is the highest net profit ever achieved by Triodos Bank in a six-month period.

The efficiency measures implemented as part of the redesign of our operating model announced in May 2022 have had a positive effect on operational costs. However, costs related to litigation, restoring tradability on the MTF and implementing the redesigned operating model resulted in overall higher costs of EUR 16.7 million compared to the same period 2022. Additionally, personnel expenses have increased due to the annual Collective Labour Agreement increase and one-off cost of living compensation in the Netherlands and Spain. The annualised return on equity (ROE) of 5.6% is in the medium-term ambition range of 5% to 7%, and this compares favourably to the 3.0% recorded in the same period a year earlier. The cost income ratio (CIR) developed positively and amounted to 73% (first half 2022: 87%). The reported CIR is within our medium-term target of 70% to 75%.

Contributing to vital transitions

Triodos Bank is in a strong position to contribute to meeting today's societal challenges such as the climate emergency, loss of biodiversity and social inequality. Tackling these interlinked challenges was made all the more urgent and difficult by turbulent global developments in the first six months of 2023.

Inflation is still relatively high, in part due to the war in Ukraine, causing a significant increase in the cost of living, even though it decreased slightly compared to the end of 2022. The consequences of the climate emergency were clearly noticeable in the first half of the year: periods of drought in parts of Europe, extreme temperatures in Southern Europe and India, and extensive forest fires in Canada. Meanwhile in March, the Intergovernmental Panel on Climate Change (IPCC) published an alarming report concluding that we will not succeed in limiting global warming to 1.5°C in the short term.

These challenges highlight the need for values-based banking to deliver positive and sustainable economic, social and environmental development. Triodos Bank believes systemic change is needed to build a more resilient and sustainable society. This requires a change in mindset and lifestyle. We need rapid and far-reaching transitions across all sectors and systems to secure a liveable and sustainable future for all, and to prioritise equity, climate justice and inclusion.

Triodos Bank has a clear impact strategy guiding our business. We want to contribute to systemic change through the five transition themes that we identified in 2022: the food, resource, energy, societal and wellbeing transitions. As a financial institution, we aim to enable and accelerate these vital transitions to address key societal and environmental issues, including biodiversity loss, inequality and climate change. Learn more in our article '[We take targeted action based on radical choices](#)'.

In the first six months of this year, Triodos Bank took steps to further develop these transition themes - better understanding the role of money within them, identifying the trigger points for acceleration, and choosing the areas that are most strategic for us to focus on within each of the five themes. This will form the basis for our commercial objectives in the coming years.

Validation of our near-term net-zero targets

We continued to take steps towards our net-zero target, which we aim to achieve by 2035 at the latest. Our ambition – which we call As One To Zero – is to reduce greenhouse gas (GHG) emissions from our own operations, all our loans and investment funds, with a science-based approach. The remaining emissions will be balanced by investments in projects that remove GHGs from the atmosphere. A good example is our funding of Oxygen Conservation in Scotland finalised earlier in 2023 (see text box below).

In March, the Science Based Targets initiative (SBTi), an organisation established in 2015 to help companies set emission reduction targets, validated Triodos Bank's near-term emission reduction targets as science-based. The emission reduction targets apply to a large part of Triodos Bank's credit and investment portfolio and its own operations. Science-based targets provide a clearly defined path for companies to reduce GHG emissions, preventing the worst impacts of climate change and future-proofing business growth. Goals are considered scientifically based if they are consistent with what the latest climate science deems necessary to achieve the goals of the Paris Agreement: limiting global warming to well below 2°C above pre-industrial levels and making efforts to limit global warming to 1.5°C.

Our customers play an important role in achieving our net-zero ambition. Ultimately, we will have to succeed together to reduce GHG emissions. We will continue to engage with our customers, helping them to realise a reduction in emissions. For 2023, we set the target to engage with 250 customers and agree follow-up plans with 150 of them. In the first half year we worked to identify the largest emitters and begin a conversation on what challenges they face in reducing their GHG emissions and how Triodos Bank can provide assistance.

We also aim to build our portfolio of nature-based solutions and improve data quality to make reporting of emissions in our portfolio more accurate. We use the methodology from the Partnership for Carbon Accounting Financials

(PCAF) for our reporting. More information can be found in our [2022 Integrated Annual Report](#).

The political arena

As well as financing progressive entrepreneurs, we aim to influence the financial sector and the economic system at a national, European and global level to help deliver our mission. We believe that the more sustainable, diverse and transparent financial industry operations are, the more money will be used in a conscious way, and the greater the improvement in people's quality of life. A financial industry that is transparent about its social and environmental impacts is a cornerstone of a regenerative and inclusive economy that enables people and communities to prosper while respecting ecological limits. In the first six months of 2023, we advocated for requirements in European legislation that would increase transparency around the environmental impacts of the financial industry.

We are relieved that the European Parliament has taken a position in favour of the nature restoration law. This means the Parliament can now start inter-institutional negotiations with the Council of the European Union (EU) and the European Commission. However, the lower ambition level of the law is worrying. [Triodos Bank supported the agreement reached by the Council of the EU](#), but it does not agree with the weakening of the non-deterioration provision nor the peatland and forest restoration targets.

Triodos Bank is also [actively supporting the inclusion of directors' duty of care in the Corporate Sustainability Due Diligence Directive \(CSDDD\)](#). This means directors of large businesses should be required to take the interests of those affected by the company's decisions into account. The CSDDD sets out rules on the obligations of large companies in relation to actual and potential adverse human rights and environmental impacts of their own operations, the operations of their subsidiaries and the operations of their business partners. At the date of publication of this report, the European Parliament and Council have not yet approved the proposal.

Financing positive impact

As a frontrunner in the financial sector, Triodos Bank contributes to solutions by lending to and investing in initiatives that have a positive impact, with modest risk and an adequate return. This is the reason Triodos Bank was founded in 1980. In the first six months of 2023, we continued to work with our 743,883 customers to create positive impact. Some financing highlights can be found in the text box below.

In January, we announced that Triodos Bank can provide up to EUR 67 million in loans to social enterprises in several EU countries under a guarantee facility from the European Investment Fund (EIF), backed by the InvestEU programme. The partnership with the EIF allows Triodos Bank to financially support enterprises making a positive social impact that would normally have struggled to access regular bank financing. Learn more in our press release '[Triodos Bank increases support to social enterprises with EU backing](#)'.

Impact highlights

Oxygen Conservation, Scotland

Founded with the specific aim of tackling climate change and the biodiversity crisis, Oxygen Conservation works to protect and improve natural assets, while making a return through the sale of high-quality, audited carbon and biodiversity credits. Triodos Bank UK financed Oxygen Conservation to acquire 23,000 acres of land in Scotland. The organisation will work with local businesses and the community to create a conservation-focused masterplan likely to include regenerative agriculture, sustainable development, ecotourism, native broadleaf woodland creation, peatland restoration and, where appropriate, renewable energy generation. Learn more in [the project case study](#).

Kessler-Handorn, Germany

Under the EIF arrangement, Triodos Bank Germany provided a loan to the care service provider Kessler-Handorn to purchase and install solar panels at its headquarters, capable of generating 80 kilowatts peak. The electricity will be used to power the fleet of cars for their outpatient care service. This loan therefore not only contributes to the transition theme of social inclusion, but it also helps deliver on our net-zero GHG emissions target. Learn more in [their customer story](#).

Recap and Evli, Spain

Triodos Bank Spain closed a new financing agreement of EUR 25 million for Recap and Evli to provide clean, flexible, customised and fully financed energy solutions for trading and industrial companies in Spain and Portugal. The portfolio will consist of more than 40 photovoltaic panel installations that will be built in 2023 and 2024. The facilities will have a total power of 40-50 megawatts and an expected production of 60 gigawatt hours per year. Learn more on [the project webpage](#).

ELG De Piramide, Belgium

ELG De Piramide offers primary healthcare to residents of Menen, West Flanders, with multiple disciplines working together under one roof. The care is accessible to everyone because a flat-rate payment system is used where healthcare providers are paid a fixed amount per registered patient, regardless of the number of services offered to the patient. Triodos Bank provided credit to finance building renovations enabling the centre to provide care to more patients. Read more about ELD De Piramide [on their website](#).

Wilder Land, the Netherlands

The conservation and restoration of nature are essential to counter the biodiversity and climate crises. Triodos Bank finances and invests in projects that promote biodiversity and make ecosystems healthier. Wilder Land in the Netherlands makes tea out of weeds. This encourages farmers to harvest the weeds, which is beneficial for biodiversity. Learn more in [their background story](#).

Impact highlights continued

The Sea Ranger Service, the Netherlands

Triodos Regenerative Money Centre (TRMC) funded a new ocean protection vessel for the Sea Ranger Service. The service focuses on the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, while maintaining the health of ocean ecosystems. At the same time, it offers young people a stepping stone to a sustainable maritime career. Learn more in [our background story about the ship](#).

WeLight, Madagascar

Only around a quarter of the population in Madagascar has access to electricity. Triodos Investment Management, together with the European Investment Bank and EDFI ElectricFI, announced a collective investment of EUR 19 million to support WeLight's EUR 28 million project in Madagascar. The investment enables WeLight to build and develop solar mini-grids and provide 45,000 households and businesses with access to clean, affordable and reliable energy for the first time. Learn more in [our article on the project](#).

External recognition

We are energised that Triodos Bank's frontrunner role was recognised through multiple awards and assessments. Triodos Bank UK was named 'Best Ethical Financial Provider' at the British Bank Awards for the second year in a row. The British Bank Awards are entirely voted for by customers. In this year's award, customers who voted described Triodos Bank as 'exemplary' for its transparency and praised the bank's ethical approach to lending, as well as its friendly customer service.

Triodos Bank Germany was awarded second place in the ESG Transformation Award category for Impact Investing. The award recognises pioneers of sustainable change in the financial sector and nominates best-practice examples.

The Dutch Fair Finance Guide also rewarded our policies with high marks. We scored very high with a 9 or a 10 (10 being the highest) on topics such as animal welfare, climate change, human rights, nature, and exclusion of weapons. Our score increased or remained unchanged on all themes compared to the previous policy survey in 2020. We will continue our path of steady improvement, especially on the topic of gender equality. Meanwhile, the Sustainable Brand Index 2023, Europe's largest independent brand survey focused on sustainability, showed that Dutch consumers regard Triodos Bank as the most sustainable brand in the banking sector.

Creating a future-proof organisation

Our strategy needs to be underpinned by a solid and future-proof organisation. Therefore, Triodos Bank is working on three internal transitions. First, the transition of our capital strategy. Second, the transition of our operating model. And third, the leadership transition taking shape within governing bodies and senior management.

Progress on our capital strategy

Important decisions were taken in the lead up to restoring tradability of DRs on 5 July. During the Meeting of the Foundation for the Administration of Triodos Bank Shares (SAAT) on 23 March 2023, DR Holders opted for the 'one share one vote' policy. Before listing, SAAT voted on behalf of DR Holders at the Triodos Bank general meetings. After listing, DR Holders can in principle request their own voting rights in line with the amount of DRs they hold and cast their own vote at any general meeting. This means that DR Holders can exercise their vote at their own discretion.

On 26 May 2023, at the Annual General Meeting (AGM), the general meeting approved Triodos Bank's proposed amendments to the Articles of Association to make them more suitable for a listed environment. To safeguard Triodos Bank's mission, an important amendment is that only the

Executive Board can take the initiative to put items on the agenda of the AGM for decision-making on important subjects that affect the mission and capital of the bank. Important topics are, for instance, the issuance of shares, amendments to the Articles of Association, mergers or demergers, and the distribution of DRs.

We continued to have constructive conversations with DR Holders in the first half of the year, for instance during shareholder meetings and webinars in March and early June. It is clear that the prolonged period of suspended trade has led to discontent among some DR Holders. During the AGM on 26 May 2023, Triodos Bank's Chief Executive Officer, on behalf of the Executive Board and Supervisory Board, offered sincere and heartfelt apologies to all DR holders without any reservations.

In October 2022, Stichting Certificaatouders Triodos Bank submitted a request to the Enterprise Chamber in Amsterdam for an investigation into Triodos Bank's policy and course of management and state of affairs with regard to the DRs. Triodos Bank asked the Enterprise Chamber to reject this request in December 2022. In March 2023, the Enterprise Chamber rejected the request for an investigation.

Multiple civil proceedings have been initiated against Triodos Bank by DR Holders. These proceedings are currently pending in Spain, the Netherlands, Belgium and Germany. The majority of the ongoing civil proceedings have been filed in Spain by individual DR Holders. More detail is included in the Legal proceedings disclosure (see page 50).

Triodos Bank will continue its dialogue with DR Holders and potential investors and closely monitor how trading on the MTF develops.

Transition to a new operating model

In May last year, we announced our intention to further optimise resources and deliver greater impact for our customers and investors by redesigning our operating model. While our mission to create positive impact remains unchanged, the financial landscape has changed, and we need to

evolve with it. Since its foundation in 1980, Triodos Bank has grown from a small organisation to a medium-sized bank.

To remain at the forefront of sustainable finance, we need to make sure that our structure, processes and ways of working support our current and future ambitions. As part of this commitment, we have launched a bank-wide programme to transition to a new operating model. Once in place, this should improve our delivery of positive impact, as well as our CIR and ROE ratios.

The integration of our operating model to use our resources as consciously as possible and to leverage the talent of our 1,821 co-workers is proceeding on schedule, with the goal of the entire banking group being in the new structure in 2024.

The new model is intended to increase cooperation between countries and functional areas, to enable the continued delivery of excellent service for all our customers, to generate positive impact for people and the planet, and to create a more robust and efficient Triodos Bank.

Co-workers are supported in the change through tailored training and development opportunities. The programme's phased approach also ensures proper due diligence is completed in managing the complexity of the transition. The bank's new operating model will continue to evolve through continuous improvement activities as the new structure is embedded to ensure we are best placed to finance change and change finance.

The leadership transition

At the beginning of the year, the Supervisory Board appointed Marjolein Landheer and Kees van Kalveen as members of Triodos Bank's Executive Board, in the roles of Chief Risk Officer (CRO ad interim) and Chief Financial Officer (CFO) respectively. Their appointment followed the notification of the proposed appointment to Triodos Bank's Extraordinary General Meeting on 25 January 2023.

During the AGM in May, the Supervisory Board informed the General Meeting of Shareholders of

its intention to extend the appointment of Marjolein Landheer as a member of the Executive Board for one year. Marjolein Landheer temporarily replaces Carla van der Weerdt, who is still recovering from the long-term health effects of COVID-19.

The nomination of Willem Horstmann as a member of the Supervisory Board, effective 1 August 2023 for four years, was approved at the AGM. The AGM also approved the nomination of Mike Nawas for reappointment as a member of the Supervisory Board for a four-year term, continuing his role as chair.

Financial results

Triodos Bank recorded its highest-ever net profit for a six-month period in the first half of 2023: EUR 35.2 million, which is EUR 16.4 million higher than the EUR 18.8 million in the same period last year. This results in an annualised ROE of 5.6% (first half 2022: 3.0%) in line with Triodos Bank's medium-term ROE ambition of 5% to 7%. Our total income, EUR 230.7 million in the first half of 2023 (first half 2022: EUR 174.4 million) was mainly driven by the improved net interest margin. The net interest income records an increase of EUR 63.7 million to EUR 176.3 million in the first half of 2023 (first half 2022: EUR 112.6 million). The bank's commission result decreased by 5% to EUR 56.4 million in the first half of 2023 (first half 2022: EUR 59.4 million) due to reduced fees for payment and transaction solutions, and lending fees, while management fees from our fund management services increased by 3.4%.

The balance sheet provision for expected credit losses (ECL) increased by EUR 8.1 million to EUR 61.1 million as at end of June 2023 (end of 2022: EUR 53.0 million). The calculated ECL stages 1 and 2 for expected future credit losses (not yet incurred) is sensitive to forward-looking macroeconomic parameters (for example gross domestic product, unemployment rate) and individual loan behaviour. The increase in the stage 1 and stage 2 ECL provision totalled EUR 1.4 million. The balance sheet ECL provision for the stage 3 provision increased by EUR 6.7 million to EUR 46.4 million as at end of June 2023. These changes in the balance

sheet ECL provisions led to an impairment loss in the profit and loss statement of EUR 12.6 million.

The bank's total operating expenses increased by EUR 16.7 million to EUR 168.8 million in the first half of 2023 (first half year 2022: EUR 152.1 million). In part this cost increase stems from additional expenses associated with the preparation of the MTF listing, litigation costs in relation to our DRs and restructuring expenses (EUR 9.3 million). Our personnel expenses have increased by EUR 8.2 million due to the annual Collective Labour Agreement increase and one-off cost of living compensation in the Netherlands and Spain (EUR 5.0 million) and due to additional staff for compliance and anti-money laundering activities initiated during 2022 and matured in first half of 2023 (EUR 3.2 million). These expense drivers have an impact on the bank's short-term ability to further improve our operating expenses. On 17 May last year, we announced that we would optimise our target operating model to increase positive impact and ensure readiness for improved financial performance in future periods. Triodos Bank will continue to focus on realising these cost synergies. In the first half of 2023, the bank reports a CIR of 73% (first half of 2022: 87%) within the medium-term target of 70% to 75%.

In the first half of 2023, Triodos Bank's balance sheet marginally increased to EUR 15.9 billion (end of 2022: EUR 15.8 billion). The assets under management, which includes the total balance sheet, increased by EUR 355 million (+1.6%) in the first half of 2023 to EUR 22.9 billion (end of 2022: EUR 22.6 billion). The funds under management shows an increase of +4.4% to EUR 7.1 billion. The increase of funds under management was mainly driven by an increase in market prices.

On the asset side, Triodos Bank recorded an increase of sustainable loans by EUR 237 million in the first half of 2023 to EUR 10.9 billion at the end of June 2023 (end of 2022: EUR 10.6 billion). The increase is mainly supported by the growth of the mortgage portfolio, while the business loan portfolio remained stable at EUR 6.3 billion.

The loans-to-funds entrusted ratio has increased to 79.1% at the end of June 2023 (end of 2022: EUR 76.9%). The increased focus of society

on social and economic renewal due to the severe consequences of climate change, loss of biodiversity and social inequality result in persistent demand for our banking products with direct impact on financing real change. Our loyal customer base has remained stable at 743,883 customers at the end of June 2023 (end of 2022: 744,477 customers).

On the liability side, the funds entrusted marginally decreased, in line with planning and as a result of the pricing strategy, by EUR 87 million over the first six months of 2023, which resulted in an overall position of EUR 13.7 billion (end of 2022: EUR 13.8 billion).

The bank's equity position increased by EUR 6 million to EUR 1,266 million at the end of June 2023. Due to the attribution of the net profit of 2022, the underlying Common Equity Tier 1 (CET1) ratio remained stable at 17.2% (end of 2022: 17.3%). The total capital ratio (TCR) also remained stable at 20.9% (end of 2022: 21.0%) for the same reason.

Resilient capital and liquidity position

Triodos Bank pursues a healthy capital position, which enables growth in our main business areas and allows us to create sustainable impact in line with our mission. As Triodos Bank has not issued new DRs in recent years, the DR capital remained stable until the end of June 2023. Based on the shareholder's resolution at the AGM in May 2023, Triodos Bank paid out a final 2022 dividend amount of EUR 1.76 per DR in the first half of 2023. The remaining profit for the year 2022 was allocated to the earnings reserve as an integral part of the overall capital position. Finally, this resulted in a capital position of EUR 1,266 million at the end of June 2023.

The net asset value (NAV) of the bank remained stable at EUR 89 per DR compared to the end of 2022. The bank's capital ratios (CET1 and TCR) were strengthened with the shareholder's resolution at the AGM in May 2023 to partially retain profits. Capital has been utilised for additional risk-weighted asset (RWA) consuming lending business in the first half of 2023 and has contributed to new impact creation.

Consequently, the bank's TCR developed from 21.0% as at end of December 2022 to 20.9% as at end of June 2023. The minimum TCR for the bank is 14.4% based on the overall capital requirement which can be specified as follows:

In percentages	30 Jun 2023	31 Dec 2022
Pillar 1	8.0	8.0
Pillar 2	3.1	3.1
Conservation buffer	2.5	2.5
Countercyclical buffer ¹	0.6	0.1
Guidance	0.2	0.2
Minimum requirement total capital ratio	14.4	13.9

¹ The DNB has increased the countercyclical buffer for all banks in the Netherlands.

The CET1 ratio ended at 17.2% in June 2023 (end of 2022: 17.3%) in line with expectations and well above internal hurdle rates. The leverage ratio of Triodos Bank as at end of June 2023 is 7.0% (end of 2022: 6.9%), well above the minimum requirement of 3.0%.

The bank's overall liquidity position remains robust with a liquidity coverage ratio (LCR) of 190% as at end of June 2023 (end of 2022: 193%). The regulatory minimum LCR is 100%. Triodos Bank will continue to work on delivering an adequate return while maintaining a solid equity base, capital ratios and LCR.

In March 2023, as expected, Triodos Bank received its minimum requirements for own funds and eligible liabilities (MREL) requirement from the De Nederlandsche Bank (DNB) (acting in its capacity as national resolution authority). On a Group consolidated basis, this MREL requirement is 19.9% of the total risk exposure amount (as defined in the Capital Regulation Requirements [CRR]) to be met by 1 January 2026, and 5.2% of the total exposure measure (as defined in the CRR), to be met by 1 January 2024.

Dividend

Under normal circumstances, Triodos Bank aims for a dividend payment of 50% of the realised net profit. The other 50% will be used to fund the organic growth of the bank, with the goal to increase positive impact. Triodos Bank does not intend to issue any new DRs to finance organic growth. This is in the interest of all DR Holders so that their ownership of Triodos Bank will not be diluted.

If financial results and our capital position allow, we have the option to pay out more than 50% of the realised profit as dividend. In case of lower financial results or, for example, an increase in capital requirements, we may propose to pay out less than 50% of the result as dividend.

In view of the substantially higher net profit in the first half of 2023, the Executive Board has decided to pay an interim cash dividend of EUR 1.23 (before withholding tax, where applicable), which represents a 50% pay out of the first half year 2023 net profit. This interim cash dividend will be made payable as at 19 September 2023. Due to the time required to implement the new payment process, this payment date is five days later than the regular four-week period.

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

Triodos Bank in 2023

Following more than five years of negative central bank interest rates, the increases in interest rates since July 2022 have been supportive for Triodos Bank's profitability. Alongside market developments, we will continue to optimise our resources by redesigning our operating model as described above to become a more efficient bank. The improvement in profitability enables Triodos Bank to deliver greater positive impact for its customers and investors, as well as providing an adequate financial return. In this respect, Triodos Bank reiterates that it remains committed to the

2025 targets, improving cost efficiency towards a CIR target of less than 75% by 2025 and a return on equity of 5% to 7%.

Restoring tradability of Triodos Bank's DRs has been the objective of an intensive project involving many co-workers over the past 18 months. With tradability being restored as of 5 July 2023, Triodos Bank will closely monitor the development of the trade on the MTF and continue to engage with DR Holders and Captin about the development of trade on the MTF. In addition, Triodos Bank will continue its investor relations activities to engage with interested potential new investors as well as existing investors.

In the second half of 2023, we also plan to work together with the Foundation for the Administration of Triodos Bank Shares (SAAT) to further refine our governance.

Above all, we will continue to focus on our clients and achieving positive impact through our transition themes of food, resource, energy, society and wellbeing.

Responsibility statement

In the opinion of the Executive Board, the half year report 2023 provides a true and fair view of the assets, liabilities, the financial position and the results of Triodos Bank and the companies included in the consolidation. This half year report provides a true and fair view of the position on the balance sheet date and the performance of Triodos Bank during the first half of 2023 and the companies included in the consolidation, whose figures have been included in the interim condensed financial statements.

Driebergen-Rijsenburg, 16 August 2023

Triodos Bank Executive Board:
Jeroen Rijkema, Chair and CEO
Kees van Kalveen, CFO
Marjolein Landheer, CRO a.i.¹
Jacco Minnaar, CCO
Nico Kronemeijer, COO

¹ Marjolein Landheer temporarily replaces the current CRO, Carla van der Weerd, who is recovering from the health impact of long COVID-19.

Interim condensed financial statements

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Interim condensed consolidated financial statements

Consolidated balance sheet

Amounts in thousands of EUR	Note ¹	30.06.2023	31.12.2022
ASSETS			
Cash and cash equivalents		2,222,597	2,581,140
Loans and advances to banks		242,845	332,493
Loans and advances to customers	1	10,856,757	10,619,676
Debt securities at amortised cost	2	1,988,488	1,689,780
Investment securities		41,926	45,718
Intangible assets		49,522	51,225
Property and equipment		87,258	88,691
Investment property		6,467	6,739
Right-of-use assets		12,923	13,327
Non-trading derivatives	3	265,649	295,696
Deferred tax assets		12,621	13,185
Current tax receivable		2,016	1,475
Other assets		66,020	55,753
Non-current assets held for sale		4,382	5,582
Total assets		15,859,471	15,800,480

Amounts in thousands of EUR	Note ¹	30.06.2023	31.12.2022
LIABILITIES			
Deposits from banks	4	478,224	337,087
Deposits from customers	5	13,729,483	13,816,340
Lease liabilities		13,417	13,924
Non-trading derivatives	3	7,740	1,249
Deferred tax liabilities		9,455	10,843
Current tax liabilities		21,797	12,213
Other liabilities		67,510	81,700
Provisions		8,560	7,845
Subordinated debt		257,475	259,884
Total liabilities		14,593,661	14,541,085
EQUITY			
Share capital		723,353	723,353
Share premium reserve		200,811	200,811
Translation reserve		-4,356	-4,426
Cost of hedging reserve		92	369
Fair value reserve		714	4,032
Other reserve		48,056	49,568
Retained earnings		261,984	240,724
<i>Result for the period</i>			<i>49,940</i>
<i>Interim dividends</i>			<i>-4,976</i>
Unappropriated result for the period		35,156	44,964
Total equity		1,265,810	1,259,395
Total equity and liabilities		15,859,471	15,800,480
Contingent liabilities	6	52,164	49,072
Irrevocable facilities	7	1,702,896	1,853,167
		1,755,060	1,902,239

¹ These are the references to the notes to the interim condensed consolidated financial statements. These notes form an integral part of the interim condensed consolidated financial statements.

Consolidated profit and loss account

Amounts in thousands of EUR	Note ¹	First half year 2023	First half year 2022
INCOME			
Interest income	8	218,703	130,422
Interest expense	9	-42,407	-17,792
Net interest income		176,296	112,630
Investment income	10	354	470
Fee and Commission income	11	62,801	65,532
Fee and Commission expense	12	-6,424	-6,145
Net fee and commission income		56,377	59,387
Net result from other financial instruments at FVTPL	13	-2,782	1,500
Other income	14	477	433
Other income		-2,305	1,933
Total income		230,722	174,420
EXPENSES			
Personnel expenses	15	91,435	83,228
Other administrative expenses	15	62,287	56,553
Amortisation and value adjustments of intangible assets	16	9,858	6,524
Depreciation and value adjustments of property and equipment	16	5,197	5,810
Operating expenses		168,777	152,115
Impairment result on financial instruments	17	12,707	-1,948
Total expenses		181,484	150,167

Amounts in thousands of EUR	Note ¹	First half year 2023	First half year 2022
Operating result before taxation		49,238	24,253
Taxation on operating result		-14,082	-5,478
Net profit		35,156	18,775
Average number of issued shares in circulation²		14,213,650	14,216,421
Amounts in EUR			
Earnings per share for profit attributable to the equity holders of the parent entity ³		2.47	1.32

¹ These are the references to the notes to the interim condensed consolidated financial statements. These notes form an integral part of the interim condensed consolidated financial statements.

² In four Spanish legal claims with individual Depository Receipt holders the purchase transactions have been reversed.

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

Consolidated statement of comprehensive income

Amounts in thousands of EUR	First half year 2023	First half year 2022
Net profit	35,156	18,775
<i>Other comprehensive income that will not be reclassified to profit or loss</i>		
Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income	-4,575	3,856
Revaluation gains/(losses) on defined benefit liability	0	-386
Related tax	1,257	-908
Total items that will not be reclassified to profit or loss	-3,318	2,562
<i>Other comprehensive income that will be reclassified to profit or loss</i>		
Foreign operations – foreign currency translation differences	70	-69
Foreign operations – cost of hedging	-277	70
Total items that will be reclassified to profit or loss	-207	1
Other comprehensive income for the half year, net of tax	-3,525	2,563
Total comprehensive income for the half year, net of tax	31,631	21,338
Total comprehensive income attributable to:		
Owners of Triodos Bank	31,631	21,338

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Consolidated statement of changes in equity

Amounts in thousands of EUR	Share capital	Share premium
Equity as at 1 January 2022	723,353	200,811
Result for the period		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Net change in defined benefit liability		
Total comprehensive income	-	-
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Transfer to other reserve for development costs		
Equity as at 30 June 2022	723,353	200,811
Result for the period		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Net change in defined benefit liability		
Total comprehensive income	-	-
Increase of share capital		
Extraordinary dividend		
Interim dividend		
Transfer to other reserve for development costs		
Equity as at 31 December 2022	723,353	200,811

Translation reserve	Cost of hedging reserve	Fair value reserve	Other reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,482	117	82	46,431	233,051	50,759	1,250,122
					18,775	18,775
-69						-69
	70					70
		2,948				2,948
				-386		-386
-69	70	2,948	-	-386	18,775	21,338
						-
						-
				25,169	-25,169	-
					-25,590	-25,590
			1,756	-1,756		-
-4,551	187	3,030	48,187	256,078	18,775	1,245,870
					31,165	31,165
125						125
	182					182
		1,002				1,002
				386		386
125	182	1,002	-	386	31,165	32,860
						-
				-14,359		-14,359
					-4,976	-4,976
			1,381	-1,381		-
-4,426	369	4,032	49,568	240,724	44,964	1,259,395

Amounts in thousands of EUR	Share capital	Share premium
Equity as at 1 January 2023	723,353	200,811
Result for the period		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Net change in defined benefit liability		
Total comprehensive income	-	-
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Transfer to other reserve for development costs		
Returned own Depository Receipts including related dividends ¹		
Equity as at 30 June 2023	723,353	200,811

¹ In four Spanish legal claims with individual Depository Receipt holders the purchase transactions, including any received dividend, have been r

Translation reserve	Cost of hedging reserve	Fair value reserve	Other reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,426	369	4,032	49,568	240,724	44,964	1,259,395
					35,156	35,156
70						70
	-277					-277
		-3,318				-3,318
						-
70	-277	-3,318	-	-	35,156	31,631
						-
						-
				19,944	-19,944	-
					-25,020	-25,020
			-1,512	1,512		-
				-196		-196
-4,356	92	714	48,056	261,984	35,156	1,265,810

reversed.

Consolidated cash flow statement

Amounts in thousands of EUR	First half year 2023	First half year 2022
Operating activities		
Net profit	35,156	18,775
Net profit adjustments for:		
Depreciation	5,197	5,810
Amortisation	9,858	6,524
Amortisation premium and discount debt securities	-1,487	3,376
Impairment result on financial instruments	12,707	-1,948
Interest expense on lease liabilities	157	180
Revaluation participating debt (investment securities)	-148	-539
Value adjustments property and equipment (incl. leases)	141	89
Value adjustments intangible assets	-1,210	1
Movements in provisions	357	7,816
Taxation on operation result	14,082	5,478
Tax paid	-14,377	-10,402
Net cash flows from business operations	60,433	35,160
Changes in:		
Loans and advances to banks	42,276	-13,904
Loans and advances to customers	-223,085	-539,913
Debt securities at amortised cost	-298,312	-307,121
Deposits from banks	141,137	195,599
Deposits from customers	-86,857	245,066
Other operating activities	-5,416	4,917
Net cash flows from operational activities	-369,824	-380,196

Amounts in thousands of EUR	First half year 2023	First half year 2022
Investment activities		
Investment in investment securities	-635	-165
Investment in intangible assets	-6,945	-8,385
Investment in property and equipment	-2,435	-972
Divestment in property and equipment	515	1,038
Cash flows from investment activities	-9,500	-8,484
Financing activities		
Payments of lease liabilities	-1,546	-1,804
Payment of cash dividend	-25,020	-25,590
Returned own Depository Receipts including related dividends ¹	-196	-
Cash flows from financing activities	-26,762	-27,394
Net change in cash and cash equivalents	-406,086	-416,074
Cash and cash equivalents at the beginning of the year	2,767,412	4,422,865
Effect of exchange rate fluctuations on cash and cash equivalents held	192	170
Cash and cash equivalents at the end of the period	2,361,518	4,006,961
On demand deposits with central banks	2,222,597	3,876,039
On demand deposits with banks	138,921	130,922
Cash and cash equivalents at the end of the period	2,361,518	4,006,961

¹ In four Spanish legal claims with individual Depository Receipt holders the purchase transactions have been reversed.

Notes to the interim condensed consolidated financial statements

General

Corporate information

Triodos Bank N.V. ('Triodos Bank'), having its legal address at De Reehorst, Hoofdstraat 10a, in Driebergen-Rijsenburg, the Netherlands, is a public limited liability company (N.V.) under Dutch law (Chamber of Commerce 30062415). Triodos Bank finances companies, institutions and projects that add cultural value and benefit people and the environment, with the support of depositors and investors who want to encourage socially responsible business and a sustainable society.

The interim condensed consolidated financial statements for the period ending 30 June 2023 were authorised for issue in accordance with a resolution of the Executive Board on 16 August 2023.

Basis of preparation

The interim condensed consolidated financial statements ("the half year report") have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and in accordance with the legal requirements for the annual accounts of banks contained in Section 14 Title 9 Book 2 of the Netherlands Civil Code. This half year report does not contain all the information and disclosures required for the full year annual accounts and should therefore be read in conjunction with the Annual Report of Triodos Bank N.V. as at 31 December 2022.

These interim condensed consolidated financial statements have been reviewed by the external auditor.

The interim condensed consolidated financial statements have been prepared on a going concern basis and there are no doubts about the ability of Triodos Bank to continue to operate on a going concern basis. The bank has a resilient capital base. The capital and liquidity ratios currently remain well above the minimum required levels and are expected to stay well above these minimum levels, even in adverse scenarios.

Although the impact of the current developments, high inflation and low gross domestic product (GDP) growth on the economy and thereby the future performance of Triodos Bank remains unpredictable, there is no material uncertainty with respect to the financial condition of the company, based on current knowledge and the scenario analysis made. In preparing the consolidated financial statements, Management has assessed Triodos Bank's ability to continue as a going concern and has concluded there are no material uncertainties which would cast significant doubt over the ability of the bank to continue to operate as a going concern.

General Accounting policies

The accounting policies adopted are consistent with the Annual Report of Triodos Bank N.V. as at 31 December 2022.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in Euros, which is Triodos Bank's functional currency. All amounts have been rounded to the nearest thousand, except when otherwise indicated.

New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with Triodos Bank's annual report for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. Triodos Bank has not early adopted any standard, interpretation or amendment that has been issued but is not

yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of Triodos Bank.

The following changes to IFRS are effective as of 1 January 2023 and are applicable for Triodos Bank:

- Definition of Accounting Estimates - Amendments to IAS 8 (issued in February 2021, effective 1 January 2023)
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (issued in February 2021, effective 1 January 2023)

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

When the aforementioned arises in the periods beginning on or after 1 January 2023, Triodos Bank will apply this standard when applicable. Currently these changes have no effect on the interim condensed consolidated financial statements of Triodos Bank for the first half year 2023.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how

entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Triodos Bank will apply the amendments to their accounting policy disclosures in the annual report of 2023. The amendment has no financial impact.

Upcoming changes to IFRS relevant for Triodos Bank

The following changes to IFRS are effective on or after 1 January 2024 and are applicable for Triodos Bank:

- Amendment to IFRS 16 'Leases' – Leases on sale and leaseback (issued on September 2022, effective 1 January 2024).

Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16 to address the gap on how the lease liability should be subsequently measured in case of a sale and leaseback where the transaction qualifies as a 'sale' under IFRS 15 and the lease payments include variable lease payments that do not depend on an index or rate.

The amendments to IFRS 16 are applicable for annual periods beginning on or after 1 January 2024 and should be applied retrospectively.

Triodos Bank has not entered into a sale and leaseback transaction such that the amendment is not expected to have an impact on the interim condensed consolidated financial statements.

Change in accounting principles

During the first half of 2023, no changes in accounting principles were implemented by Triodos Bank.

Significant events and transactions

There were no significant events and transactions in the first half of 2023 that had a material impact on the interim condensed consolidated financial statements.

Significant estimates

Expected credit losses

For financial instruments at amortised cost, Triodos Bank determines an expected credit loss (ECL) to provide for any future credit losses. The current economic environment has been impacted by the Russian invasion of Ukraine, which has an impact on the credit risk of the financial instruments. The changes in credit risk result in changes in the measured expected credit losses.

Significant increase in credit risk

Triodos Bank's approach to determining whether a significant increase in credit risk has occurred is, in large part, based on its internal credit rating system. This determination of what downgrade in internal credit rating constitutes a significant increase in credit risk is a significant judgement. Triodos Bank has made no changes to the internal rating process of determining if financial instruments have a significant increase in credit risk.

At the end of 2022 it was determined that those exposures that are facing high increases in prices (for example construction materials and energy), relative to their expected income, have incurred a significant increase in credit risk at the end of 2022. Therefore, all exposures that were in the construction phase and those exposures in sectors that were severely impacted were moved from stage 1 to stage 2 as a management overlay to the model. As at 30 June 2023, most of the increased risk captured by the overlays in 2022, has been translated in an update of internal credit ratings which resulted in, where possible, the removal of these overlays. Due to the removal of these overlays, those exposures for which the credit rating did not deteriorate relative to its credit rating on inception, were moved back to stage 1

in the first half year 2023. There are no group-wide management overlays to the model as at 30 June 2023. However, where necessary, sectors in specific geographical areas are collectively moved from stage 1 to stage 2 as a management overlay to the model if an increased credit risk in a sector was not yet sufficiently translated into internal credit ratings.

Economic forecasts

Any impact on future outlook is calculated with the use of macroeconomic scenarios. In developing these macroeconomic scenarios, Triodos Bank uses significant judgement. Triodos Bank has incorporated the current economic environment, including its expected future outlook into the macroeconomic scenarios. Triodos Bank uses an independent forecaster to create its macroeconomic scenarios, which includes economic data and forecasts published by government bodies, monetary authorities, and supranational organisations such as the OECD and the International Monetary Fund. In these macroeconomic scenarios, Triodos Bank has taken into account that some sectors are expected to be more sensitive to macroeconomic developments than others.

The current ECL model does not yet take into account climate and environmental risks specifically. Triodos Bank is currently analysing empirical historic data available to incorporate these factors in its credit risk management and the ECL model. Where these risks have impacted macroeconomic factors such as GDP or unemployment rates, this has been taken into account indirectly in our ECL model through our macroeconomic scenarios.

One of the key assumptions in the ECL model is the forecasted real GDP growth. The economic scenarios used as at 30 June 2023 included the following Real GDP growth for the periods ending 30 June 2024 to 2026 and the long term growth for the periods after 30 June 2026. The Real GDP growth is the forecasted GDP growth, corrected for the forecasted inflation. This is a critical estimate.

	+12 months	+24 months	+36 months	Long-term
Base scenario	1.1%	1.8%	2.3%	1.0%
Up scenario	2.6%	2.5%	2.1%	1.0%
Down scenario	-2.1%	-1.6%	4.1%	1.0%

Assets and liabilities

1 Loans and advances to customers

Loans and advances to customers can be specified as follows:

Amounts in thousands of EUR	30.06.2023				
	Gross carrying amount	Allowance for ECL	Carrying amount	Net interest ¹	Effective interest rate ²
Business loans	6,266,551	-54,585	6,211,966	113,475	3.65%
Mortgage lending	4,711,405	-1,388	4,710,017	53,240	2.33%
Short term loans ³	5,000	-	5,000	49	0.30%
Current accounts and credit cards	161,044	-2,935	158,109	3,139	3.98%
Fair value hedge accounting	-263,365	-	-263,365	-	-
Interest receivable	35,030	-	35,030	-	-
Balance sheet value	10,915,665	-58,908	10,856,757	169,903	3.16%

¹ The net interest disclosed is for 2023 the six month period and for 2022 the 12 month period.

² The effective interest rate is annualised.

³ These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

Amounts in thousands of EUR	31.12.2022				
	Gross carrying amount	Allowance for ECL	Carrying amount	Net interest ¹	Effective interest rate
Business loans	6,270,426	-47,927	6,222,499	172,417	2.77%
Mortgage lending	4,447,170	-1,414	4,445,756	67,306	1.67%
Short term loans ²	60,000	-	60,000	-61	-0.06%
Current accounts and credit cards	159,036	-1,876	157,160	5,178	3.04%
Fair value hedge accounting	-289,691	-	-289,691	-	-
Interest receivable	23,952	-	23,952	-	-
Balance sheet value	10,670,893	-51,217	10,619,676	244,840	2.36%

¹ The net interest disclosed is for 2023 the six month period and for 2022 the 12 month period.

² These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

The next tables present the changes in the allowance for expected credit losses for the balance sheet periods ended.

Amounts in thousands of EUR	30.06.2023			
	Stage 1	Stage 2	Stage 3	Total
Balance sheet value at 1 January	6,314	5,695	39,208	51,217
Net remeasurement of allowance for expected credit losses	-623	1,108	11,316	11,801
<i>Of which:</i>				
- Effect of transition between stages	-24	-5	319	290
- Macro-economic forward looking impact	-297	-271	-	-568
- Individual loan or advance behaviour	-302	1,384	10,997	12,079
- Update ECL model	-	-	-	-
Net portfolio growth	426	26	-	452
Write-offs	-	-	-4,981	-4,981
Exchange rate differences	-26	108	337	419
Balance sheet value	6,091	6,937	45,880	58,908

The Expected Credit Loss allowance (ECL) at 30 June 2023 is 0.54% of the total loan portfolio gross carrying amount (31 December 2022: 0.48%).

The semi-annual incurred loss rate, which is the stage 3 impairment expense over the average loan book as at 30 June 2023, is 10bps (30 June 2022: 3bps).

Triodos Bank uses three stages to classify the ECL for financial instruments. The ECL for stages 1 and 2 is determined by the probability of default, the loss given default and the exposure at default (hereafter "PD", "LGD", and "EAD") per exposure, which are determined with the use of a model that includes several drivers. These drivers can be client specific or based on macro-economic scenarios.

- Stage 1 includes the financial instruments that have (close to) similar credit risk since origination. For this category ECL is determined based on the PD, LGD, and EAD over the 12 months after balance sheet date.
- Stage 2 includes the financial instruments which have had a significant increase in credit risk since origination. The ECL for stage 2 is determined based on the PD, LGD, and EAD over the entire lifetime of the financial instrument.
- Stage 3 includes the financial instruments which are in default. The ECL for this stage is also determined over the entire lifetime, considering default specific scenarios.

Amounts in thousands of EUR	31.12.2022			
	Stage 1	Stage 2	Stage 3	Total
Balance sheet value at 1 January	8,675	3,418	36,887	48,980
Net remeasurement of allowance for expected credit losses	-2,750	1,859	8,076	7,185
<i>Of which:</i>				
- Effect of transition between stages	-907	2,660	510	2,263
- Macro-economic forward looking impact	-2,567	-470	-	-3,037
- Individual loan or advance behaviour	353	99	7,566	8,018
- Update ECL model	371	-430	-	-59
Net portfolio growth	463	503	-	966
Write-offs	-	-	-5,386	-5,386
Exchange rate differences	-74	-85	-369	-528
Balance sheet value	6,314	5,695	39,208	51,217

The ECL provision represents an estimate of the expected credit loss over the current portfolio. The future development of the underlying parameters can influence this estimate positively (or negatively) leading to a decrease (or increase) of expected credit losses in future periods. If the economic growth is expected to develop positively in future periods, less defaults are expected in the future such that this will have a positive effect on the ECL and results in lower ECL provision for stage 1 and 2.

Newly originated financial instruments are initially included in stage 1. When the credit risk of a loan increases significantly, the loan is transferred from stage 1 to stage 2. If the loan goes into default, it is subsequently moved into stage 3. Furthermore, the defaults may be cured, and the credit risk of a loan may go down, such that loans can be transferred back to stage 2 or stage 1.

When the drivers of the PD and LGD are changed, the ECL amounts per financial instrument are recalculated. This is captured in the net remeasurement of allowance for expected credit losses. The net remeasurement can be broken down into multiple parameters that influence the PD and LGD:

1. Remeasurement in calculated ECL of individual loans which have transferred between stage 1 and stage 2,
2. Changes in forward looking macro-economic scenarios, and,
3. Changes in individual loan or advance behaviour such as changes in rating not triggering stage transfer or loan amount due to repayment.

The total ECL provision for loans of EUR 51.2 million as at 31 December 2022 increased by EUR 7.7 million to EUR 58.9 million as at 30 June 2023 due to an increase in the stage 1 and stage 2 provision of EUR 1.0 million and an increase in stage 3 of EUR 6.7 million. The increase in stages 1 and 2 is mainly caused by an increase of EUR 1.1 million due to the effect of individual loan behaviour and an increase of EUR 0.5 million due to

changes in the net portfolio exposure. This is partly offset by a decrease of EUR 0.6 million due to more favourable macro-economic forward looking parameters.

The ECL stage 3 provision increased by EUR 6.7million to EUR 45.9million as at 30 June 2023. The recorded stage 3 ECL balance sheet provision is 0.42% of the total outstanding loans and advances to customers as at 30 June 2023 (31 December 2022: 0.37%).

2 Debt securities at amortised cost

The debt securities at amortised cost can be specified as follows:

Amounts in thousands of EUR	30.06.2023	31.12.2022
Dutch government bonds	9,959	9,940
Belgian government bonds	50,136	76,843
Spanish government bonds	94,110	98,356
United Kingdom government bonds	143,519	153,157
Other bonds ¹	1,680,471	1,343,430
Interest receivable	10,037	7,736
Fair value hedge accounting	285	350
Allowance for ECL	-29	-32
Balance sheet value	1,988,488	1,689,780

¹ These are mainly bonds of financial institutions and regional government bonds.

Triodos Bank invests additional funding in highly liquid debt securities to manage its liquidity buffer.

3 Non-trading derivatives

The non-trading derivatives can be specified as follows:

Non-trading derivative assets Amounts in thousands of EUR	30.06.2023	31.12.2022
Over-the-Counter (OTC) currency contracts:		
Forwards	854	5,011
Non deliverable forwards	-	375
OTC interest rate contracts:		
Interest rate swaps (hedge accounting only)	264,795	290,310
Interest rate swaps not yet in a hedge ¹	-	-
Total derivatives	265,649	295,696

¹ Interest rate swaps are designated as part of the hedge on the first day of the month after the transaction is closed. These interest rate swaps are entered into in the month preceding the balance sheet date.

Non-trading derivative liabilities		
Amounts in thousands of EUR	30.06.2023	31.12.2022
OTC currency contracts:		
Forwards	4,042	879
Non deliverable forwards	-	370
OTC interest rate contracts:		
Interest rate swaps (hedge accounting only)	2,883	-
Interest rate swaps not yet in a hedge ¹	815	-
Total derivatives	7,740	1,249

¹ Interest rate swaps are designated as part of the hedge on the first day of the month after the transaction is closed. These interest rate swaps are entered into in the month preceding the balance sheet date.

30.06.2023		Carrying amount			
Hedging instruments	Nominal amount	Assets	Liabilities	Change in fair value	Ineffectiveness
Amounts in thousands of EUR					
Interest rate swaps – portfolio hedge accounting	1,634,600	264,795	2,883	-26,901	-701

30.06.2023		Nominal amount	Fair value hedge adjustments		
Hedged item	Assets	Debit adjustment	Credit adjustment	Change in fair value	
Amounts in thousands of EUR					
Loans and advances to customers	1,634,600	-	263,365	26,200	

31.12.2022		Carrying amount			
Hedging instruments	Nominal amount	Assets	Liabilities	Change in fair value	Ineffectiveness
Amounts in thousands of EUR					
Interest rate swaps – portfolio hedge accounting	1,415,600	290,310	-	276,498	1,325

31.12.2022		Nominal amount	Fair value hedge adjustments		
Hedged item	Assets	Debit adjustment	Credit adjustment	Change in fair value	
Amounts in thousands of EUR					
Loans and advances to customers	1,415,600	-	289,691	-275,173	

4 Deposits from banks

The deposits from banks can be specified as follows:

Amounts in thousands of EUR	30.06.2023	31.12.2022
Deposits from banks	478,179	337,072
Interest payable	45	15
Balance sheet value	478,224	337,087

The deposits from banks consists of EUR 277.6 million regarding collateral held for the interest rate swaps, EUR 150.0 million regarding a drawn down standby facility and of EUR 50.6 million for credits held by Kreditanstalt für Wiederaufbau, Germany, Investitions Bank Berlin, Germany and Landwirtschaftliche Rentenbanken, Germany for interest-subsidised loans in the renewable energy sector.

Deposits from banks classified by residual maturity:

Amounts in thousands of EUR	30.06.2023	31.12.2022
Payable on demand	277,561	284,881
1 to 3 months	150,045	80
3 months to 1 year	3,990	-
1 to 5 years	22,220	29,730
Longer than 5 years	24,408	22,396
Balance sheet value	478,224	337,087

5 Deposits from customers

The deposits of customers can be specified as follows:

Amounts in thousands of EUR	30.06.2023	31.12.2022
<i>Business clients:</i>		
Saving accounts	1,627,787	1,498,252
Fixed term deposits	102,908	161,675
Current accounts	2,861,030	3,084,816
<i>Retail clients:</i>		
Saving accounts	6,674,822	6,427,318
Fixed term deposits	409,866	381,480
Current accounts	2,025,342	2,254,477
Interest payable	27,728	8,322
Balance sheet value	13,729,483	13,816,340

Although the balance of the deposits from customers remain stable in the first half of 2023, there is a shift from current accounts to saving accounts caused by the rise of the interest rates.

Deposits from customers classified by residual maturity:

Amounts in thousands of EUR	30.06.2023			31.12.2022		
	Business clients	Retail clients	Total	Business clients	Retail clients	Total
Payable on demand	4,323,740	7,997,215	12,320,955	4,473,609	8,575,777	13,049,386
1 to 3 months	207,796	754,230	962,026	209,317	173,656	382,973
3 months to 1 year	51,954	253,733	305,687	45,726	202,683	248,409
1 to 5 years	15,798	102,467	118,265	16,344	93,341	109,685
Longer than 5 years	1,729	20,821	22,550	2,608	23,279	25,887
Balance sheet value	4,601,017	9,128,466	13,729,483	4,747,604	9,068,736	13,816,340

Off-balance sheet liabilities

6 Contingent liabilities

Financial guarantees

Amounts in thousands of EUR	30.06.2023	31.12.2022
Credit substitute guarantees	30,191	26,990
Non-credit substitute guarantees	21,973	22,082
Total contingent liabilities	52,164	49,072

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).

Part of the credit substitute guarantees and non-credit substitute guarantees are secured by blocked accounts for the same amount.

Legal proceedings

Triodos Bank is involved in a number of legal proceedings. Management assesses the outcome of litigation matters, and takes provisions when expected losses with respect to such matters are more likely than not and the expected outflow of resources can be reliably estimated. If a provision cannot be recognised, and the outflow or economic benefits is not remote, a contingent liability is recognised. Therefore, per end of the first half of 2023, the legal proceedings in Spain in relation to Depository Receipts (DRs) are regarded by Triodos Bank as contingent liabilities. For more information on legal proceedings pending, please refer to Legal proceedings (see page 50).

7 Irrevocable facilities

Irrevocable facilities relate to liabilities in respect of irrevocable undertakings, which may lead to a further loan.

Triodos Bank has the following irrevocable facilities:

Amounts in thousands of EUR	30.06.2023	31.12.2022
Undrawn debit limits on current accounts and credit cards	404,927	377,270
Accepted loans not yet paid out	1,194,232	1,400,467
Valid loan offers not yet accepted	102,159	74,393
Other facilities	1,578	1,037
Total irrevocable facilities	1,702,896	1,853,167

Profit and loss account

8 Interest income

The interest income can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Loans and advances to customers	169,903	112,221
Loans and advances to banks	35,409	1,246
Debt securities at amortised cost	12,154	5,195
Negative interest expense on TLTRO III	-	7,360
Negative interest expense deposits from customers	55	4,051
Other interest income	1,182	349
Total interest income	218,703	130,422

The negative interest expense on TLTRO III relates to the negative interest on the TLTRO III funding received from the ECB. The TLTRO has been repaid as at 23 November 2022.

9 Interest expense

The interest expense can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Deposits from customers	-33,199	-3,064
Subordinated liabilities	-3,145	-3,148
Deposits from banks	-36	-856
Negative interest income loans and advances to banks	-	-7,475
Negative interest income debt securities	-	-770
Other interest expense	-6,027	-2,479
Total interest expense	-42,407	-17,792
Net interest income	176,296	112,630

The increase in other interest expense mainly relates to the interest paid on the collateral held for the interest rate swaps.

10 Investment income

The investment income can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Dividend from investment securities	354	470
Total investment income	354	470

11 Fee and commission income

The fee and commission income can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Transaction fee securities	400	702
Payment transactions ¹	14,091	15,711
Lending	6,828	7,949
Asset Management ¹	7,475	7,633
Management fees	31,023	29,991
Financial guarantee contracts and loan commitments	284	340
Other commission income	2,700	3,206
Total fee and commission income	62,801	65,532

¹ Service fees on investment accounts are reclassified from payment transactions to asset management. The comparative figures in the amount of EUR 3.3 million are adjusted accordingly.

12 Fee and commission expense

The fee and commission expense can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Commission to agents	-3	-39
Asset Management	-2,747	-2,489
Other commission expense	-3,674	-3,617
Total fee and commission expense	-6,424	-6,145
Net fee and commission income	56,377	59,387

13 Net result from other financial instruments at FVTPL

The net result from other financial instruments at FVTPL can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Hedge accounting ineffectiveness	-669	1,597
Fair value movement of derivatives not yet in a hedge relationship	-2,261	-636
Fair value movement of participating debt at fair value through profit or loss	148	539
Net result from other financial instruments at FVTPL	-2,782	1,500

14 Other income

The other income can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Exchange results for foreign currency transactions	-58	62
Transaction results on currency forward contracts	7	9
Realized results assets not in use ¹	81	-81
Income assets not in use ¹	24	42
Modification result	-25	191
Other income	448	210
Total other income	477	433

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

15 Personnel and other administrative expenses

The personnel and other administrative expenses can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Personnel expenses		
• salary expenses	60,409	53,593
• pension expenses	7,673	7,047
• social security expenses	10,486	9,526
• temporary co-workers	13,528	13,061
• other staff costs	6,008	5,633
• capitalised co-worker costs	-6,669	-5,632
Total personnel expenses	91,435	83,228
Other administrative expenses		
• IT costs	11,298	9,290
• external administration costs	6,230	6,552
• fees for advice	16,962	7,704
• advertising charges	4,835	3,446
• office costs	2,657	3,078
• accommodation expenses	2,429	2,443
• travel and lodging expenses	1,152	679
• other expenses	5,561	9,595
Total other operating administrative expenses	51,124	42,787
Regulatory expenses	11,163	13,766
Total other administrative expenses	62,287	56,553
Total personnel expenses and other administrative expenses	153,722	139,781
Average number FTE's during the year	1,681.2	1,613.7

Regulatory expenses

The regulatory expenses can be specified as follows:

	30.06.2023	30.06.2022
Bank tax	3,133	3,085
Depository Guarantee Scheme ¹	4,590	8,790
Single resolution fund	3,440	1,891
Total regulatory expenses	11,163	13,766

¹ It was expected that the contribution to the Dutch Deposit Guarantee Fund would increase with EUR 1.5 million on a quarterly basis starting the second quarter of 2022, due to the bankruptcy of the Amsterdam Trade Bank (ATB). The expected increase of the contribution was cancelled at the end of 2022 due to the fact that the assets of ATB were sufficient to compensate the deposit holders.

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

Amounts in thousands of EUR	30.06.2023	30.06.2022
Amortisation of intangible fixed assets	8,648	6,525
Impairment of intangible fixed assets	1,210	-1
Amortisation and impairment charge for the half year	9,858	6,524
Depreciation of property and equipment	5,338	5,899
Impairment of property and equipment	-141	-89
Depreciation and impairment charge for the half year	5,197	5,810

17 Impairment losses on financial instruments

The impairment losses on financial instruments can be specified as follows:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Allowance for expected credit losses	12,630	-2,008
Other impairments on financial instruments	77	60
Total impairment result on financial instruments	12,707	-1,948

The allowance for expected credit losses are related to the credit risk in the financial instruments as presented on the balance sheet. The table below provides allowance for expected credit losses per financial instrument recorded in the profit and loss account, shown per stage:

Amounts in thousands of EUR	30.06.2023			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks	21	-	-	21
Loans and advances to customers	-197	1,134	11,316	12,253
Debt securities at amortised cost	-2	-	-	-2
Financial guarantees	6	10	-	16
Loan commitments issued	189	153	-	342
Other assets	-	-	-	-
Total allowance for expected credit losses	17	1,297	11,316	12,630

Amounts in thousands of EUR	30.06.2022			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks	-1	-	-	-1
Loans and advances to customers	-4,481	-102	3,147	-1,436
Debt securities at amortised cost	-4	-	-	-4
Financial guarantees	3	47	-	50
Loan commitments issued	-637	21	-	-616
Other assets	-1	-	-	-1
Total allowance for expected credit losses	-5,121	-34	3,147	-2,008

The tables below provide an overview of the expected credit losses recorded in the balance sheet per balance sheet line item and stage. For stage 1 and stage 2, the movement of the ECL provision is recorded as impairment on financial instruments in the profit and loss account, except for the currency differences.

For stage 3, the addition and releases are recorded as impairment on financial instruments in the profit and loss account. Other movements in the stage 3 provision includes write-offs and currency differences.

Total expected credit loss allowances	30.06.2023			
Amounts in thousands of EUR	Stage 1	Stage 2	Stage 3	Total
ECL loans and advances to banks at amortised cost	28	-	-	28
ECL loans and advances to customers at amortised cost - business loans and current accounts	5,441	6,556	45,523	57,520
ECL loans and advances to customers at amortised cost - mortgages	650	381	357	1,388
ECL debt securities at amortised cost	29	-	-	29
ECL financial guarantees	47	91	-	138
ECL loan commitments issued	833	684	-	1,517
ECL other assets	12	-	476	488
Total expected credit loss allowances	7,040	7,712	46,356	61,108

Total expected credit loss allowances	31.12.2022			
Amounts in thousands of EUR	Stage 1	Stage 2	Stage 3	Total
ECL loans and advances to banks at amortised cost	7	-	-	7
ECL loans and advances to customers at amortised cost - business loans and current accounts	5,622	5,281	38,900	49,803
ECL loans and advances to customers at amortised cost - mortgages	692	414	308	1,414
ECL debt securities at amortised cost	32	-	-	32
ECL financial guarantees	41	80	-	121
ECL loan commitments issued	645	531	-	1,176
ECL other assets	12	-	476	488
Total expected credit loss allowances	7,051	6,306	39,684	53,041

Equity

Share capital

The authorised capital amounts to EUR 1.5 billion and is divided into 30 million ordinary shares, each with a nominal value of EUR 50. At 30 June 2023, there were 14,467,056 ordinary shares (31 December 2022: 14,467,056 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 (DRs) (31 December 2022: 14,467,056 DRs), each with a nominal value of EUR 50.

The purchasing and reissuing of DRs for own shares is charged or credited respectively to the Other reserves. Any balance remaining after the re-issuing of all own DRs 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 website site of Triodos Bank.

The movement of the shares is as follows:

Amounts in thousands of EUR	30.06.2023	31.12.2022
Number of shares as at 1 January	14,467,056	14,467,056
Increase of share capital	-	-
Stock dividend	-	-
Number of shares	14,467,056	14,467,056

Dividends

The following table presents any dividends paid:

Amounts in thousands of EUR	30.06.2023	30.06.2022
Dividends paid during the half-year	25,020	25,590

Other disclosures

Legal proceedings

After the suspension of trading, the decision to pursue an MTF listing, and the valuation of Depository Receipts (DRs) for taxation purposes (which was lower than the last communicated NAV), Triodos Bank received complaints and claims from certain DR Holders and was subject to negative media attention.

Multiple civil proceedings have been initiated against Triodos Bank by DR Holders. These proceedings are currently pending in Spain, the Netherlands, Belgium and Germany. The majority of the ongoing civil proceedings have been filed in Spain by individual DR Holders. Until now, no complaints or proceedings have been lodged or started in the UK.

The outcome of these pending proceedings, and possible future proceedings, is uncertain. The uncertainties are likely to continue for some time. Adverse publicity, litigation or regulatory action could have an adverse effect on Triodos Bank's capital position and results, business, reputation, and prospects. Large volumes of litigation could also lead to increased costs. A more detailed overview of the pending litigation is included below.

Management assesses the outcome of litigation matters, and takes provisions when expected outflow of economic resources with respect to such matters are more likely than not and the amount can be reliably estimated. Provisions are not recognised for matters against Triodos Bank for which an expected outflow of resources cannot be reliably estimated or that are not more likely than not to lead to an outflow of resources.

Spain

Individual claims in proceedings on the merits

In Spain, as at the date of this report, 332 lawsuits of individual DR Holders in proceedings on the merits have been filed. The total number of DRs involved is 217,415. Plaintiffs complain primarily that they were not adequately informed on the risks and characteristics of DRs and that this gives right to annulment of the purchase or a right to compensation.

As at the date of this half year report, there had been 50 judgements in first instance in proceedings on the merits in Spain. In 23 judgements, the claims were rejected. On these judgements, 22 appeals have been lodged against Triodos Bank (one DR holder did not appeal the judgement). In 27 judgements, the claims of the plaintiff were granted, of which two judgements were not appealed. As at 30 June 2023, Triodos Bank has appealed in 21 cases. In four cases where the claims of the plaintiff were granted in June 2023, Triodos Bank appealed in July 2023. If all judgements where the claims of the plaintiff were granted were to become final, the costs which the plaintiffs may be entitled to are estimated to be approximately EUR 0.5 million and the negative impact on equity is estimated to be approximately EUR 1.8 million.

The Netherlands

Proceedings before the Enterprise Chamber

In the Netherlands, Triodos Bank was involved in inquiry proceedings before the Enterprise Chamber of the Amsterdam Court of Appeal. In October 2022, the Stichting Certificat houders Triodos Bank ("SCTB") filed a request for an inquiry into the management and state of affairs of Triodos Bank. The Vereniging van Effectenbezitters ("VEB") joined the proceedings and supported SCTB's request. SCTB is a Dutch foundation that acts as an organisation representing the interests of a group of DR Holders. SCTB alleged that there were well-founded reasons to doubt the correctness of the management or the correctness of the course of affairs of Triodos Bank in relation to the decisions concerning – amongst other things – the

suspension of trade in DRs and the intended listing on the MTF. Triodos Bank filed a defence and denied the assertions of SCTB and VEB.

The Enterprise Chamber handed down its judgment on 16 March 2023 and rejected the request of SCTB and VEB for an inquiry into the management and state of affairs of Triodos Bank. As no appeal in cassation has been lodged, the judgement is a final decision.

Collective litigation threatened against Triodos Bank

Triodos Bank is aware that two organisations are currently gauging interest among DR Holders to participate in collective legal action against Triodos Bank. No collective legal action against Triodos Bank has been initiated as at the date of publication of this report.

Individual complaints and proceedings

As at the date of this half year report, 18 individual DR Holders have lodged complaints with Kifid, the Dutch extrajudicial body that may give (binding) opinions on consumers' complaints about financial services. As at the date of this half year report, there have been 12 rulings in first instance. In 11 cases, Kifid has ruled that complaints are not admissible, which means that these have been denied without a ruling on the merits. One complaint was rejected based on the merits, and four complaints were withdrawn by the respective claimants. As at the date of this half year report, two complaints are still pending. As at the date of this Report, no complaints have been upheld by Kifid against Triodos Bank.

Furthermore, one individual DR Holder has requested a preliminary witness hearing to obtain sworn testimony from one former co-worker and from the plaintiff in open court to prove his alleged claim against Triodos Bank. These proceedings therefore do not involve a claim for damages. The request was denied in the first instance and was granted in appeal. Parallel to these proceedings, a claim for damages was filed by this DR Holder. These proceedings are currently pending in the first instance.

Belgium and Germany

In Belgium and Germany, respectively, one individual claim each has been filed as at the date of this report. Triodos Bank filed a defence in both cases. It is uncertain when judgements will be rendered. In addition, in Belgium, a lawyer is currently gauging interest among DR Holders to participate in collective legal action against Triodos Bank. As at the date of this report, Triodos Bank is not aware whether collective legal action will be started.

Fair values of financial instruments

Valuation models

Triodos Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Triodos Bank determines the fair value of its financial instruments using the following bases. The fair value of listed debt securities at amortised cost is the market value. The fair value of unlisted debt securities at amortised cost is public quoted information if available or nominal value. The fair value of loans and advances to banks, lease liabilities, deposits from banks, deposits from customers and debt issued and other borrowed funds has been determined by calculating the net present value of expected interest and redemption cash flows, taken into account market interest rates as at the end of the year. The fair value of loans and advances to customers (including mortgages) has been determined by calculating the net present value of the interest and redemption cash flows, taking into account expected prepayment behaviour. The net present value is calculated by using market data, i.e. zero coupon rates, as at the end of the year, which are adjusted with a Triodos Bank-specific spread. The spread is based on the expected margin the business units expect to make over the market base rates in the coming years on their production of business loans and mortgages. Part of the corporate loans and mortgages include caps and/or floors on the interest rates. The fair value of the other asset and liabilities are assumed to be equal to the balance sheet value.

Investments securities comprise participating interests and debt where no significant influence can be exercised and are carried at fair value through either comprehensive income or profit and loss. In the case of an investment security that is listed on an active stock exchange, the fair value will be deemed to be equal to the most recently published stock exchange price. In the case of an investment security not listed on an active stock exchange or where there is no regular price quotation, the fair value will be determined to the best of one's ability using all available data, including an annual report audited by an external independent auditor, interim financial information from the institution and any other relevant data provided to Triodos Bank.

Derivatives held for risk management are carried at fair value through profit and loss. These instruments are split between interest rate swaps and foreign exchange rate forward contracts. The interest rate swaps are valued using the appropriate discount curve to calculate the net present value of expected cash flows under the contracts. This curve is openly observable from market data. The foreign exchange rate forward contracts are valued using the forward exchange rate for the corresponding currency, as observable from market data.

Financial instruments measured at fair value - Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. There were no transfers between Level 1 and Level 2 or Level 2 and Level 3 of the fair value hierarchy in the first half year of 2023 and the year ended 31 December 2022.

30.06.2023				
Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total
Derivative assets held for risk management				
Interest rate	-	264,795	-	264,795
Foreign exchange	-	854	-	854
Total derivative assets held for risk management	-	265,649	-	265,649
Investment securities				
Equities	12,616	14,062	5,446	32,124
Debt	-	213	-	213
Total investment securities	12,616	14,275	5,446	32,337
Derivative liabilities held for risk management				
Interest rate	-	3,698	-	3,698
Foreign exchange	-	4,042	-	4,042
Total derivative liabilities held for risk management	-	7,740	-	7,740

31.12.2022

Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total
Derivative assets held for risk management				
Interest rate	-	290,310	-	290,310
Foreign exchange	-	5,386	-	5,386
Total derivative assets held for risk management	-	295,696	-	295,696
Investment securities				
Equities	17,073	13,866	5,153	36,092
Debt	-	190	-	190
Total investment securities	17,073	14,056	5,153	36,282
Derivative liabilities held for risk management				
Interest rate	-	-	-	-
Foreign exchange	-	1,249	-	1,249
Total derivative liabilities held for risk management	-	1,249	-	1,249

Level 3 valuations relate to investment securities which are valued at fair value through other comprehensive income. Total fair value changes amount to EUR 293 thousand (first half year of 2022: EUR 797 thousand).

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

30.06.2023					
Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total Fair Values	Total Carrying Value
Assets					
Debt securities at amortised cost	1,780,475	107,821	-	1,888,296	1,988,488
Loans and advances to banks	-	-	242,958	242,958	242,845
Loans and advances to customers	-	-	10,097,813	10,097,813	10,856,757
Investment securities	9,589	-	-	9,589	9,589
Liabilities					
Deposits from banks	-	-	475,084	475,084	478,224
Deposits from customers	-	-	12,755,425	12,755,425	13,729,483
Subordinated debt	-	-	197,176	197,176	257,475
Lease liabilities	-	-	12,128	12,128	13,417
31.12.2022					
Amounts in thousands of EUR	Level 1	Level 2	Level 3	Total Fair Values	Total Carrying Value
Assets					
Debt securities at amortised cost	1,487,611	108,395	-	1,596,006	1,689,780
Loans and advances to banks	-	-	332,012	332,012	332,493
Loans and advances to customers	-	-	9,890,824	9,890,824	10,619,676
Investment securities	9,436	-	-	9,436	9,436
Liabilities					
Deposits from banks	-	-	332,740	332,740	337,087
Deposits from customers	-	-	12,832,274	12,832,274	13,816,340
Subordinated debt	-	-	202,927	202,927	259,884
Lease liabilities	-	-	12,566	12,566	13,924

Fair value of the cash and cash equivalents approximates the total carrying amount as they are on demand balances and therefore not included in the above table.

Deposit guarantee scheme and investor compensation scheme

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 EUR 9,150 million (31 December 2022: EUR 9,214 million) and in the United Kingdom EUR 1,389 million (GBP 1,194 million, 31 December 2022: EUR 1,316 million, GBP 1,165 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 amounts to EUR 4.6million for the first half year of 2023.

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Segment information

Segment income statement for the first half year 2023

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
External income			
Material items of income and expense			
- Net interest income	82,224	25,083	31,082
- Investment income	-	-	-
- Net fee and commission income	20,333	4,194	1,147
- Net income from other financial instruments at FVTPL	-2,930	-	-
- Other income	-	21	-38
- Net intercompany income	-3,814	-709	-120
Total segment income	95,813	28,589	32,071
- Personnel and other administrative expenses	-51,765	-21,410	-21,454
- Depreciation and amortisation	-204	-656	-594
- Impairment result on financial instruments	-1,650	-307	-7,123
Total segment expenses	-53,619	-22,373	-29,171
Segment profit before tax	42,194	6,216	2,900
- Taxation on operating result	-10,831	-1,947	-325
Net profit	31,363	4,269	2,575
Operating expenses/total income	54%	77%	69%

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Total
31,862	10,646	180,897	106	-4,707	176,296
3	-	3	-	351	354
3,651	1,590	30,915	24,739	723	56,377
23	-	-2,907	-	125	-2,782
300	31	314	84	79	477
543	382	-3,718	-	3,718	-
36,382	12,649	205,504	24,929	289	230,722
-23,515	-7,601	-125,745	-21,810	-6,167	-153,722
-2,474	-263	-4,191	-125	-10,739	-15,055
-2,016	-1,590	-12,686	-21	-	-12,707
-28,005	-9,454	-142,622	-21,956	-16,906	-181,484
8,377	3,195	62,882	2,973	-16,617	49,238
-1,934	-1,118	-16,155	-803	2,876	-14,082
6,443	2,077	46,727	2,170	-13,741	35,156
71%	62%	63%	88%		73%

Segment income statement for the first half year 2022

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
External income			
Material items of income and expense			
- Net interest income	45,939	19,414	24,922
- Investment income	-	-	-
- Net fee and commission income	23,290	3,673	1,384
- Net income from other financial instruments at FVTPL	961	-	-
- Other income	-	-	64
- Net intercompany income	-1,293	-623	-51
Total segment income	68,897	22,464	26,319
- Personnel and other administrative expenses	-48,156	-19,596	-17,791
- Depreciation and amortisation	-232	-667	-597
- Impairment result on financial instruments	1,906	-1,128	-22
Total segment expenses	-46,482	-21,391	-18,410
Segment profit before tax	22,415	1,073	7,909
- Taxation on operating result	-5,747	-227	-961
Net profit	16,668	846	6,948
Operating expenses/total income	70%	90%	70%

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Total
20,250	6,903	117,428	-61	-4,737	112,630
6	-	6	-	464	470
3,678	1,933	33,958	24,758	671	59,387
-4	-	957	-	543	1,500
477	15	556	-135	12	433
-850	-190	-3,007	-	3,007	-
23,557	8,661	149,898	24,562	-40	174,420
-18,467	-6,899	-110,909	-21,267	-7,605	-139,781
-2,738	-251	-4,485	-139	-7,710	-12,334
1,293	-99	1,950	-3	1	1,948
-19,912	-7,249	-113,444	-21,409	-15,314	-150,167
3,645	1,412	36,454	3,153	-15,354	24,253
-1,218	-555	-8,708	-849	4,079	-5,478
2,427	857	27,746	2,304	-11,275	18,775
90%	83%	77%	87%		87%

Selected assets and liabilities per segment 30 June 2023

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
Loans and advances to customers	5,396,106	1,863,024	1,303,092
Number of loans and facilities	39,937	4,676	7,302
Total assets	8,013,409	2,353,307	2,224,250
Funds under management	784,499	1,240,157	-
Total assets under management	8,797,908	3,593,464	2,224,250
Deposits from customers	6,900,815	2,090,629	1,955,956
Number of accounts	454,608	84,791	96,428
Total liabilities	7,433,935	2,156,897	1,996,628
Average number of FTE's during the year	309.4	167.1	257.7

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Elimination intercompany transactions	Total
1,778,524	541,048	10,881,794	-	-	-25,037	10,856,757
13,637	16,635	82,187	-	-	-2	82,185
2,396,705	887,405	15,875,076	51,369	2,082,912	-2,149,886	15,859,471
27,190	4,882	2,056,728	5,745,142	71,440	-784,499	7,088,811
2,423,895	892,287	17,931,804	5,796,511	2,154,352	-2,934,385	22,948,282
2,050,994	740,545	13,738,939	-	-	-9,456	13,729,483
192,318	56,881	885,026	-	-	-8	885,018
2,228,646	817,225	14,633,331	15,361	815,627	-870,658	14,593,661
274.4	66.5	1,075.1	193.6	412.5	-	1,681.2

Selected assets and liabilities per segment 31 December 2022

Amounts in thousands of EUR	Bank Netherlands	Bank Belgium	Bank United Kingdom
Loans and advances to customers	5,214,023	1,829,243	1,266,514
Number of loans and facilities	39,270	4,575	7,960
Total assets	8,248,348	2,380,284	2,119,828
Funds under management	752,818	1,142,069	-
Total assets under management	9,001,166	3,522,353	2,119,828
Deposits from customers	6,886,605	2,099,797	1,854,532
Number of accounts	453,327	80,432	108,057
Total liabilities	7,660,623	2,175,092	1,898,337
Average number of FTE's during the year	311.1	162.8	252.2

Bank Spain	Bank Germany	Total banking activities	Investment Management	Head Office including TRMC	Elimination intercompany transactions	Total
1,799,215	538,462	10,647,457	-	-	-27,781	10,619,676
14,774	16,354	82,933	-	-	-2	82,931
	-					
2,476,645	925,555	16,150,660	49,228	2,406,732	-2,806,140	15,800,480
27,446	4,366	1,926,699	5,548,436	71,083	-752,818	6,793,400
2,504,091	929,921	18,077,359	5,597,664	2,477,815	-3,558,958	22,593,880
2,224,741	774,313	13,839,988	-	-	-23,648	13,816,340
186,970	55,828	884,614	-	-	-7	884,607
2,298,831	851,697	14,884,580	15,390	1,146,159	-1,505,044	14,541,085
275.0	65.7	1,066.7	205.8	360.1		1,632.6

Lending by sector

The lending by sector provides information about the loans and facilities outstanding per sector and per reportable banking segment. The sectors include loans and current accounts related to business banking, the mortgages are shown separately, and other facilities include private loans, other current accounts and credit cards.

The tables present the gross outstanding balance, the total ECL (stages 1, 2, and 3) and the net amount per sector. The gross outstanding balance includes interest receivable and the fair value hedge adjustment. The number of loans and facilities excludes the number of current accounts and credit cards with no overdraft balance. Of the number of accounts - loans and advances to customers stated in the key figures (refer to Key figures (see page 4)), 39,587 accounts relate to facilities that have no overdraft balances (31 December 2022: 41,355 accounts) and have therefore not been included in the lending by sector overviews. The percentage shown is the percentage of the net amount per sector compared to the total net amount.

Triodos Bank has developed a group-wide impact vision in which five transition themes were identified as shown in the diagram below. Although not included under specific transition themes in the tables, the residential mortgage portfolio contributes to the themes Resources (by innovating new forms of mortgages such as the bio-based mortgage), Energy (by taking energy certificates into account for the interest rate of mortgage products), and Society (by advocating for and enabling co-housing and social housing).

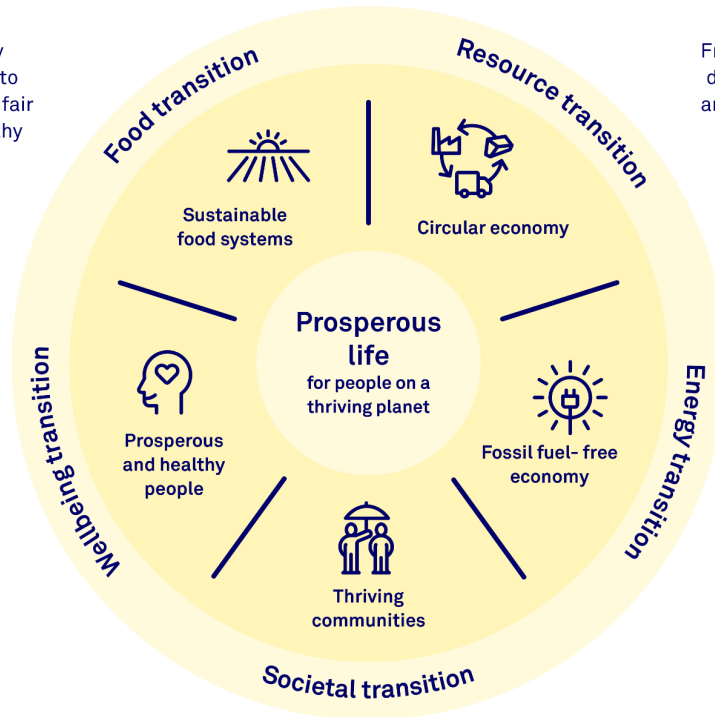
Focus on five interlinked transitions

1. Food
From a predominantly extractive food system to regenerative agriculture, fair supply chains and healthy diets

2. Resources
From a wasteful extract-use-dispose (linear) paradigm to an economy where resources are truly valued and used prudently

5. Wellbeing
From a narrow focus on material satisfaction to an economy that deeply values and nurtures broader individual wellbeing

3. Energy
From fossil fuel-based energy production to renewable energy generation and energy efficiency



4. Society
From a society that incentivises competition and divisiveness to one that is rooted in solidarity and collaboration

Lending by sector as at 30 June 2023 - Total

30.06.2023		Total				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	154,214	-4,642	149,572	1.4	572
	Organic food	109,669	-4,229	105,440	1.0	537
		263,883	-8,871	255,012	2.4	1,109
Resources	Sustainable property	935,369	-2,181	933,188	8.6	391
	Nature development and Forestry	47,371	-118	47,253	0.4	58
	Retail non-food	25,771	-765	25,006	0.2	151
	Production	40,062	-525	39,537	0.4	137
	Professional services	63,715	-1,896	61,819	0.6	297
		1,112,288	-5,485	1,106,803	10.2	1,034
Energy	Renewable energy	1,522,920	-3,416	1,519,504	14.0	866
	Environmental technology	275,758	-6,519	269,239	2.5	321
		1,798,678	-9,935	1,788,743	16.5	1,187
Society	Social housing	540,359	-174	540,185	5.0	431
	Social projects	188,455	-1,253	187,202	1.7	465
	Development cooperation and Fair trade	36,596	-1,249	35,347	0.3	49
		765,410	-2,676	762,734	7.0	945
Wellbeing	Healthcare	1,102,865	-8,280	1,094,585	10.1	1,332
	Education	316,315	-784	315,531	2.9	493
	Child care	14,900	-120	14,780	0.1	57
	Arts and culture	467,443	-15,496	451,947	4.2	1,518
	Philosophy of life	78,496	-686	77,810	0.7	250
	Recreation	200,050	-4,536	195,514	1.8	406
		2,180,069	-29,902	2,150,167	19.8	4,056
Other	Residential mortgages	4,720,542	-1,388	4,719,154	43.4	18,860
	Municipality loans	63,649	-20	63,629	0.6	10
	Other facilities	11,146	-631	10,515	0.1	15,397
		4,795,337	-2,039	4,793,298	44.1	34,267
Total		10,915,665	-58,908	10,856,757	100.0	42,598

Lending by sector as at 31 December 2022 - Total

31.12.2022		Total				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	168,305	-4,814	163,491	1.5	601
	Organic food	112,552	-4,989	107,563	1.0	565
		280,857	-9,803	271,054	2.5	1,166
Resources	Sustainable property	873,196	-2,498	870,698	8.2	393
	Nature development and Forestry	33,420	-213	33,206	0.3	63
	Retail non-food	25,962	-1,369	24,593	0.2	152
	Production	33,875	-102	33,773	0.3	136
	Professional services	64,375	-1,754	62,621	0.6	310
		1,030,828	-5,937	1,024,891	9.6	1,054
Energy	Renewable energy ¹	1,560,693	-3,003	1,557,690	14.7	898
	Environmental technology ¹	230,209	-4,637	225,572	2.1	314
		1,790,902	-7,640	1,783,262	16.8	1,212
Society	Social housing	527,394	-151	527,243	5.0	420
	Social projects	192,604	-1,197	191,407	1.8	474
	Development cooperation and Fair trade	39,141	-790	38,351	0.4	50
		759,139	-2,138	757,001	7.2	944
Wellbeing	Healthcare	1,118,324	-7,354	1,110,970	10.5	1,367
	Education	309,944	-733	309,211	2.9	506
	Child care	14,593	-22	14,571	0.1	60
	Arts and culture	496,751	-10,430	486,321	4.6	1,513
	Philosophy of life	77,036	-392	76,644	0.7	261
	Recreation	206,900	-4,206	202,694	1.9	416
		2,223,548	-23,137	2,200,411	20.7	4,123
Other	Residential mortgages	4,450,099	-1,802	4,448,297	41.9	18,348
	Municipality loans	124,358	-22	124,336	1.2	12
	Other facilities	11,162	-738	10,424	0.1	14,717
		4,585,619	-2,562	4,583,057	43.2	33,077
Total		10,670,893	-51,217	10,619,676	100.0	41,576

¹ Due to the reclassification of sectors, the net amount of EUR 30 million (equivalent to 27 loan facilities) has been moved from Renewable energy to Environmental technology.

Lending by sector as at 30 June 2023 - the Netherlands

30.06.2023		The Netherlands				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	57,841.0	-112	57,729	1.1	221
	Organic food	23,816.0	-159	23,657	0.4	128
		81,657.0	-271	81,386	1.5	349
Resources	Sustainable property	264,005.0	-195	263,810	4.9	179
	Nature development and Forestry	6,465.0	-33	6,432	0.1	6
	Retail non-food	5,438.0	-78	5,360	0.1	45
	Production	17,690.0	-214	17,476	0.3	36
	Professional services	24,609.0	-690	23,919	0.5	83
		318,207.0	-1,210	316,997	5.9	349
Energy	Renewable energy	348,049.0	-763	347,286	6.5	126
	Environmental technology	51,264.0	-1,149	50,115	0.9	44
		399,313.0	-1,912	397,401	7.4	170
Society	Social housing	32,919.0	-3	32,916	0.6	89
	Social projects	5,130.0	-3	5,127	0.1	18
	Development cooperation and Fair trade	17,256.0	-1,200	16,056	0.3	12
		55,305.0	-1,206	54,099	1.0	119
Wellbeing	Healthcare	343,079.0	-284	342,795	6.4	455
	Education	15,320.0	-1	15,319	0.3	40
	Child care	7,930.0	-4	7,926	0.1	25
	Arts and culture	133,581.0	-830	132,751	2.5	226
	Philosophy of life	12,618.0	-	12,618	0.2	49
	Recreation	51,488.0	-195	51,293	1.0	140
		564,016.0	-1,314	562,702	10.5	935
Other	Residential mortgages	3,952,983.0	-576	3,952,407	73.6	13,591
	Municipality loans	5,041.0	-	5,041	0.1	1
	Other facilities	1,147.0	-111	1,036	-	4,389
		3,959,171.0	-687	3,958,484	73.7	17,981
Total		5,377,669.0	-6,600	5,371,069	100.0	19,903

Lending by sector as at 31 December 2022 - the Netherlands

31.12.2022		The Netherlands				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	57,227	-105	57,122	1.1	225
	Organic food	22,959	-161	22,798	0.4	130
		80,186	-266	79,920	1.5	355
Resources	Sustainable property	266,701	-712	265,989	5.1	183
	Nature development and Forestry	14,703	-30	14,673	0.3	7
	Retail non-food	4,994	-11	4,983	0.1	46
	Production	14,101	-67	14,034	0.3	35
	Professional services	25,183	-622	24,561	0.5	82
		325,682	-1,442	324,240	6.3	353
Energy	Renewable energy ¹	327,281	-490	326,791	6.3	128
	Environmental technology ¹	35,681	-207	35,474	0.7	45
		362,962	-697	362,265	7.0	173
Society	Social housing	41,750	-16	41,734	0.8	98
	Social projects	4,835	-2	4,833	0.1	20
	Development cooperation and Fair trade	17,737	-712	17,025	0.3	14
		64,322	-730	63,592	1.2	132
Wellbeing	Healthcare	348,030	-260	347,770	6.7	473
	Education	15,680	-1	15,679	0.3	39
	Child care	7,958	-1	7,957	0.2	28
	Arts and culture	169,775	-750	169,025	3.3	228
	Philosophy of life	12,702	-1	12,701	0.2	48
	Recreation	54,446	-212	54,234	1.0	146
		608,591	-1,225	607,366	11.7	962
Other	Residential mortgages	3,688,508	-613	3,687,895	71.1	13,026
	Municipality loans	60,045	-	60,045	1.2	3
	Other facilities	1,011	-92	919	-	3,942
		3,749,564	-705	3,748,859	72.3	16,971
Total		5,191,307	-5,065	5,186,242	100.0	18,946

¹ Due to the reclassification of sectors, the net amount of EUR 30 million (equivalent to 27 loan facilities) has been moved from Renewable energy to Environmental technology.

Lending by sector as at 30 June 2023 - Belgium

30.06.2023		Belgium				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	4,003.0	-455	3,548	0.2	54
	Organic food	16,416.0	-1,173	15,243	0.8	130
		20,419.0	-1,628	18,791	1.0	184
Resources	Sustainable property	294,226.0	-660	293,566	15.8	113
	Nature development and Forestry	3,914.0	-5	3,909	0.2	11
	Retail non-food	5,964.0	-500	5,464	0.3	30
	Production	6,925.0	-10	6,915	0.4	25
	Professional services	9,048.0	-128	8,920	0.5	78
		320,077.0	-1,303	318,774	17.2	257
Energy	Renewable energy	437,568.0	-1,793	435,775	23.4	343
	Environmental technology	36,342.0	-454	35,888	1.9	63
		473,910.0	-2,247	471,663	25.3	406
Society	Social housing	84,286.0	-113	84,173	4.5	74
	Social projects	28,453.0	-40	28,413	1.5	103
	Development cooperation and Fair trade	3,067.0	-5	3,062	0.2	17
		115,806.0	-158	115,648	6.2	194
Wellbeing	Healthcare	206,962.0	-2,458	204,504	10.9	316
	Education	100,827.0	-142	100,685	5.4	213
	Child care	2,982.0	-24	2,958	0.2	17
	Arts and culture	51,937.0	-1,018	50,919	2.7	195
	Philosophy of life	4,541.0	-6	4,535	0.2	22
	Recreation	38,001.0	-1,017	36,984	2.0	57
		405,250.0	-4,665	400,585	21.4	820
Other	Residential mortgages	538,082.0	-582	537,500	28.9	2,815
	Municipality loans	-	-	-	-	-
	Other facilities	63.0	-	63	-	31
		538,145.0	-582	537,563	28.9	2,846
Total		1,873,607.0	-10,583	1,863,024	100.0	4,707

Lending by sector as at 31 December 2022 - Belgium

31.12.2022		Belgium				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	4,067	-527	3,540	0.2	53
	Organic food	17,778	-1,068	16,710	0.9	144
		21,845	-1,595	20,250	1.1	197
Resources	Sustainable property	250,050	-594	249,456	13.7	110
	Nature development and Forestry	5,966	-	5,966	0.3	11
	Retail non-food	6,065	-516	5,549	0.3	27
	Production	6,931	-7	6,924	0.4	25
	Professional services	7,787	-107	7,680	0.4	84
		276,799	-1,224	275,575	15.1	257
Energy	Renewable energy	465,403	-1,616	463,787	25.4	360
	Environmental technology	34,872	-123	34,749	1.9	61
		500,275	-1,739	498,536	27.3	421
Society	Social housing	81,005	-76	80,929	4.4	58
	Social projects	29,108	-29	29,079	1.6	111
	Development cooperation and Fair trade	3,505	-12	3,493	0.2	18
		113,618	-117	113,501	6.2	187
Wellbeing	Healthcare	213,332	-2,152	211,180	11.4	316
	Education	100,550	-99	100,451	5.5	216
	Child care	3,150	-18	3,132	0.2	18
	Arts and culture	56,746	-1,121	55,625	3.0	202
	Philosophy of life	5,150	-5	5,145	0.3	24
	Recreation	40,576	-1,213	39,363	2.2	59
		419,504	-4,608	414,896	22.6	835
Other	Residential mortgages	507,473	-990	506,483	27.7	2,726
	Municipality loans	-	-	-	-	-
	Other facilities	2	-	2	-	30
		507,475	-990	506,485	27.7	2,756
Total		1,839,516	-10,273	1,829,243	100.0	4,653

Lending by sector as at 30 June 2023 - United Kingdom

30.06.2023		United Kingdom				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	35,300	-682	34,618	2.7	150
	Organic food	14,828	-1,327	13,501	1.0	25
		50,128	-2,009	48,119	3.7	175
Resources	Sustainable property	13,956	-58	13,898	1.1	19
	Nature development and Forestry	33,371	-3	33,368	2.6	16
	Retail non-food	9,401	-78	9,323	0.7	10
	Production	8,420	-16	8,404	0.6	7
	Professional services	16,668	-91	16,577	1.3	23
		81,816	-246	81,570	6.3	75
Energy	Renewable energy	252,376	-401	251,975	19.3	244
	Environmental technology	27,773	-1,671	26,102	2.0	53
		280,149	-2,072	278,077	21.3	297
Society	Social housing	391,779	-40	391,739	30.1	250
	Social projects	42,917	-574	42,343	3.2	82
	Development cooperation and Fair trade	13,839	-37	13,802	1.1	9
		448,535	-651	447,884	34.4	341
Wellbeing	Healthcare	250,529	-984	249,545	19.1	107
	Education	84,880	-341	84,539	6.5	47
	Child care	1,113	-	1,113	0.1	4
	Arts and culture	56,149	-12,376	43,773	3.4	61
	Philosophy of life	38,820	-352	38,468	2.9	116
	Recreation	30,166	-415	29,751	2.3	48
		461,657	-14,468	447,189	34.3	383
Other	Residential mortgages	-	-	-	-	-
	Municipality loans	-	-	-	-	-
	Other facilities	270	-17	253	-	924
		270	-17	253	-	924
Total		1,322,555	-19,463	1,303,092	100.0	2,195

Lending by sector as at 31 December 2022 - United Kingdom

31.12.2022		United Kingdom				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	33,987	-585	33,403	2.7	156
	Organic food	15,131	-721	14,410	1.1	26
		49,118	-1,306	47,813	3.8	182
Resources	Sustainable property	12,175	-3	12,171	1.7	19
	Nature development and Forestry	9,651	-113	9,538	-	15
	Retail non-food	9,745	-293	9,452	0.7	9
	Production	7,378	-4	7,374	0.6	5
	Professional services	17,058	-133	16,925	1.3	23
		56,007	-546	55,460	4.3	71
Energy	Renewable energy	261,713	-513	261,200	20.6	252
	Environmental technology	21,056	-108	20,948	1.7	52
		282,769	-621	282,148	22.3	304
Society	Social housing	375,841	-43	375,798	29.7	246
	Social projects	39,006	-344	38,662	3.1	81
	Development cooperation and Fair trade	15,391	-59	15,332	1.2	7
		430,238	-446	429,792	34.0	334
Wellbeing	Healthcare	255,888	-459	255,429	20.2	116
	Education	83,849	-342	83,507	6.6	46
	Child care	1,106	-	1,106	0.1	4
	Arts and culture	51,055	-7,211	43,844	3.4	54
	Philosophy of life	38,390	-288	38,102	3.0	126
	Recreation	29,644	-595	29,049	2.3	50
		459,932	-8,895	451,037	35.6	396
Other	Residential mortgages	-	-	-	-	-
	Municipality loans	-	-	-	-	-
	Other facilities	314	-50	264	-	1,031
		314	-50	264	-	1,031
Total		1,278,378	-11,864	1,266,514	100.0	2,318

Lending by sector as at 30 June 2023 - Spain

30.06.2023		Spain				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	57,070.0	-3,393	53,677	3.0	147
	Organic food	53,799.0	-1,564	52,235	2.9	249
		110,869.0	-4,957	105,912	5.9	396
Resources	Sustainable property	175,808.0	-1,252	174,556	9.8	45
	Nature development and Forestry	3,621.0	-77	3,544	0.2	25
	Retail non-food	4,968.0	-109	4,859	0.3	66
	Production	7,027.0	-285	6,742	0.4	69
	Professional services	13,390.0	-987	12,403	0.7	113
		204,814.0	-2,710	202,104	11.4	318
Energy	Renewable energy	375,821.0	-85	375,736	21.1	107
	Environmental technology	31,913.0	-3,043	28,870	1.6	125
		407,734.0	-3,128	404,606	22.7	232
Society	Social housing	31,375.0	-18	31,357	1.8	18
	Social projects	108,955.0	-627	108,328	6.1	260
	Development cooperation and Fair trade	2,434.0	-7	2,427	0.1	11
		142,764.0	-652	142,112	8.0	289
Wellbeing	Healthcare	244,619.0	-2,927	241,692	13.6	423
	Education	88,431.0	-292	88,139	5.0	169
	Child care	2,875.0	-92	2,783	0.2	11
	Arts and culture	222,092.0	-1,090	221,002	12.4	1,029
	Philosophy of life	22,517.0	-328	22,189	1.2	63
	Recreation	54,543.0	-1,589	52,954	3.0	151
		635,077.0	-6,318	628,759	35.4	1,846
Other	Residential mortgages	229,477.0	-230	229,247	12.9	2,454
	Municipality loans	58,608.0	-20	58,588	3.3	9
	Other facilities	7,634.0	-438	7,196	0.4	3,077
		295,719.0	-688	295,031	16.6	5,540
Total		1,796,977.0	-18,453	1,778,524	100.0	8,621

Lending by sector as at 31 December 2022 - Spain

31.12.2022		Spain				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	73,024	-3,598	69,426	3.9	166
	Organic food	55,646	-3,037	52,609	2.9	259
		128,670	-6,635	122,035	6.8	425
Resources	Sustainable property	161,302	-1,169	160,133	8.9	44
	Nature development and Forestry	3,100	-70	3,030	0.1	30
	Retail non-food	5,158	-549	4,609	0.3	70
	Production	5,465	-24	5,441	0.3	71
	Professional services	14,347	-892	13,455	0.7	121
		189,372	-2,704	186,668	10.3	336
Energy	Renewable energy	389,534	-94	389,440	21.6	113
	Environmental technology	32,735	-4,078	28,657	1.6	130
		422,269	-4,172	418,097	23.2	243
Society	Social housing	28,798	-16	28,782	1.6	18
	Social projects	117,467	-817	116,650	6.5	260
	Development cooperation and Fair trade	2,508	-7	2,501	0.1	11
		148,773	-840	147,933	8.2	289
Wellbeing	Healthcare	227,284	-2,876	224,408	12.5	422
	Education	82,276	-282	81,994	4.6	181
	Child care	2,379	-3	2,376	0.1	10
	Arts and culture	216,647	-1,284	215,363	12.0	1,023
	Philosophy of life	20,794	-98	20,696	1.2	63
	Recreation	55,949	-2,025	53,924	3.0	150
		605,329	-6,568	598,761	33.4	1,849
Other	Residential mortgages	254,118	-199	253,919	14.1	2,596
	Municipality loans	64,313	-22	64,291	3.6	9
	Other facilities	8,047	-536	7,511	0.4	3,144
		326,478	-757	325,721	18.1	5,749
Total		1,820,891	-21,676	1,799,215	100.0	8,891

Lending by sector as at 30 June 2023 - Germany

30.06.2023		Germany				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	-	-	-	-	-
	Organic food	810	-6	804	0.1	5
		810	-6	804	0.1	5
Resources	Sustainable property	187,374	-16	187,358	34.6	35
	Nature development and Forestry	-	-	-	-	-
	Retail non-food	-	-	-	-	-
	Production	-	-	-	-	-
	Professional services	-	-	-	-	-
		187,374	-16	187,358	34.6	35
Energy	Renewable energy	109,106	-374	108,732	20.1	46
	Environmental technology	128,466	-202	128,264	23.7	36
		237,572	-576	236,996	43.8	82
Society	Social housing	-	-	-	-	-
	Social projects	3,000	-9	2,991	0.6	2
	Development cooperation and Fair trade	-	-	-	-	-
		3,000	-9	2,991	0.6	2
Wellbeing	Healthcare	57,676	-1,627	56,049	10.4	31
	Education	26,857	-8	26,849	5.0	24
	Child care	-	-	-	-	-
	Arts and culture	3,684	-182	3,502	0.6	7
	Philosophy of life	-	-	-	-	-
	Recreation	25,852	-1,320	24,532	4.5	10
		114,069	-3,137	110,932	20.5	72
Other	Residential mortgages	-	-	-	-	-
	Municipality loans	-	-	-	-	-
	Other facilities	2,032	-65	1,967	0.4	6,976
		2,032	-65	1,967	0.4	6,976
Total		544,857	-3,809	541,048	100.0	7,172

Lending by sector as at 31 December 2022 - Germany

31.12.2022		Germany				
Amounts in thousands of EUR		Gross amount	ECL	Net amount	%	Number
Food	Organic farming	0	0	0	0	1
	Organic food	1,038	-2	1,036	0.2	6
		1,038	-2	1,036	0.2	7
Resources	Sustainable property	182,968	-20	182,948	34.0	37
	Nature development and Forestry	-	-	-	-	-
	Retail non-food	-	-	-	-	-
	Production	-	-	-	-	-
	Professional services	-	-	-	-	-
		182,968	-20	182,948	34.0	37
Energy	Renewable energy	116,762	-290	116,472	21.6	45
	Environmental technology	105,865	-121	105,744	19.6	26
		222,627	-411	222,216	41.2	71
Society	Social housing	-	-	-	-	-
	Social projects	2,188	-5	2,183	0.4	2
	Development cooperation and Fair trade	-	-	-	-	-
		2,188	-5	2,183	0.4	2
Wellbeing	Healthcare	73,790	-1,607	72,183	13.4	40
	Education	27,589	-9	27,580	5.1	24
	Child care	-	-	-	-	-
	Arts and culture	2,528	-64	2,464	0.5	6
	Philosophy of life	-	-	-	-	-
	Recreation	26,285	-161	26,124	4.9	11
		130,192	-1,841	128,351	23.9	81
Other	Residential mortgages	-	-	-	-	-
	Municipality loans	-	-	-	-	-
	Other facilities	1,788	-60	1,728	0.3	6,570
		1,788	-60	1,728	0.3	6,570
Total		540,801	-2,339	538,462	100.0	6,768

Subsequent events

On July 28th, Triodos Bank received the Supervisory Review and Evaluation Process (SREP) decision letter from the supervisor DNB. In this letter, the prudential requirements established by DNB for Triodos Bank are set and applied as from the reference date of the letter. The outcome of the SREP results is an increase of the minimum Total Capital Ratio (TCR) requirement with 1.1% to 15.5% on a consolidated level (up to 30 June 2023: 14.4%). The available TCR of Triodos Bank at 30 June 2023 is above both of these minimum requirements. The outcome of the SREP has also an impact on the MREL requirements. At consolidated level, the MREL requirements would be 21.2% of the total risk exposure amount to be met by 1 January 2026 instead of 19.9%, and 5.2% of the total exposure measure to be met by 1 January 2024.

Driebergen-Rijsenburg, 16 August 2023

Supervisory Board,

Executive Board,

Mike Nawas, Chair

Jeroen Rijpkema, CEO, Chair

Danielle Melis, Vice-Chair

Kees van Kalveen, CFO

Sébastien D'Hondt

Marjolein Landheer, CRO a.i.¹

Kristina Flügel

Jacco Minnaar, CCO

Susanne Hannestad

Nico Kronemeijer, COO

Willem Horstmann

¹ Marjolein Landheer temporarily replaces the current CRO, Carla van der Weerd, who is recovering from the health impact of long COVID-19.

Review report

To: Executive Board and Supervisory Board of Triodos Bank N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2023 of Triodos Bank N.V., Driebergen-Rijsenburg, which comprises the consolidated balance sheet as at 30 June 2023, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the period then ended and the selected explanatory notes. The Executive Board is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2023 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 16 August 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by
M.S. de Bruin RA

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Sustainable banking

means using money with conscious thought about its environmental, cultural and social impact, with the support of savers and investors who want to make a difference. It means meeting present day needs without compromising those of future generations.