

Triodos  Bank

Annual Report 2013

Triodos Bank's Annual Report is also available online. Visit the 2013 Online Annual Report for more detailed information, including interviews, summaries of our activity in different countries in Europe and further afield, extended reporting on our non-financial impact, comprehensive co-worker and environmental reports, and much more.
www.triodos.com/reports



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

Important data for Triodos Bank's shareholders and depository receipt holders.

| | |
|--|-------------|
| Annual general meeting of shareholders | 23 May 2014 |
| Ex-dividend date | 28 May 2014 |
| Dividend payment date | 28 May 2014 |

Annual Report 2013

Triodos Bank NV

Page

| | |
|--------------------------------------|-----|
| Key figures | 4 |
| Triodos Group structure 2013 | 10 |
| Sustainable banking | 11 |
| Executive Board report | 12 |
| Corporate governance | 30 |
| Supervisory Board report | 34 |
| Annual accounts 2013 of Triodos Bank | 45 |
| Board of SAAT report | 140 |
| About this report | 145 |
| Production | 146 |
| Addresses | 147 |

Key figures in EUR

| Amounts in millions of EUR | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------|--------------|--------------|--------------|--------------|
| Financial | | | | | |
| Equity | 654 | 565 | 451 | 362 | 318 |
| Number of depository receipt holders | 31,304 | 26,876 | 21,638 | 16,991 | 14,778 |
| Funds entrusted | 5,650 | 4,594 | 3,731 | 3,039 | 2,585 |
| Number of accounts | 556,146 | 454,927 | 363,086 | 278,289 | 228,030 |
| Loans | 3,545 | 3,285 | 2,838 | 2,128 | 1,661 |
| Number | 29,620 | 24,082 | 21,900 | 17,283 | 14,438 |
| Balance sheet total | 6,447 | 5,291 | 4,291 | 3,495 | 2,985 |
| Funds under management* | 3,199 | 2,754 | 2,495 | 2,122 | 1,876 |
| Total assets under management | 9,646 | 8,045 | 6,786 | 5,617 | 4,861 |
| Total income | 163.7 | 151.6 | 128.7 | 102.7 | 88.3 |
| Operating expenses | -112.6 | -100.1 | -89.9 | -78.0 | -70.4 |
| Value adjustments to receivables | -17.1 | -20.9 | -15.8 | -9.8 | -5.0 |
| Value adjustments to participating interests | 0.2 | 0.2 | -0.1 | -0.1 | -0.4 |
| Operating result before taxation | 34.2 | 30.8 | 22.9 | 14.8 | 12.5 |
| Taxation on operating result | -8.5 | -8.2 | -5.6 | -3.3 | -2.9 |
| Net profit | 25.7 | 22.6 | 17.3 | 11.5 | 9.6 |
| (Core) tier 1 ratio | 17.8% | 15.9% | 14.0% | 13.8% | 15.3% |
| Solvency (BIS ratio) | 17.8% | 16.0% | 14.4% | 14.7% | 16.5% |
| Leverage ratio ** | 8.7% | 9.0% | 8.4% | 7.9% | n/a |
| Operating expenses/total income | 69% | 66% | 70% | 76% | 80% |
| Return on equity in % | 4.3% | 4.5% | 4.3% | 3.4% | 4.1% |
| Per share (in EUR) | | | | | |
| Net asset value at year end | 77 | 75 | 74 | 73 | 72 |
| Net profit*** | 3.23 | 3.37 | 3.18 | 2.45 | 3.00 |
| Dividend | 1.95 | 1.95 | 1.95 | 1.95 | 1.95 |

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-------|-------|-------|-------|-------|
| Social | | | | | |
| Number of co-workers at year end**** | 911 | 788 | 720 | 636 | 577 |
| Co-worker turnover | 7% | 10% | 9% | 11% | 10% |
| Women as percentage of management team | 40% | 42% | 37% | 35% | 27% |
| Training costs per co-worker in EUR | 2,055 | 1,731 | 2,020 | 1,897 | 1,318 |
| Ratio between the highest and the lowest salary ***** | 9.4 | 9.4 | 9.8 | 8.5 | 8.5 |

Environment

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Emission of CO ₂ (1,000 kg) | 2,906 | 2,986 | 2,885 | 2,800 | 2,604 |
| CO ₂ compensation | 100% | 100% | 100% | 100% | 100% |

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

** The leverage ratio is calculated according the Basel III guidelines.

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

**** Concerns all co-workers employed by Triodos Bank NV, excluding co-workers employed by the joint venture Triodos MeesPierson.

***** The factor between the minimum and the maximum salary is monitored carefully to ensure that it is not excessive. This is calculated on a per country basis. In The Netherlands in 2013 the ratio was 9.4. This ratio was lower in other countries due to the smaller size of the offices and because the Triodos Bank Executive Board is based at the head office in The Netherlands.

Key figures in pounds

| Amounts in millions of pounds# | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------|--------------|--------------|--------------|--------------|
| Financial | | | | | |
| Equity | 543 | 461 | 377 | 312 | 283 |
| Number of depository receipt holders | 31,304 | 26,876 | 21,638 | 16,991 | 14,778 |
| Funds entrusted | 4,687 | 3,749 | 3,116 | 2,615 | 2,295 |
| Number of accounts | 556,146 | 454,927 | 363,086 | 278,289 | 228,030 |
| Loans | 2,941 | 2,681 | 2,370 | 1,831 | 1,475 |
| Number | 29,620 | 24,082 | 21,900 | 17,283 | 14,438 |
| Balance sheet total | 5,348 | 4,318 | 3,584 | 3,008 | 2,652 |
| Funds under management* | 2,654 | 2,247 | 2,084 | 1,827 | 1,665 |
| Total assets under management | 8,002 | 6,565 | 5,668 | 4,835 | 4,317 |
| Total income | 135.8 | 123.7 | 107.5 | 88.4 | 78.4 |
| Operating expenses | -93.4 | -81.7 | -75.1 | -67.1 | -62.5 |
| Value adjustments to receivables | -14.2 | -17.1 | -13.2 | -8.5 | -4.4 |
| Value adjustments to participating interests | 0.2 | 0.2 | -0.1 | -0.1 | -0.4 |
| Operating result before taxation | 28.4 | 25.1 | 19.1 | 12.7 | 11.1 |
| Taxation on operating result | -7.1 | -6.7 | -4.6 | -2.8 | -2.6 |
| Net profit | 21.3 | 18.4 | 14.5 | 9.9 | 8.5 |
| (Core) tier 1 ratio | 17.8% | 15.9% | 14.0% | 13.8% | 15.3% |
| Solvency (BIS ratio) | 17.8% | 16.0% | 14.4% | 14.7% | 16.5% |
| Leverage ratio ** | 8.7% | 9.0% | 8.4% | 7.9% | n/a |
| Operating expenses/total income | 69% | 66% | 70% | 76% | 80% |
| Return on equity in % | 4.3% | 4.5% | 4.3% | 3.4% | 4.1% |
| Per share (in GBP) | | | | | |
| Net asset value at year end | 64 | 61 | 62 | 63 | 64 |
| Net profit** | 2.68 | 2.75 | 2.66 | 2.11 | 2.66 |
| Dividend | 1.62 | 1.59 | 1.63 | 1.68 | 1.73 |

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-------|-------|-------|-------|-------|
| Social | | | | | |
| Number of co-workers at year end*** | 911 | 788 | 720 | 636 | 577 |
| Co-worker turnover | 7% | 10% | 9% | 11% | 10% |
| Women as percentage of management team | 40% | 42% | 37% | 35% | 27% |
| Training costs per co-worker in pounds | 1,705 | 1,413 | 1,687 | 1,633 | 1,171 |
| Ratio between the highest and the lowest salary ***** | 9.4 | 9.4 | 9.8 | 8.5 | 8.5 |
| Environment | | | | | |
| Emission of CO ₂ (1,000 kg) | 2,906 | 2,986 | 2,885 | 2,800 | 2,604 |
| CO ₂ compensation | 100% | 100% | 100% | 100% | 100% |

Converted to pounds sterling at the mid-market exchange rate applying at each year end.

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

** The leverage ratio is calculated according the Basel III guidelines.

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

**** Concerns all co-workers employed by Triodos Bank NV, excluding co-workers employed by the joint venture Triodos MeesPierson.

***** The factor between the minimum and the maximum salary is monitored carefully to ensure that it is not excessive. This is calculated on a per country basis. In The Netherlands in 2013 the ratio was 9.4. This ratio was lower in other countries due to the smaller size of the offices and because the Triodos Bank Executive Board is based at the head office in The Netherlands.

Key figures in US-dollars

| Amounts in millions of US-dollars# | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------------|---------------|--------------|--------------|--------------|
| Financial | | | | | |
| Equity | 899 | 746 | 584 | 484 | 458 |
| Number of depository receipt holders | 31,304 | 26,876 | 21,638 | 16,991 | 14,778 |
| Funds entrusted | 7,765 | 6,061 | 4,827 | 4,060 | 3,723 |
| Number of accounts | 556,146 | 454,927 | 363,086 | 278,289 | 228,030 |
| Loans | 4,872 | 4,335 | 3,672 | 2,843 | 2,393 |
| Number | 29,620 | 24,082 | 21,900 | 17,283 | 14,438 |
| Balance sheet total | 8,860 | 6,981 | 5,552 | 4,670 | 4,301 |
| Funds under management* | 4,397 | 3,633 | 3,228 | 2,835 | 2,701 |
| Total assets under management | 13,257 | 10,614 | 8,780 | 7,505 | 7,002 |
| Total income | 224.9 | 200.0 | 166.5 | 137.3 | 127.3 |
| Operating expenses | -154.7 | -132.1 | -116.3 | -104.2 | -101.4 |
| Value adjustments to receivables | -23.4 | -27.6 | -20.4 | -13.2 | -7.2 |
| Value adjustments to participating interests | 0.3 | 0.3 | -0.1 | -0.2 | -0.7 |
| Operating result before taxation | 47.1 | 40.6 | 29.7 | 19.7 | 18.0 |
| Taxation on operating result | -11.7 | -10.8 | -7.2 | -4.4 | -4.2 |
| Net profit | 35.4 | 29.8 | 22.5 | 15.3 | 13.8 |
| (Core) tier 1 ratio | 17.8% | 15.9% | 14.0% | 13.8% | 15.3% |
| Solvency (BIS ratio) | 17.8% | 16.0% | 14.4% | 14.7% | 16.5% |
| Leverage ratio ** | 8.7% | 9.0% | 8.4% | 7.9% | n/a |
| Operating expenses/total income | 69% | 66% | 70% | 76% | 80% |
| Return on equity in % | 4.3% | 4.5% | 4.3% | 3.4% | 4.1% |
| Per share (in USD) | | | | | |
| Net asset value at year end | 106 | 99 | 96 | 98 | 104 |
| Net profit*** | 4.44 | 4.45 | 4.11 | 3.27 | 4.32 |
| Dividend | 2.68 | 2.57 | 2.52 | 2.61 | 2.81 |

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-------|-------|-------|-------|-------|
| Social | | | | | |
| Number of co-workers at year end**** | 911 | 788 | 720 | 636 | 577 |
| Co-worker turnover | 7% | 10% | 9% | 11% | 10% |
| Women as percentage of management team | 40% | 42% | 37% | 35% | 27% |
| Training costs per co-worker in dollars | 2,824 | 2,284 | 2,614 | 2,535 | 1,899 |
| Ratio between the highest and the lowest salary ***** | 9.4 | 9.4 | 9.8 | 8.5 | 8.5 |

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Environment | | | | | |
| Emission of CO ₂ (1,000 kg) | 2,906 | 2,986 | 2,885 | 2,800 | 2,604 |
| CO ₂ compensation | 100% | 100% | 100% | 100% | 100% |

Converted to US-dollars at the mid-market exchange rate applying at each year end.

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

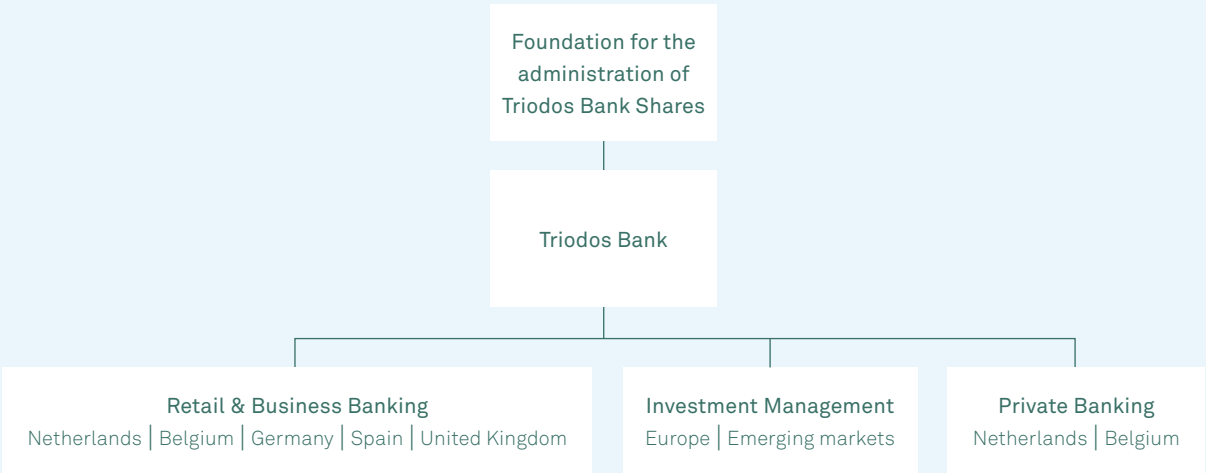
** The leverage ratio is calculated according the Basel III guidelines.

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

**** Concerns all co-workers employed by Triodos Bank NV, excluding co-workers employed by the joint venture Triodos MeesPierson.

***** The factor between the minimum and the maximum salary is monitored carefully to ensure that it is not excessive. This is calculated on a per country basis. In The Netherlands in 2013 the ratio was 9.4. This ratio was lower in other countries due to the smaller size of the offices and because the Triodos Bank Executive Board is based at the head office in The Netherlands.

Triodos Group structure 2013



Retail Banking

Through our European branch network, our goal is to offer our customers a credible set of services including savings, payments, lending and investments.

Business Banking

We lend money only to organisations working to bring about positive and lasting change. With our lendings, we focus on three key areas:

- Nature & Environment
- Culture & Welfare
- Social Business

Impact Investing

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

The 19 active funds are grouped in business lines based on the themes they invest in:

- Energy & Climate
- Emerging Markets
- Real Estate
- Arts & Culture
- Sustainable food & Agriculture
- Socially Responsible Investment (SRI)

Private Banking

offers a broad range of financial and non-financial services to wealthier people, foundations, associations and religious institutions.

Sustainable asset management is the core service and includes both Triodos Investment funds and private asset management.

Sustainable banking

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.

Triodos Bank's mission is

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

Ambition

Triodos Bank wants to promote human dignity, environmental conservation and a focus on people's quality of life in general. Key to this is a genuinely responsible approach to business, transparency and using money more consciously. Triodos Bank puts sustainable banking into practice. First and foremost, this means offering products and services that directly promote sustainability. Money plays a leading role in this because using money consciously means investing in a sustainable economy. This in turn helps to create a society that enjoys a better quality of life.

Market and core activities

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

As a relationship bank

Triodos Bank's service is built on deepening and developing long-term relationships with its customers. This singular focus on relationships is shared across the organisation, while how they are developed differs as the organisation benefits from unity within the diversity of its branches and geographies. It fosters these relationships through various channels, including offices where customers

meet co-workers face-to-face, by post, over the phone and increasingly via the internet.

Triodos Bank's aim is to create a broad customer base that's closely connected to it – a combination of private and corporate customers who have made a conscious decision to bank with Triodos. Exactly how this happens also differs in each country; its services have developed in different ways in each of the countries where it works, depending in part on the stage of development of the branches and offices in question.

As a sustainable service provider

Bank customers not only want sustainable products and services, but also competitive prices and a professional service. Triodos Bank believes that these key customer values cannot be seen in isolation. So it tries to offer a collective package of banking services to promote sustainable development. And it does so, in the context of meaningful, transparent relationships with its customers.

Triodos Bank's commitment to meaningful relationships as a key strategic objective, leads to the development of innovative products which directly reflect the mission and values at the core of its work. Product development takes place in all countries.

As a reference point

Triodos Bank wants to stimulate public debate on issues such as quality of life, corporate social responsibility and sustainable banking. It also wants to use over 30 years' experience to encourage society to promote more sustainable development. The implications of this public debate extend well beyond the activities of Triodos Bank itself. Triodos Bank's vision and approach has led to it international recognition. Its participation in the public debate, often through high impact events that it hosts and participates in, means people can see what Triodos Bank stands for and hear its opinions about important social trends. Triodos Bank's identity is crucial in this respect, strengthening the Triodos Bank brand and reputation.

Executive Board report

A Time of Transition

Much has changed in recent years prompting people, business and the governments that serve us to rethink how we want to develop as individuals and society. The need for change is accepted by most. But what kind often remains unclear.

How we generate and distribute energy, for example, is changing fast as governments and short-term private interests wrestle with the need to reduce and replace polluting fossil fuels. Part of this debate focuses on whether production and control of energy should lie in a centralized structure, or be decentralized. Another focuses on how to deal with the transition to a low carbon future, knowing that market mechanisms will not serve us adequately. This is also true for education, food production and other crucial parts of our lives.

The debate about what kind of change we need, and how to deliver it, is particularly relevant to the banking sector. It is closely linked to the well-being of wider society because it provides finance for business and the economy to grow and develop. For some, we just need to 'fix' the existing system. For others, including Triodos Bank, we need a more fundamental systemic transition.

The Role of Rules

Efforts have been made to control the banking system better with more demanding rules. These regulations are important and part of the daily life of all banks including Triodos Bank.

They have the potential to help to create the conditions for a more resilient banking industry. This is particularly true if regulations can be reframed in the context of accountability and transparency – explaining how banks make their profits and go about their business – and combined with higher levels of personal responsibility. These are all characteristics, notably, of how Triodos Bank approaches its work.

However, a better regulatory framework is both crucial and not enough on its own. Well-publicised banking scandals in 2013 have increased the

urgency for better regulation but it is only one, albeit a very important element, in building a better banking system.

Real change – the kind that involves a more profound shift from short to long-term thinking – requires a different, more responsible culture in the banking sector itself.

From Bigger to Better Banks

In recent years, for many in business and policy-making, bigger has meant better. This trend has been bolstered by a number of mergers and acquisitions following the financial crisis. As a result many structures, including banks, have grown to become very large indeed. This necessarily means less diversity as smaller players are bought up or squeezed out. As the Global Alliance for Banking on Values, a network of leading independent sustainable banks that Triodos co-founded in 2009, argues we believe greater diversity is essential to a healthier banking system.

This diversity should be bolstered by a more transparent and direct relationship with the real economy that's consciously linked to people's needs. The kind of approach that Triodos Bank, and other banks like it, take. This relationship should focus on the businesses and entrepreneurs providing services, or manufacturing and selling products that address society's needs. Not the transactions that take place in the financial economy, that make money from money and bypass wider society.

Individuals also increasingly demand personal attention; providing it can be challenging for a monoculture of big banks where standardization and economies of scale are the norm. In banks, where financial decisions can have a profound impact on a person's quality of life, relationships, and the conversations that spring from them, are crucial. Technology has a key role to play in speeding up and tailoring services but it cannot automate the kind of dialogue that a banker and a borrower, investor or saver often need to have to help fulfill their needs and dreams.

The Playing Field

Governments, in partnership with regulators and the banks themselves, play a crucial role in determining the playing field within which the banks, regardless of their size, can operate. This is extremely important because when the supply of credit dries up, society suffers – so creating the conditions for a successful and diverse banking industry matters.

Triodos Bank has experienced the influence of government in practice throughout 2013. The decisions governments have made about where to support sectors, and where to apply austerity, has affected many of the sustainable sectors that Triodos Bank operates in, from maintaining tax incentives for green investment in The Netherlands, to removing incentives for the renewable energy industry in Spain, and with anticipated changes to incentives in Germany and for the hydro-energy industry in the UK.

Triodos Bank and the New Economy

These wider issues are directly relevant to the healthy development of Triodos Bank too.

We have an opportunity to further increase our impact by focusing more on increasing the number of our borrowers, rather than the volume of our loans. This will ensure we concentrate less of our lending in individual sectors. In practice that means diversifying our loan portfolio both in sectors and geographically.

Instead, Triodos Bank wants to be known as the bank that serves a diverse range of sustainable sectors that improve people's quality of life. This reflects our roots, and current activity, which is equally grounded in social, cultural and environmental areas. In addition, we want to increasingly focus on financing businesses who want to transform to focus on sustainability issues, not only those that are already meeting the highest environmental and social standards.

And we want to continue to finance sustainable front-runners in their sectors. Often these businesses are 'horizontally' organized,

characterized by connected self-employed people running relatively small enterprises. Typically, they are technologically savvy, networked, willing to share knowledge and hungry to acquire it. This willingness to share offers an important lesson for a more progressive banking industry that could collaborate more closely. We think this emerging phenomenon is important, and we want to be closer to these businesses in the future.

This new breed of entrepreneurs and enterprises are helping to build a new, more sustainable economy which is growing and engaging all aspects of life. Traditional care for the elderly, for instance, is changing as organisations try to combine care and work opportunities for older people who want to benefit from both. New networks for electricity distribution that can absorb decentralized systems of energy generation are all contributing to this emerging pattern of change. And banks have to adapt and change in the same way if they are to finance these developing industries.

Strategic Approach

Triodos Bank has stayed close to the mission that underpinned its founding. This mission, and the values that govern it, anchor everything Triodos Bank does. It also determines the strategic direction of the organisation. This year we have spent more time detailing that strategy in the 'sustainable banking' chapter of the annual report.

We have also given more emphasis to the most material issues facing Triodos Bank, and how we set out to deal with them in 2013, as part of changing sustainable reporting guidelines from the Global Reporting Initiative. These guidelines aim to help our stakeholders to better understand the most important issues affecting Triodos Bank's business, and how we responded to them, in 2013.

All of these efforts meant 2013 was another successful year, with growth of 22% in the balance sheet, and more than 80,000 new customers during the year. In addition, all offices except Germany, who will actively campaign to raise capital in 2014, are responsible for raising capital in their country,

as we have done once again in 2013, attracting EUR 68 million across all our offices. We have continued to develop our activity in France following the opening of a new representative office rather than a branch at the end of 2012, in line with plans.

Our focus is on increasing people's quality of life. So numbers alone can be a relatively blunt instrument in assessing how far we have achieved our goal. This year we have made a significant extra step to assess our impact in a domestic and international context. An extended chapter, detailing our vision on impact and how we have fared in 2013, provides a more in-depth picture of this work and will appear in the online annual report. Triodos Bank has always been focused on making a big difference, but we think it's increasingly important to share how we gauge how effective we have been in more depth. We intend to further increase this effort in 2014 and beyond.

The table that follows provides clarity on Triodos Bank's key strategic objectives and the evidence we use to determine the extent to which we are delivering them.

Our key strategic objectives

How we did in 2013

Triodos Bank

Offer or develop a credible set of services so Triodos becomes the 'bank of preference' for its customers, via meaningful relationships.

It offered a credible set of services in The Netherlands and Spain, including sustainable mortgages, current accounts, ATMs and Point of Sale machines in 2013. According to research conducted in 2013, Triodos Bank is the 'first bank' for the majority of its Dutch clients.

Subject to risk assessments, plans for current account launches in Belgium and the UK in 2015 and 2016 respectively are in place.

Sustainable Investment Fund offering, via two funds investing in listed stocks, was introduced for the first time in the UK during 2013 in addition to a number of charity bond issues.

To continue to build a resilient bank offering a fair return on equity of between 4 and 7% in normal market conditions

A return on Equity (RoE) of 4.3% against a target of 7% in normal market conditions. The RoE on required capital is 5%. This 7% target should be seen as a realistic, long-term average for the type of banking activity that Triodos Bank engages in. The branches have proven that they can achieve this level of profitability in stable economic and financial conditions. We prefer to maintain a relatively high equity base and a substantial liquidity surplus which results in a lower RoE.

A leverage ratio of 8.7% compares to a ratio of 3% required in Europe, reflecting an approach that prioritises resilience rather than short-term profit, because a high ratio means a lower – but more stable return on equity. Many banks fund their loan portfolio and other assets with money market facilities from other banks in addition to deposits, whereas Triodos Bank only finances loans with customer savings.

To strengthen and continue to develop a Pan-European base, benefiting from unity in diversity

Consistent brand and visual identity used across the network (unity).

Local market approaches taken, including developing the commercial office network in Spain and online offering elsewhere (diversity).

Sector plans created in all major sectors, informing plans for future branch-specific activity.

Risk management, control and reporting functions to be strengthened, mainly centrally, in 2014.

The French representative office developed in line with plans, working with Belgian branch to extend lending in the country. Plans to open a fully-fledged branch in France have been delayed.

To maintain a clear focus on sustainable business, both by financing existing sustainable businesses and increasingly by targeting businesses transforming to more sustainable models

We continued to provide 100% of our loans to the real economy and sustainable industries, split between environment (49%), social (29%), cultural (15%) and other (7%) categories. Financing businesses in transition towards sustainability is an underdeveloped area for the bank's lending and an increasingly important area of focus in 2014 and beyond. However, the loan to deposit ratio has decreased, meaning that less money entrusted to the bank was used for lending to core sectors.

To increase the proportion of lending that's in private mortgages, to utilize funds deposited by private customers and businesses

Sustainable mortgages, which were responsible for 7.7% of the loan portfolio in The Netherlands and Belgium in 2013 (2012: 5.8%), were developed in The Netherlands, Belgium and Spain and became key products during 2013, providing EUR 274 million in finance (2012: EUR 189 million).

To encourage co-workers to participate in a vibrant co-creative community

Weekly 'Monday morning meeting' continues to provide opportunity for all branches and business units to convene and discuss shared issues. Visionary Leadership Programme further developed, with 15 participants. The results of a survey of the Dutch branch and Head Office in 2013 suggest the co-worker group is motivated and committed. The overall score from the survey was 7.9 (out of 10) compared with 7.4 for the financial market as a whole. A similar survey has been conducted in Belgium in 2012, and is a regular element in how branch's monitor co-worker satisfaction. Major co-worker conference for 120 co-workers, at all levels, hosted in Berlin on the theme of arts and culture.

To be recognised by key influencers as a reference point for banking, so that Triodos Bank contributes to the development of a more diversified, transparent and sustainable banking sector

We played a significant role as a reference point in each of the countries where Triodos Bank operates, through contributions to government committees, submissions on government consultations including a response to the Green Paper on long-term finance by the European Union.

We led and engaged in debates about the future of the banking industry at high profile events, in the media and via on and offline activity. Extensive media coverage was delivered in all branches, where Triodos Bank's opinion on banking and sustainable finance is sought and shared. A case study about Triodos Bank's business model and operations was written and taught on a Harvard MBA course and at Massachusetts Institute of Technology.

Triodos Investment Management (TIM)

Triodos Investment Management will continue to extend and deepen the impact of its funds even in difficult market circumstances

Total Assets under Management now amount to EUR 2.5 billion exceeding an ambitious target. Specialised microfinance funds provided finance to 110 microfinance (2012: 99) institutions and other financial vehicles, in 44 countries (2012: 45), serving 7.9 million savers (2012: 6.4 million), and 8.4 million borrowing clients (2012: 6.9 million), in 2013.

To continue to innovate in financial products that support Triodos' mission in society
Indicator: The development of new impact investment funds

Two new impact investment funds developed In 2013: Triodos Organic Growth Fund, a long-term private equity evergreen fund, for launch in January 2014 and repositioning of Triodos Sustainable Trade Fund and the further development of Socially Responsible Investment Funds methodologies is expected during 2014. However, regarding the Ampere Fund, management will be transferred early in 2014 to another manager and will reduce the total assets under management of TIM with almost EUR 221 million.

Private Banking

Develop Private Banking as an important addition to Triodos Bank's retail offering to meet the demand for a holistic approach that combines financial advice, financial returns and personal values for customers. Develop meaningful dialogue with these clients.

Launch of a tailored service offering, addressing the sustainability values and risk/return profiles of clients with investable assets of between EUR 300,000 and EUR 500,000 took place in 2013. A focus on business audiences resulted in a special meeting and new bi-annual magazine both focused on the theme of the alternative use of money. Refreshed website content and a client survey postponed to 2014 due to capacity constraints.

Managing Risk – the Business of Banking

To truly understand how Triodos Bank has acted as a catalyst for change in 2013, and since its inception, requires an understanding of risk and its influence on all banks.

All banks need to take some level of risk, by definition. Regulations provide a sector-wide framework for banks to manage their risk. At the same time it is our mission to stay close to people, respond to society's most pressing needs, and focus on the future – all elements that in our view will reduce risks effectively. In this sense our mission mitigates our risks, allowing Triodos Bank to develop a resilient business that's able to play its part in a more diverse, sustainable and transparent banking sector. We trust that this year's annual report will provide you with insights into how we have approached our work in 2013.

Results

Triodos Bank is committed to sustainable development, with a focus on people's quality of life. Quality of life includes, and extends beyond, the well-being of individuals, to social relationships and how we treat the environment. It complements entrepreneurship and financial return, putting them in a broader context. Indeed, this is the added value that Triodos Bank contributes.

Wider social and economic developments have led to an increasing interest in quality of life, people and the environment. Triodos Bank is responding to it by broadening and deepening its activities.

In addition to a summary of key figures at the start of this report, the following are the main results achieved in 2013 together with details of Triodos Bank's Divisions, its products and services, their broader impact, and prospects for the coming years:

Triodos Bank (Group)

In 2013, Triodos Bank's income grew by 8% to EUR 164 million (2012: EUR 152 million). Triodos Investment Management contributed EUR 25 million to this figure (2012: EUR 23 million). In 2013,

commission income amounted to 31% (2012: 31%) of total income, in line with expectations.

The total amount of assets under management including Triodos Bank and the investment funds and Private Banking grew by EUR 1.6 billion, or 20%, to EUR 9.6 billion.

Triodos Bank's balance sheet total grew by 22% to EUR 6.4 billion thanks to a steady growth of the funds entrusted and a successful share issue. Growth of between 15 to 20% was expected.

Triodos Bank's total number of customers increased by 18%, against expected growth of between 15 to 20%. By the end of 2013, Triodos Bank passed an important milestone and now has over 500,000 (517,000) customers. This continues to show that a growing number of people are continuing to make a much more conscious choice about their bank and how it uses their money.

In 2013, the ratio of operating expenses against income was 69% (2012: 66%). This is due to slower growth of income from interest and commissions from lending activity despite strict control of expenses.

Profit before tax and loan provisioning decreased from EUR 51.5 million in 2012 to EUR 51.0 million despite growth of both the balance sheet and funds under management. This was because of slower growth of income from lending activities. Net profit of EUR 25.7 million was up by 14% (2012: EUR 22.6 million). Loan loss provisions were slightly lower at 0.49% of the average loan book, compared to 0.67% of the loan book in 2012.

Triodos Bank delivered a return on equity of 4.3% in 2013 (2012: 4.5%). The medium-term objective is to grow the return on equity to 7% of Triodos Bank's equity in normal economic conditions. This target should be seen as a realistic, long-term average for the type of banking activity that Triodos Bank engages in. The mature branches have proven that they can achieve this level of profitability in stable economic and financial conditions.

The troubled economic and financial climate has led to central banks keeping interest rates

artificially low putting pressure on returns. At the same time Triodos Bank has chosen to maintain higher capital ratios and liquidity buffers which, alongside higher loan loss provisions than in previous years, result in a lower return.

The time frame within which Triodos Bank realises this 7% profit objective will also depend on opportunities in the growing sustainability market. In the current market, while Triodos Bank will continue to work on improving its profitability, it does not expect to reach this target in the next three years.

Earnings per share, calculated using the average number of outstanding shares during the financial year, were EUR 3.23 (2012: EUR 3.37), a 4% decrease. The profit is placed at the disposal of the shareholders.

Triodos Bank proposes a dividend of EUR 1.95 per share (2012: EUR 1.95). This means that the pay-out ratio (the percentage of total profit distributed as dividends) will be 60% (2012: 58%).

Triodos Bank increased its share capital by EUR 68 million, or 14%, thanks to depository receipt issues targeting retail investors in particular, which ran throughout the year in The Netherlands, Belgium, the United Kingdom and Spain.

The number of depository receipt holders increased from 26,876 to 31,304. Equity increased by 16% from EUR 565 million to EUR 654 million. This increase includes net new capital and profit (minus a dividend). In 2013, an internal market for the buying and selling of depository receipts for shares continued to operate effectively. At the end of 2013, the net asset value for each depository receipt was EUR 77, compared to EUR 75 at the end of 2012.

From the start of 2008, the BIS ratio (capital adequacy ratio), an important measure of a bank's solvency, has been calculated according to the Basel II guidelines. At the end of 2013 the BIS ratio was 17.8% (2012: 16.0%). Triodos Bank aims for a regulatory solvency ratio of at least 14%. The Core Tier I ratio was 17.8% (2012: 15.9%).

Our Impact

Triodos Bank wants to report on the wider social, cultural and environmental impact of its finance. In 2013 we developed this work further writing an expanded online impact assessment chapter in the report which explains our perspective on assessing impact, provides an international context for it through the work of the Global Alliance for Banking on Values in the same area, and starts to demonstrate Triodos Bank's impact across the organisation in a more detailed, and meaningful way.

For more details about the background and methodology used to produce these figures visit www.triodos.com/reports. The way we measure impact will continue to evolve in 2014, in particular with a view to embedding the assessment of impact more deeply in the daily work of the business.

Our online annual report includes details of Triodos Bank's non-financial impact in our main sectors. Numbers alone can only tell a limited story, however they do provide quantitative details of the impact of Triodos Bank's mission in practice.

Triodos Bank finances enterprises that augment the use of renewable resources in particular, and supports projects that reduce the demand for energy and encourage cleaner use of fossil fuels. By the end of 2013, Triodos Bank and its climate and energy investment funds were financing 376 projects across Europe (2012: 346), contributing to a generating capacity of 2,280 MW of energy (2012: 2,038 MW), or enough energy to meet the electricity needs of the equivalent of 1,480,000 European households during the year (2012: 1,300,000).

During 2013 Triodos Bank finance helped make it possible for 16.3 million visitors to enjoy cultural events including cinema, theatres and museums across Europe, as a result of its lending and investments activity (2012: 5.7 million). The increase was particularly marked as a result of lending to film-makers in Spain.

As a result of its lending across Europe 14,720 individuals (2012: 9,840) used facilities offered by care for the elderly projects at 215 care homes (2012: 150) financed by Triodos Bank.

Triodos Investment Management's specialised microfinance funds provided finance to 110 microfinance (2012: 99) institutions and other financial vehicles, in 44 countries (2012: 45), serving 7.9 million savers (2012: 6.4 million), and 8.4 million borrowing clients (2012: 6.9 million), in 2013.

The organically managed land on the farms which Triodos Bank finances could produce the equivalent of just over 19 million meals in 2013, or enough food to provide a sustainable diet for 17,670 people during the year (2012: 16,800).

187,500 individuals benefited from the work of educational establishments financed by Triodos Bank in 2013 (2012: 65,800), primarily as a result of growth in this sector in Spain.

Prospects

With consistent, balanced growth in recent years Triodos Bank has become a medium sized bank. We want to fully comply with our obligations as a bank of this size to meet our ongoing responsibilities. Making sure we do that thoroughly will require extra effort and resources in 2014 at the same time as we further strengthen our risk management and internal governance. We expect to make considerable progress on this during the year.

Excluding unforeseen circumstances, Triodos Bank expects to continue to increase its operational profits in 2014. Triodos Bank's results will be materially affected by a special tax levied by the Dutch government as a contribution to the rescue of the Dutch SNS Bank. At the same time we recognise that the economic downturn that has resulted from the financial crisis, and a slow recovery in some countries, will continue in 2014 and may have a negative impact on Triodos Bank's results. Despite these external factors, Triodos Bank expects to maintain its net profit level in 2014.

We will continue to actively contribute to a more sustainable society in 2014. We will respond to the

social, environmental and cultural challenges we face over the short, medium and long-term and extend the idea of a more conscious use of money in society through the banking system.

In support of these goals we will continue to influence through public debate and as a practitioner; a change agent financing sustainable enterprises delivering lasting benefits for people and the environment.

Co-worker Report summary

Triodos Bank's aims to allow co-workers to fulfil their professional potential, applying and developing their expertise and professional insight to the full.

The year at a glance

Triodos Bank is a developing organisation. It attracted 189 new co-workers in 2013 (2012: 144). The total number of co-workers at Triodos Bank increased by 15.6% in 2013, from 788 to 911 due to growth but increasingly also in order to deal with a rapid increase in regulatory requirements.

In 2013 Triodos Bank employed 481 women (52.8%) and 430 men (47.2%). The share of women in management positions is now at a balanced 40% (2012: 42%). The average age remains stable at 39.6 years (2012: 39.5), as does the average period of service, which was 4.7 years at the end of 2013 (2012: 4.6 years). Absenteeism through sickness was 2.6% in 2013 (2012: 3.0%) below a target of 3%.

Triodos Bank invests in training, developing and supporting its co-workers. The organisation bases its training and development programmes on the questions and training needs of its co-workers. It uses well-regarded education and training institutes to develop knowledge and skills. The Triodos Academy also offers development programmes based on Triodos Bank's values. 82 co-workers participated in the Academy's different programmes in 2013.

The 2013 annual Co-Worker Conference took place in Berlin with a theme of "Societal renewal through Arts and Culture", and was attended by 120 co-workers.

Triodos Bank believes good and appropriate remuneration for all its co-workers is very important. It carefully monitors differences in remuneration between Triodos Bank and the rest of the financial and banking sector. Triodos Bank believes that a moderate remuneration policy without bonuses creates a healthy, simple system where there is limited need for control. With this in mind it has established an international remuneration policy.

Prospects

Triodos Bank will continue to strengthen the organisation and its HR policy in 2014 and beyond. The following priorities have been set in this context:

- In 2014 to develop the qualitative aspects of the organisation. With the strengthening of a number of positions at head office, particularly in the field of risk management, there will be a greater focus on management processes and effective decision-making.
- To further reduce turnover in a co-worker's first year of employment.
- To continue to focus on achieving a better gender balance in the organisation, particularly in commercial management positions.
- To become a more attractive employer for young people, listening and responding to the perspectives of a new generation of co-workers.
- To focus more closely on developing and training co-workers with a view to embedding the values and best practices of sustainable banking in general and Triodos Bank in particular.

Environmental Report summary

Triodos Bank's largest positive impact comes from financing sustainable and innovative projects and entrepreneurs. But the organisation also has a responsibility for its own environmental impact as an institution.

The basic principle of the organisation's environmental policy is the *trias energetica*. This means that Triodos Bank keeps its energy consumption to a minimum, that it uses renewable energy or renewable resources where possible,

and that it compensates the environmental impact of generated energy. In this way it minimises and compensates for its environmental impact. Triodos Bank is a climate-neutral organisation (CO₂ neutral)

The year at a glance

The contract with the energy supplier in The Netherlands was renewed in 2013. All the energy purchased by the Dutch offices is 100% renewable and entirely generated by wind farms.

In 2013 energy consumed by computers was minimised via 'thin clients', hardware which uses less energy than conventional computers. In the UK office, 60% of the workstations are already based on thin clients; in Belgium the figure is 65%. Where possible, thin clients were also introduced in other offices during the year.

The average CO₂ emissions for the commercial fleet of cars, which all meet high sustainable performance levels, decreased from 115g in 2012 to 107g in 2013. In 2013, air travel increased by 8% per FTE (compared to a decrease of 4% in 2012). A pilot project using video conferencing to link all the branches was launched in September 2013 with a view to reducing the current need for air travel. These facilities are being used on an increasingly frequent basis.

The total commuting distance travelled per FTE increased by 1% in 2013. Triodos Bank co-workers travelled 37% of the total commuting distance by public transport, compared to 42% in 2012. Car use for commuting increased by 13% per FTE.

The use of office paper increased by 1% per FTE in 2013, and the use of printed paper decreased by 29% per FTE and 32% per client.

In 2012 Triodos Bank moved into new premises in the UK. The lease contract for the old premises expired on 1 September 2013; 80% of the furniture and fixtures from this office was donated to other organisations for reuse. The remaining 20% was fully recycled, ensuring that no material went to landfill.

Prospects

In 2014 measures to improve the environmental performance of Triodos Bank as an institution, will include:

- a further reduction in the environmental impact of commuting and business travel. To this end, Triodos Bank is launching a project to consider both issues together and identify measures and recommendations to reduce the organisation's environmental impact in both. With the exception of flights, Triodos Bank performs well in the area of transport compared to similar organisations; however, it is important that it regularly evaluates its policy and continues to look for further improvements.
- Preparations have been underway for a number of years to build a new office for the Dutch branch. Important steps in this process are expected in 2014, with the goal of constructing a building that meets the highest possible sustainability standards.
- Triodos Bank will perform a baseline measurement in 2014 for all the buildings Triodos Bank uses. Based on this, Triodos Bank will prepare a list of ways to improve its energy and environmental performance.

Triodos Bank Divisions and Results

Triodos Bank's activity is split between three core divisions. They are Retail and Business Banking, delivered through a diversified network of European branches, responsible for around 78% of Triodos Bank's net profit in 2013; Triodos Investment Management, which makes up 18% of Triodos Bank's overall net profit; and Triodos Private Banking, providing services to wealthier people and groups, available in The Netherlands and Belgium to date.

Products and services are offered to investors and savers, across these three divisions, enabling Triodos Bank to finance new and existing companies that contribute to the improvement of the environment, or create social or cultural added value. Details of these products and services follow below.

European Branch Network (retail and business banking)

Developing a European branch network is fundamental to Triodos Bank. It allows it to build and share expertise, and use it to benefit a fast-growing Triodos Bank community. It brings a credible set of services to hundreds of thousands of business and personal customers, and grows sustainable banking's scale and impact.

While Triodos Bank's values bind customers and co-workers, there are important differences between countries. Regulations, tax incentives and government approaches to sustainability are sometimes markedly different in diverse markets. Local culture, within and between countries, also impacts on how Triodos Bank approaches its work.

Against a backdrop of the continuing debt crisis retail activities developed further in 2013. This was in part due to increasing demands for change from society, as people made choices more consciously about who they wanted to bank with.

Funds entrusted

Funds entrusted, or savings, enable Triodos Bank to finance companies and organisations that benefit people, the environment and culture. An increase of the funds entrusted is an important indicator of Triodos Bank's ability to attract sufficient funds to finance sustainable organisations.

For the reasons highlighted earlier in the report the branches offer a variety of products and services as part of its key strategic objective to offer a full set of services to customers. This has been achieved in some branches and is being developed in others, leading to a marked growth in funds entrusted which increased by EUR 1,057 million, or 23%, against expected growth of between 15 to 20%.

Together, this resulted in continuing growth in all the countries where Triodos Bank operates due in part to a growing profile, more efficient and customer-friendly account opening processes, and a receptive market keen to use their money more consciously.

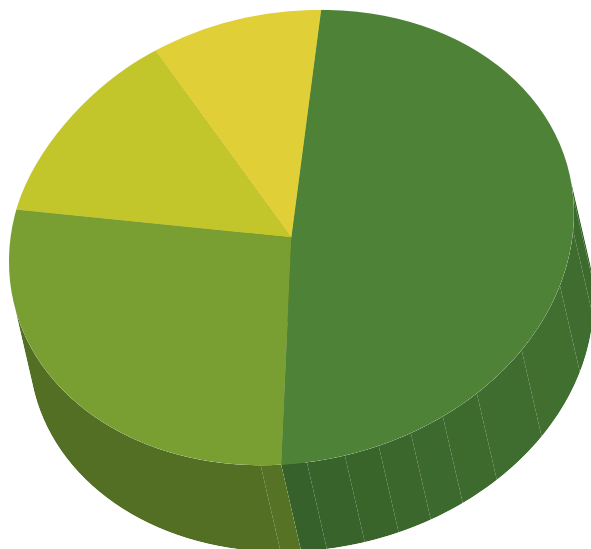
Outstanding loans per sector in 2013

ENVIRONMENT 49%

SOCIAL 29%

CULTURE 15%

MUNICIPALITY & PRIVATE LOANS 7%



By offering our savers, in some countries, the opportunity to donate part of the interest they receive to a charity, many social organisations receive support every year. In 2013, 401 organisations (2012: 404) received total donations of EUR 0.4 million (2012: EUR 0.5 million) in this way.

Loans

The growth of the quality and size of the loan portfolio is an important indicator of the contribution Triodos Bank makes towards a more sustainable economy. All the sectors it works in qualify as sustainable and the companies and projects it finances contribute to delivering Triodos Bank's mission.

To make sure that Triodos Bank only finances sustainable enterprise, potential borrowers are first assessed on the added value they create in these areas. The commercial feasibility of a prospective

loan is then assessed and a decision made about whether it is a responsible banking option. The criteria or guidelines Triodos Bank uses to assess companies can be viewed on Triodos Bank's websites.

Triodos Bank's main focus remains on the existing sectors in which it has already developed considerable expertise.

Environment (49%, 2012: 49%)

This sector consists of renewable energy projects such as wind and solar power, biomass, hydro-electric, and energy saving projects. It also includes organic agriculture, and projects across the entire agricultural chain, from farms, processors and wholesale companies to natural food shops. Environmental technology, such as recycling companies and nature conservation projects, is also represented.

Social (29%, 2012: 28%)

This sector includes loans to traditional businesses or non-profit organisations and innovative enterprises and service providers with clear social objectives, such as social housing, loans to fair trade businesses, integration for people with disabilities or at risk of social exclusion, and health care institutions.

Culture (15%, 2012: 12%)

This sector covers loans to organisations working in education, retreat centres, religious groups, cultural centres and organisations, and artists.

The remaining proportion of the loan book includes short-term loans to municipalities and private sustainable mortgages.

The lending sectors above describe the main sectors Triodos Bank is involved in. Parts of these sectors are also financed by both Triodos Bank itself and its investment funds (see investments below).

The loan portfolio as a percentage of the total amount of funds entrusted decreased to 63% in 2013 (2012: 72%). Triodos Bank's goal is to lend between 70% and 80% of its funds entrusted.

The quality of the loan book remained satisfactory overall, notwithstanding the economic recession. This, and a continuing focus on maintaining and diversifying the loan portfolio, led to a decline in the total loan loss provision to 0.49% of the average loan book (2012: 0.67%). This is closer to Triodos Bank's long-term internal benchmark for provisions of 0.25%. These provisions are taken in case potential losses from defaults by borrowers become a reality.

Growth of the loan portfolio amounted to EUR 259 million, or 7.9%. Expected growth was between 15 and 20%. The main reason for this decline is a substantial reduction in larger loans to Dutch municipalities, primarily because of liquidity management. These investments are included in the loan portfolio in accordance with regulations related to financial reporting. In the first six months of 2013, as a result of liquidity management considerations, these short-term loans were converted to other investments that are not included in the loan portfolio. Without this change the loan portfolio would have grown by approximately 14%.

Competition between banks in the lending market has diminished because of the financial crisis and higher capital requirements, although less so in the sectors where Triodos Bank is an active lender. Banks regard sustainability as an emerging market and want to be involved in it.

Prospects

Triodos Bank's balance sheet total is expected to grow more modestly. Growth of between 5 and 15% is expected in 2014.

All branches will focus on continuing to deliver, or developing, a credible set of services. Preparations for the launch of a current account will take place in Belgium in 2015, with the UK branch preparations following a year later. The number of customers is expected to grow by between 10 and 15% across the Group.

The loan portfolio and the funds entrusted are expected to increase by 15%. Triodos Bank's ambitions are to focus primarily on the quality and diversification of its loan portfolio. We will concentrate on loans that reflect Triodos Bank's efforts to finance front-runners in their fields; the entrepreneurs developing the sustainable industries of the future. We expect the levels of provisions for loans in the coming years to continue to decrease.

Triodos Investment Management

Investments take place through investment funds or investment institutions bearing the Triodos name and are managed by Triodos Investment Management BV, a 100% subsidiary of Triodos Bank.

7.9%

Growth of the loan portfolio amounted to EUR 259 million, or 7.9%.

Triodos Investment funds invest in different themes such as microfinance, sustainable trade, organic agriculture, climate and energy, sustainable real estate, arts and culture, or in listed companies with above average environmental, social and governance (ESG) performance.

The funds publish separate annual reports and most have their own Annual General Meeting of Shareholders.

Triodos Investment Management is responsible for 19 funds, for both individuals and institutions, totalling EUR 2.5 billion assets under management. Total growth of the investment funds was EUR 317 million, up 15%, against a target of between 10 and 15%. Market sentiment and government austerity measures across Europe limited inflows in the investment funds.

The increase in total funds entrusted to Triodos Investment Management, met targets for the year and reflects investors' appetite for investments in these broad themes. In 2013 Triodos Investment Management reached an agreement with the shareholders of Ampere Equity Fund (EUR 221 million) about the transfer of the management of the fund to another, non-Triodos fund manager as per 1 January 2014. The transfer is therefore not visible in the 2013 numbers.

Prospects

Triodos Investment Management will launch new and innovative funds that will further contribute to achieving its mission. The Triodos Organic Growth Fund will be launched early 2014 and is a unique long-term evergreen fund seeking investments in mature organic and sustainable consumer product companies. In addition, a revived Triodos Sustainable Trade Fund will further increase Triodos Investment Management's impact in the development of organic agriculture and fair trade in emerging markets.

With many changes in regulatory regimes and with a focus on these new, innovative investment funds, Triodos Investment Management aims to maintain its current assets under management at EUR 2.5 billion in 2014. The transfer of the Ampere Fund is expected to be fully compensated by growth and new activities.

Triodos Private Banking

Private Banking offers a broad range of financial and non-financial services to wealthier people, foundations, associations and religious institutions. Sustainable asset management is the core service within Triodos Private Banking, and includes both Triodos investment funds and private asset management.

1,092 million

Private Banking increased its funds under management by 17% to EUR 1,092 million.

Private Banking increased its funds under management by 17% to EUR 1,092 million, against a target of between 20 and 25%. EUR 407 million of these funds are managed by Triodos Private Banking but accounted for on the balance sheet of the Dutch branch.

Prospects

Triodos Private Banking expects interest in its sustainable investment offering in The Netherlands and Belgium to continue to be high and Triodos Private Banking expects long term growth to be of between 15% and 20%.

More details about the local branches, Triodos Investment Management and Triodos Private Banking, can be found in Triodos Bank's online annual report at www.triodos.com/reports.

Risk and Compliance

Risk Management

Managing risk is a fundamental part of banking. Triodos Bank manages risk as part of a long-term strategy of resilience.

Risk Management is embedded throughout the organisation. While business managers are primarily responsible for delivering a resilient business approach, they are supported by risk managers, with local business knowledge, to identify, assess and manage risk. At a group level, a risk appetite process is implemented to align Triodos Bank's risk profile with the willingness to take risk in achieving its business objectives.

During this process each business unit performs a strategic risk assessment to identify and manage potential risks that could impede the realisation of their business objectives. The outcome of these assessments are consolidated and used as input for the Executive Board's own risk assessment and to determine Triodos Bank's risk appetite.

An integration of the strategic risk management objectives as part of the risk appetite, recovery plan, internal capital and liquidity adequacy assessment process was achieved.

The outcome of the strategic risk assessments and strategic risk management objectives are used to determine scenarios that were used to stress test Triodos Bank's solvency, liquidity and profitability during 2013. The results of these tests were satisfactory.

A fully integrated risk management report gives insights into the Triodos Bank risk profile in relation to the accepted risk appetite. The report gives insights on specific risk themes and provides an integrated picture of risk at business unit level. This report is made four times a year and is presented to the Supervisory Board Audit and Risk Committee.

The monthly Asset and Liability Committee is responsible for assessing the risks associated with interest rate risk, liquidity risk, currency risk and capital management.

The credit risk function plays an important role in assessing the risk of new loans and managing the credit risk of the entire loan portfolio.

The assessment of credit risk is as close as possible to the business and the day-to-day operations, and therefore primarily the responsibility of local branches. The central risk function sets norms, approves large loans, and monitors the credit risk of Triodos Bank's entire loan book.

The Risk Management section of Triodos Bank's annual accounts provides a description of the main risks related to the strategy of the company. It also includes a description of the design and effectiveness of the internal risk management and control systems for the main risks during the financial year. No major deficiencies in the internal risk management and control systems were discovered in the financial year. The developments of the main risks within Triodos Bank are discussed on a regular basis in the Audit and Risk Committee of the Supervisory Board.

Basel III Capital and Liquidity Requirements Regulations are demanding a more resilient banking sector by strengthening the solvency of the banks and introducing strict liquidity requirements,

such as those developed by the Basel Committee on Banking Supervision. Based on the latest available information, Triodos Bank complies already with the capital and liquidity requirements as from 2019, known as Basel III.

Triodos Bank capital strategy is to be strongly capitalised. This has become an even more important strategic objective as the regulation to strengthen the capital base of banks have come into force following the financial crisis. Triodos Bank aims for a regulatory solvency ratio of approximately 14%, well above its own internal economic capital calculations, in order to guarantee a healthy and safe risk profile. The quality of capital is important, as well as the solvency rate. Almost 100% of Triodos Bank's solvency comes from equity. Economic capital is calculated as a result of the yearly Internal Capital Adequacy Assessment Process, which is reviewed by the Dutch Central Bank.

In 2013, Triodos Bank successfully raised capital from its customers, exceeding targets and raising over EUR 68 million. This has helped it to maintain a regulatory solvency ratio of 17.8%, at the end of 2013, well above external but also its internal requirements.

Triodos Bank's liquidity position remained very strong during 2013. Its policy is to invest excess liquidities in highly liquid assets in the country where it has raised the funds. In The Netherlands Triodos Bank has invested its liquidities mainly in Dutch government bonds, municipalities, banks and the European Central Bank. In Belgium most of its liquidity has been invested in Belgian government bonds and placed with banks. In Spain part of the liquidity surplus is invested in Spanish Government Bonds. In the other countries where Triodos Bank operates, the surplus liquidities are placed with other banks.

The Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are both well above the minimum limits of Basel III.

In Control statement

The Executive Board is responsible for designing, implementing and maintaining an adequate system for internal control over financial reporting. Financial reporting is the product of a structured process carried out by various functions and branches under the direction and supervision of the financial management of Triodos Bank.

The Executive Board is responsible for the risk management function and compliance function. The risk management function works together with management to develop and execute risk policies and procedures involving identification, measurement, assessment, mitigation and monitoring of the financial and non-financial risks. The compliance function plays a key role in monitoring Triodos Bank's adherence to external rules and regulation and internal policies. The adequate functioning of the risk management and compliance function as part of the internal control system is frequently under discussion with the Audit and Risk Committee. Triodos Bank's Internal Audit function provides independent and objective assurance of Triodos Bank's corporate governance, internal controls, compliance and risk management systems. The Executive Board, under the supervision of the Supervisory Board and its Audit and Risk Committee, is responsible for determining the overall internal audit work and for monitoring the integrity of these systems.

The enterprise risk management framework is the basis for an integrated in control statement process. The Executive Board indicates that this process should lead to a statement providing positive assurance in the coming years.

Triodos Bank's Executive Board states that it has no indication that the risk management and control systems have not functioned adequately and effectively in 2013.

The risk management and control systems provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation and fair presentation of its financial statements.

Compliance and integrity

Triodos Bank has internal policies, rules and procedures to guarantee that management complies with relevant laws and regulations regarding customers and business partners. In addition, the compliance department independently monitors the extent to which Triodos Bank complies with its rules and procedures. External aspects of the compliance department primarily concern accepting new customers, monitoring financial transactions and preventing money laundering. Internal aspects primarily concern checking private transactions by co-workers, preventing and, where necessary, transparently managing conflicts of interest, and safeguarding confidential information. Further it concerns raising and maintaining awareness of for example financial regulations, compliance procedures and fraud and anti-corruption measures. Triodos Bank has a European compliance team led from the head office in Zeist. Compliance officers are present in every branch. The head of the Compliance department reports to the Executive Board and has direct access to the Chair of the Supervisory Board.

There were no significant incidents in 2013 concerning compliance and integrity. Triodos Bank was not involved in any material legal proceedings or sanctions associated with non-compliance with legislation or regulations in terms of financial supervision, corruption, advertisements, competition, privacy or product liability.

Transparency and reporting

Triodos Bank has used the guidelines of the Global Reporting Initiative (GRI) since 2001.

GRI was established in 1997 by the United Nations and the Coalition for Environmentally Responsible Economics (CERES). GRI wants to organise reporting on sustainability in a consistent manner and, in this way, make performance objective and comparison easier. Triodos Bank is an organisational stakeholder of GRI.

During 2013, GRI launched new G4 guidelines designed to make reporting both more relevant to

the sustainability impact of the institution and more meaningful for its stakeholders. The main way this happens is by focusing on the issues that we and our stakeholders think are most important, or most 'material' to our work. We have adopted this approach for the first time in this year's report. While we will report to the current G3 guidelines in the 2013 report we expect to adopt the G4 guidelines in full in the 2014 annual report.

In addition Triodos Bank has co-created a sustainability scorecard, together with other members of the Global Alliance for Banking on Values, a network of leading independent sustainable banks. As part of a pilot project we have completed and shared the scorecard for Triodos Bank in this year's online annual report. In the future, this approach will allow stakeholders to compare the sustainability credentials of different banks.

You can find more at www.triodos.com/reports.

Sustainability policy

Sustainability considerations are shared at all levels of Triodos Bank and are an integral part of its management. Social and environmental aspects are taken into account in all day-to-day business decisions. Therefore Triodos Bank does not have a separate department that continuously focuses on sustainability or corporate social responsibility.

Triodos Bank employs specific criteria to ensure the sustainability of products and services. It employs both positive criteria to ensure it is actively doing good and negative criteria for exclusion, to ensure it doesn't do any harm. The negative criteria exclude loans and investments in sectors or activities that are damaging to society. The positive criteria identify leading businesses and encourage their contributions to a sustainable society. Twice a year, these criteria are tested and adjusted if necessary. Triodos Bank has also defined sustainability principles for its internal organisation. These are included in its Business Principles. All sustainability criteria referred to can be found on www.triodos.com/businessprinciples.

The Dutch Banking Code

The Dutch Banking Code (Banking Code) came into force as of 1 January 1, 2010. Triodos Bank subscribes to the Banking Code, implemented it during 2010, and wholeheartedly embraces its goal to develop more transparent and responsible banking. The full comply-or-explain statement, as required under the Banking Code, can be accessed at www.triodos.com/bankingcode.

Zeist, 27 February 2014

Triodos Bank Executive Board

Pierre Aeby*

Jellie Banga

Peter Blom*, Chair

* Statutory Director under the articles of association

Biographies

Pierre Aeby (1956), CFO

Pierre Aeby has been Statutory Director of Triodos Bank NV since 2000 and is a Member of the Executive Board. He is also a Member of the Board of Stichting Triodos Holding, Statutory Director of Triodos Ventures BV, Member of the Board of Stichting Hivos Triodos Fonds, Member of the Board of Stichting Triodos Sustainable Finance Foundation, Member of the Supervisory Board of Triodos Fair Share Fund, Director of Triodos Fonds Vzw, Member of the Board of Triodos Invest CVBA, Chair of the Management Board of Triodos SICAV I and Triodos SICAV II, Chair of the Board of Enclude Ltd and Member of the Board of Vlaams Cultuurhuis De Brakke Grond. He is of Belgian nationality and owns 21 Triodos Bank depository receipts.

Jellie Banga (1974), COO

Jellie Banga has been Chief Operating Officer and a Member of the Executive Board of Triodos Bank NV since 1 March 2013. She is also a Member of the Advisory Board of Stichting Lichter. She is of Dutch nationality and does not own Triodos Bank depository receipts.

Peter Blom (1956), CEO

Peter Blom has been Statutory Director of Triodos Bank NV since 1989 and is Chair of the Executive Board. He is also a Member of the Board of Stichting Triodos Holding, Statutory Director of Triodos Ventures BV, Member of the Supervisory Board of Triodos Groenfond N.V., Member of the Supervisory Board of Triodos Vastgoedfond N.V., Member of the Board of Stichting Hivos Triodos Fonds, Member of the Board of Stichting Triodos Sustainable Finance Foundation, Chair of the Board of Stichting Triodos Foundation, Chair of the Board of Stichting Global Alliance for Banking on Values, Member of the Board of the Dutch Banking Association, Member of the Board of Stichting Sustainable Finance Lab, Member of the board of the Nationaal Restauratiefonds, Member of the Board Stichting NatuurCollege, Member of the Scientific Advisory Council for Integrated Sustainable Agriculture and Food and Member of The Club of Rome. He is of Dutch nationality and owns one Triodos Bank depository receipt.

Corporate governance

Triodos Bank has a corporate governance structure that reflects and protects its mission and meets all relevant legal obligations. General information about Triodos Bank's compliance with the Dutch Corporate Governance Code and the Banking Code is provided below. More details on Triodos Bank's governance structure are available on www.triodos.com/governance.

Triodos Bank's internal governance

Triodos Bank is a European bank with branches in The Netherlands (Zeist), Belgium (Brussels), the United Kingdom (Bristol), Spain (Madrid) and Germany (Frankfurt). It has a representative office in France (Paris). The head office, and legal address is in Zeist, The Netherlands.

Foundation for the administration of Triodos Bank shares (SAAT)

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

Number of statement of depository receipts per holder

| Amounts in millions of EUR | Depository receipt holders | | Issued capital | |
|----------------------------|----------------------------|---------------|----------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| 1 – 50 | 12,901 | 11,876 | 18.5 | 16.3 |
| 51 – 500 | 15,691 | 12,886 | 209.4 | 165.1 |
| 501 – 1,000 | 1,770 | 1,354 | 93.6 | 70.3 |
| 1,001 and more | 942 | 760 | 332.5 | 313.6 |
| Total | 31,304 | 26,876 | 654.0 | 565.3 |

Number of depository receipts per country

| | Depository receipts × 1,000 | | Depository receipt holders | |
|-----------------|-----------------------------|--------------|----------------------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| The Netherlands | 5,257 | 4,954 | 16,968 | 15,421 |
| Belgium | 1,672 | 1,359 | 5,650 | 4,604 |
| United Kingdom | 228 | 165 | 1,954 | 1,604 |
| Spain | 1,376 | 1,024 | 6,698 | 5,210 |
| Germany | 16 | 16 | 34 | 37 |
| Total | 8,549 | 7,518 | 31,304 | 26,876 |

Depository receipt holders

Depository receipt holders are entitled to vote at the Annual General Meeting of depository receipt holders. Each depository receipt holder is limited to a maximum of 1,000 votes. The Annual General Meeting of depository receipt holders appoints the members of the Board of SAAT, based on its recommendations. These recommendations must be approved by Triodos Bank's Statutory Directors and Supervisory Board. No depository receipt holder may hold more than 10% of all depository receipts that are issued.

Triodos Bank Supervisory Board

Triodos Bank has a Supervisory Board, which monitors Triodos Bank's business operations and advises and assists its Executive Board, to benefit its business interests. New members of the Supervisory Board are appointed by the General Meeting of Triodos Bank, based on recommendations from the Supervisory Board.

Triodos Bank's Executive Board and Statutory Directors

The daily management of Triodos Bank lies with the Executive Board. The Executive Board consists of the Statutory Directors and one or more managers

appointed by the Statutory Directors. The Statutory Directors are formally responsible for the management of Triodos Bank and are appointed by the Supervisory Board.

Stichting Triodos Holding

Stichting Triodos Holding is legally separate, but organisationally related, to Triodos Bank. It is a 100% shareholder of Triodos Ventures BV, an investment fund for higher risk and strategically important activities that reflect Triodos Bank's mission and activities. The Board of Management of Stichting Triodos Holding and the Board of Management of Triodos Ventures BV. are made up of the Statutory Directors of Triodos Bank. Stichting Triodos Holding has a Supervisory Board appointed on the recommendation of the Board of SAAT.

Stichting Triodos Foundation

Stichting Triodos Foundation is a sister institution of Triodos Bank that is legally separate, but organisationally related to it. Currently, the Board of Management of Stichting Triodos Foundation is made up of Triodos Bank co-workers. It makes donations that are granted to initiatives that help Triodos Bank to deliver its sustainable goals. Similar foundations have been set up in Belgium, the UK and Spain.

Statement of institutions with a participating interest of 3% or more

| As a percentage | 2013 | 2012 |
|--|------|------|
| Coöperatieve Centrale Raiffeisen-Boerenleenbank BA | 6.0 | 6.6 |
| Delta Lloyd Levensverzekering NV | 4.2 | 4.7 |
| Stichting Grafische Bedrijfspensioenfondsen | 3.1 | 3.5 |
| Stichting Pensioenfonds ABP | 2.9 | 3.3 |

The above institutions are the largest of the total of 6 (2012: 9) institutions that have a participating interest of at least 1%. Their total participating interest is 20.2% (2012: 28.3%).

Dutch Corporate Governance Code

The Dutch Corporate Governance Code ('the Code') only applies to organisations whose shares are listed on a regulated market. Even though Triodos Bank's depository receipts are not listed on any regulated market it chooses to endorse and comply with the principles and best practices of the Code. The full comply-or-explain statement as required under the Code can be accessed at www.triodos.com/governance.

Although Triodos Bank generally complies with the principles and best practices of the Code, it has opted to consciously differ from it in several specific instances.

The first deviation relates to voting rights on shares. To secure the continuity of Triodos Bank's mission and objectives, depository receipt holders cannot exercise voting rights on the underlying shares. Instead these rights are exercised by The Foundation for the Administration of Triodos Bank Shares (SAAT). For the same reason, depository receipt holders cannot make recommendations for appointments of members of the Board of SAAT.

The second instance relates to the term of office for Statutory Directors. This term is not limited to a period of four years, because Triodos Bank feels that this would not serve the long term development of the organisation.

Triodos Bank also differs from the best practice stating that a person may be appointed to the Supervisory Board for a maximum of three, four-year terms, as its articles of association allow the General Meeting to re-appoint a member of the Supervisory Board due to special circumstances after his or her maximum number of terms has been completed. The objective of this provision is to create extra time and space for the Supervisory Board to fill vacancies.

The fourth instance concerns the fact that, for practical reasons, Triodos Bank has adopted a modified regime for conflicts of interest relating to cases in which it intends to enter into a transaction with a legal entity in which an Executive Board member has a management or supervisory position.

If such a conflict of interest concerns a legal entity outside the Triodos Group, and is of material importance to it, the adapted regime provides for checks and balances (e.g. through the involvement of the Supervisory Board's Audit and Risk Committee) and ensures adequate transparency. If such a conflict of interest regards a legal entity within the Triodos Group no rules will apply. This is in accordance with the latest developments in regulation and case law. To other (personal) conflicts of interest of Executive Board members (as defined in best practice II.3.2 sub i) and ii) of the Code) the provisions of the Code are applicable.

The fifth instance relates to the fact that the Supervisory Board of Triodos Bank does not have separate nomination and remuneration committees, but rather operates an integrated Nomination and Compensation Committee. This is done for practical reasons, given Triodos Bank's relatively modest size.

Triodos Bank also differs from the Code's best practice when submitting all proposals to the Annual General Meeting of Shareholders for material amendments to the Articles of Association as separate agenda items. For practical reasons Triodos Bank wants to retain the possibility, at the discretion of the Executive Board and the Supervisory Board, to submit a proposal for multiple amendments to the Articles of Association as one single agenda item when there is a strong degree of interrelatedness between these proposed amendments.

Finally, as it does not have any share plans or option schemes in place, several Code provisions regarding executive remuneration do not apply to Triodos Bank. The total costs for executive remuneration, which primarily consist of wages and pension elements, are published in this annual report.

Dutch Banking Code

The Dutch Banking Code ('the Banking Code') came into force as of 1 January, 2010. It consists of a number of recommendations and principles aimed at ensuring the very best performance by banks. Its primary focus is on governance and it puts the interests of the customer at the heart of a bank's

activity, which ties in fully with Triodos Bank's vision and Business Principles. The customer is a key stakeholder in all Triodos Bank's activities and its mission.

Triodos Bank complies with the principles of the Banking Code, with the exception of one principle: Triodos Bank chooses not to have variable remuneration based on predetermined financial targets or achievements, as these can enhance a culture of taking more risk.

Triodos Bank monitors, identifies and addresses any occasions when it does not comply with the Banking Code on an ongoing basis. More information on Triodos Bank's implementation of the Banking Code, including the full comply-or-explain statement as required under the Banking Code, is available at www.triodos.com/governance.

Corporate Governance and Banking Code Statement

In accordance with the Dutch Decree implementing further accounting standards for the content of annual reports dated 23 December 2004 (as amended on 20 March 2009) and the Dutch Decree implementing further accounting standards for the content of annual reports of banks dated 1 June 2010, the Executive Board of Triodos Bank has drafted a Corporate Governance Code and Banking Code Statement. This statement forms part of the 2013 Annual Report and is valid as of its date. The statement can be found in the online annual report and at www.triodos.com/statements.

Supervisory Board Report

Introduction

The Supervisory Board supervises and reviews the Executive Board and the policies it pursues, the development of Triodos Bank's operations and the realisation of its mission. In addition, it assists the Executive Board by providing advice.

Triodos Bank and the economic and financial environment

The Supervisory Board is pleased that during a period of continuing turbulent times in financial markets Triodos Bank was able to continue to develop positively, while maintaining a fair level of profitability during the year. Triodos Bank continues to be a reference point for stakeholders looking for credible, values-based approaches to banking.

Regulatory pressure continued to grow in 2013 and could potentially influence Triodos Bank's profitability. Indications suggest that this process will continue during 2014. Effective regulation has a positive role to play in the development of the banking system, but it can only address part of the deep-seated structural and cultural issues that continue to affect it.

The Executive Board's report highlights the environment in which Triodos Bank operates. The Supervisory Board is in full agreement with these comments. It fully supports the Executive Board, and Triodos Bank's co-workers, in their continuing efforts to make a deep-seated and positive difference to the development of people's quality of life.

Highlights in 2013

2013 was marked by an increasing gap between funds entrusted and loans. The Supervisory Board considers this development to present a challenge both from a financial and a mission perspective. Many and joint efforts were made to improve Triodos Bank's risk monitoring systems.

Together with consultants, an important project began to review the design and operating

effectiveness of Triodos Bank's internal governance model. The Supervisory Board will be involved in decision making on the implementation of resulting changes and monitoring their progress.

During the year all the members of the Supervisory Board and the Executive Board took the mandatory Dutch Bankers' oath. Although Triodos Bank's values are in line with the Bankers' oath and already embedded in its culture, the oath helps to further strengthen them, and is in an important element to restore trust in the financial sector.

Activities of the Supervisory Board

The Supervisory Board's supervision and review activities are based on the Executive Board's quarterly reports as well as presentations by managers from different branches and business units. These comprehensive presentations are scheduled so that in a two year period all of the substantive areas of Triodos Bank's activity are covered.

During 2013 presentations were given by the management of Triodos Investment Management and the Spanish branch and the Dutch branch. In addition, Margot Scheltema, the Supervisory Board's Vice-Chair shared the findings of 'Towards a serviceable and stable banking system', a report from the influential Commission on the Structure of Dutch Banks (also known as "Wijffels Committee") of which Margot Scheltema was a member. Jellie Banga, who was appointed as Chief Operating Officer during the year and who is a member of the Executive Board provided her first impressions and insights. The Supervisory Board was also informed about most recent developments in Triodos Bank's IT systems.

These presentations provided the Supervisory Board with a deeper insight into developments within Triodos Bank and the environment around it.

Contacts between the Central Bank and Triodos Bank increased during 2013. These contacts took place mainly between supervisors and the Executive Board. The Chair and Vice Chair of the Supervisory Board were invited by the Central Bank

to clarify the Board's supervising activities and relationship with the Executive Board. More frequent contact with the regulator is the result of Triodos Bank's growing balance sheet and scope of activities.

Topics discussed during the Supervisory Board's meetings and contacts with the Executive Board, included:

- Financial and economic developments and their possible impact on Triodos Bank's activities; Triodos Bank's strategy; financial results, risk management and audit findings, including feedback and minutes of the Audit and Risk Committee; auditor's reports; capital raising issues; quarterly reports; loan reports and Basel III regulations.

- Corporate governance and compliance.

- Human resource management, management development, organisational changes and company culture.

- Developments and new markets in different countries and at Triodos Investment Management; in particular the Spanish solar market.

Other issues discussed in depth, and approved, during the year included:

- The recruitment process for a new Chair, as well as a Board member to replace Jan Lamers who is retiring in 2014. This work was guided by the Nomination and Compensation Committee, involving all members of the Supervisory Board, the Executive Board and the Board of SAAT.

- Triodos Bank's senior management structure.

- The position of a new Director Risk to support the Executive Board in its risk management responsibilities. Recruitment for this position started at the end of 2013.

- The 2014 work plan, based on the 2012 to 2014 Business Plan.

- A review of the 2012 annual report and the management letter with the external auditor present.

- The half-year report.

- Triodos Bank's 'risk appetite'.

- Triodos Bank's remuneration policy: the annual revision of the international remuneration policy was discussed and approved; the Nomination and Compensation Committee was actively involved in discussions on this issue.

- The development of the Global Alliance for Banking on Values (GABV), of which Triodos Bank is one of the co-founders and Peter Blom is the current Chair.

The Supervisory Board considers this to be a crucial instrument to fulfill its mission.

- The development of the representative office in France. The Supervisory Board will continue to monitor and review the pace of expansion abroad so it is in line with the development of Triodos Bank's operational results.

- A (minor) update of internal rules for the Supervisory Board and the Executive Board.

- The roles and responsibilities of the Board of SAAT, the Supervisory Board and the Executive Board in relation to each other were subject to ongoing discussion.

Despite an increased workload the Supervisory Board decided to not propose an increase in its remuneration at the 2014 Annual Meeting.

Activities of individual board members, during 2013, included:

- Participation at local client and/or Depository Receipt Holder meetings in the United Kingdom, Belgium, The Netherlands, and Spain.

- Supervisory Board members living, or having lived, in countries in which Triodos Bank operates maintained informal contacts with local Managing Directors and senior co-workers, providing deeper insights into the work of the local branch.

- Regular meetings between the Chairs of the Board of SAAT, Supervisory Board and the Executive Board.

- The Chair of the Supervisory Board – upon invitation – participated in a meeting with the Dutch Works Council.

- Marcos Eguiguren Huerta participated in the annual meeting of the Global Alliance for Banking on Values in Berlin and informed the Supervisory Board about his findings.

Activities of the Committees of the Supervisory Board

The Supervisory Board has two committees as set out in the Corporate Governance chapter: the Audit and Risk Committee, and the Nomination and Compensation Committee. Both committees met separately throughout the year. Their main considerations and conclusions were shared with the full Supervisory Board, where formal decision-making takes place.

Activities of the Audit and Risk Committee

The Audit and Risk Committee (ARC) met on six occasions in 2013. Triodos Bank's Chief Financial Officer, the Head of Internal Audit and the Head of Risk Management were present at each meeting. The external auditors were present at four meetings.

In addition, one meeting was held with the external auditor, without the Executive Board being present. The Chair of the Audit and Risk Committee also met separately with the external auditor from time to time. The ARC attached great importance to an effective, independent and professional audit capability in Triodos Bank and welcomes the continuing efforts of the Head of Internal Audit to increase its impact. This includes both adequate representation of key audit findings, and the follow-up of audit issues including management responses.

During its deliberations, the Committee reviewed issues including: Triodos Bank's overall risk and control framework; the annual accounts and the quarterly results; the findings of the internal auditor; important accounting decisions, credit and concentration risk, treasury management and risk appetite. The ARC has paid special attention to the follow-up to suggestions for improvement by the Dutch Central Bank, and the need to further strengthen the risk management framework. To this end, a Director Risk will be appointed. The Chair of the ARC has been closely involved in this recruitment process. The ARC also supports the appointment of a Director Finance, and the thorough review of policies

in the areas of risk monitoring and management, in particular credit risks. This includes data quality, collateral valuation, risk classification, loan reviews and adequate documentation. All of these matters have received the ARC's special attention.

As before, an adequate Internal Liquidity Adequacy Assessment Process (ILAAP) and Internal Capital Adequacy Assessment Process (ICAAP) were performed during the year and the Recovery Plan was produced and presented to the Dutch Central Bank.

In 2013, credit losses were at a reasonable level given the economic circumstances. However, an increased exposure to changing government policies was noted in the area of subsidies for solar projects in Spain. The ARC is keeping itself closely involved in this matter.

The ARC welcomes the diversification of the loan portfolio delivered, in part, by the introduction of sustainable mortgage lending. It notes that further diversification approaches are under consideration, including investment opportunities for excess liquidity.

The ARC discussed the management letter with the external auditor containing, among others, the external auditor's observations regarding internal control. The ARC is satisfied that Triodos Bank's internal control environment is adequate on the basis of comprehensive information including external and internal audit, and compliance and risk management reports.

Activities of the Nomination and Compensation Committee

The full Nomination and Compensation Committee (NCC) met on several occasions during the year; in addition, members of the NCC met several times to consider a range of topics.

One of the NCC's primary roles is to advise the full Supervisory Board about the remuneration policy of Triodos Bank in general and to set the remuneration packages of its Statutory Directors. It also advises

the Supervisory Board on remuneration packages of Managing Directors reporting directly to the Statutory Directors. The members of the NCC have senior management experience and good knowledge of – and experience with – performance management and remuneration in general. Additionally they seek advice from independent, external experts in case of specific issues.

Existing employment contracts for the two Statutory Directors have been reviewed and updated to make sure they comply with regulations.

Coordinating the recruitment of a successor to the Supervisory Board Chair continued to be an important activity in 2013. The profile for the position of Chair was adjusted in the light of difficulties in finding a candidate with comprehensive banking experience, a proven management track record and a strong alignment with the values that underpin Triodos Bank's work. It was decided that in-depth banking experience will be provided by a board member but not necessarily the Chair. As a result the recruitment for an additional new member of the Board, with thorough retail banking experience in a senior bank executive position, began during the year. This new member will succeed Jan Lamers who retires from the Board in 2014.

The NCC organised a two day session as part of a permanent education system for the Supervisory Board and the Executive Board. This programme meets the Banking Code's requirement to create a life-long learning experience. In 2013 the programme addressed risk management and regulatory framework developments, the core values of Triodos Bank and their personal and professional relevance, and reviewed Triodos Bank's Supervisory Board dynamics. The training was moderated by an external consultant.

In 2013, the NCC advised the Supervisory Board on the review of Triodos Bank's international remuneration policy, which is fully in line with European and Dutch regulation regarding bank remuneration. For more information on the international remuneration policy please refer to page 79 of the annual accounts.

Other issues discussed in the NCC or with the CEO during the meetings included:

- A 'Relationship at Work' policy paper
- The size and composition of the Supervisory Board and the Supervisory Board suitability matrix
- Yearly reviews Statutory Directors
- Recruitment of a Corporate Secretary
- Reappointment of two Supervisory Board members
- Succession of key positions at senior management level
- Management development, including the career path of individual senior managers and high potential co-workers.

Internal Organisation

Composition of the Supervisory Board

Triodos Bank's articles of association determine that the Supervisory Board consists of three or more members. At present it has seven.

At Triodos Bank's General Meeting in May 2013 Marius Frank retired from the Board and was not replaced. Hans Voortman was reappointed for a period of one year.

Gender diversity

The Supervisory Board aims to be well-diversified, with an adequate balance of nationalities, age, experience, background and gender. In particular, the Supervisory Board's objective is for no more than 70% of its seats to be held by either gender.

Until May 2013 six Supervisory Board members were male (75%), and two female (25%). From May 2013 this changed to five and two members respectively, or approximately a 70% and 30% ratio.

Committees of the Supervisory Board

The composition of the Committees is as follows:

Audit and Risk Committee

- Margot Scheltema (Chair)
- Marcos Eguiguren Huerta
- Carla van der Weerd

Nomination and compensation committee

- Marius Frank (Chair) up to 17 May 2013
- Mathieu van den Hoogenband (Chair) from 17 May 2013
- Hans Voortman
- David Carrington from May 2013

For more information on the Supervisory Board members, see the biographies on page 42/43 of the report.

The competence matrix (see page 40), adopted for the first time in 2011, was updated at the end of 2013. It highlights areas in which Board members have substantial expertise and helps to assess whether the Supervisory Board has the appropriate skills to perform its duties.

The matrix is based on requirements outlined in the collective profile of the Supervisory Board, which is regularly updated.

Meetings of the Supervisory Board

All meetings are held jointly with the Statutory Directors and, from November 2013, with the full Executive Board. Every meeting in 2013 (six in total) was preceded by an internal meeting in which only

Supervisory Board members participated.

One internal meeting was devoted to a discussion about the internal evaluation report as well as an appraisal of the Statutory Directors.

Since 2012, at least one Supervisory Board meeting per year is held in a country with a branch office. In 2013 this meeting took place in Triodos Bank's Spanish branch. The Supervisory Board met with many Spanish co-workers. A series of presentations and discussions were held with senior management of the branch, developing and deepening insights into Triodos Bank's Spanish activities. The Board also visited a solar power plant, one of many financed by the branch.

The Chair of the Supervisory Board and the Chair of the Executive Board maintained frequent contacts throughout the year; the Chair of the Audit and Risk Committee was in regular and close contact with the Chief Financial Officer, as was the Chair of the Nomination and Compensation Committee with the Chief Executive Officer.

Attendance

Attendance of the Supervisory Board members at the meetings in 2013 follows:

| Supervisory Board members | Supervisory Board meeting | Audit and Risk Committee meeting | Nomination and Compensation Committee meeting |
|----------------------------|---------------------------|----------------------------------|---|
| Hans Voortman | 6/6 | | 6/6 |
| Margot Scheltema | 5/6 | 6/6 | |
| David Carrington | 6/6 | | 4/4** |
| Marcos Eguiguren Huerta | 6/6 | 5/6 | |
| Marius Frank | 3/3* | | 3/3* |
| Mathieu van den Hoogenband | 6/6 | | 4/4** |
| Jan Lamers | 5/6 | | |
| Carla van der Weerd | 6/6 | 6/6 | |

* Marius Frank retired on 17 May 2013

** as from 17 May 2013

Independence

Throughout the year, all members of the Supervisory Board were independent from Triodos Bank under the terms of the Dutch Corporate Governance Code. The composition of the Board was such that members were able to act critically and independently of one another, the Executive Board and any particular interest.

Conflicts of interest

In accordance with the requirements of the Dutch Corporate Governance Code, the Supervisory Board has internal rules in place that govern any actual or potential conflicts of interest of Board members. No conflicts of interest occurred during 2013.

Education

As part of the Board's permanent education programme, it organizes annual meetings with external experts, with a view to keeping up-to-date with developments in society and the sectors that have an impact on Triodos Bank's operations. Please see the report of the Nomination and Compensation Committee for more details.

Self-evaluation

The Supervisory Board's annual self evaluation took place at the end of 2013, by two independent consultants. In 2010 the decision was taken to involve an independent consultant in the evaluation every other year. The scope of the evaluation included the functioning of the Supervisory Board as a whole, its individual members and its committees, as well as the working relationship between the Supervisory Board and the Executive Board. The outcome of this process was discussed in the December internal board meeting and was considered fruitful, as it was in 2012. The Board will discuss the recommendations of the evaluators with the Executive Board in early 2014.

The Executive Board members shared their personal key priorities for 2013 with the Supervisory Board. This will be evaluated in early 2014.

Conclusion

The Supervisory Board is of the opinion that the Financial Statements and the Executive Board Report provide a true and fair view of Triodos Bank's position. We propose that the shareholders adopt the Financial Statements of 2013 and discharge the Statutory Directors for their management of Triodos Bank during 2013 and the Supervisory Board for its supervision.

The Supervisory Board endorses the Executive Board's dividend proposal, of EUR 1,95 (per depository receipt).

The Supervisory Board would like to thank all Triodos Bank's stakeholders for their trust in Triodos Bank and the Executive Board, and all the organisation's co-workers for their efforts. The Supervisory Board is confident that Triodos Bank will be able to meet the challenges in 2014 and will continue to act as a reference point for the banking industry.

Zeist, 27 February 2014

On behalf of the Supervisory Board,

Hans Voortman, Chair
Margot Scheltema, Vice-Chair
David Carrington
Marcos Eguiguren Huerta
Mathieu van den Hoogenband
Jan Lamers
Carla van der Weerd

Supervisory Board competence matrix

The matrix below lists the key competences of the individual members of the Supervisory Board, which are relevant to their supervisory position. To qualify as a member of the Board, each individual is required to have the following three attributes:

- an affinity with the mission and values of Triodos Bank,
- senior management experience, and
- international experience.

All Supervisory Board members meet these criteria. The table below lists further competences in the key areas described in the Supervisory Board's profile.

| Name (nationality) | Year of birth | Gender | Country of focus | Sustainable development | Banking |
|-------------------------|---------------|--------|----------------------|-------------------------|---------|
| Carrington (UK) | 1946 | M | UK | • | |
| Eguiguren Huerta (SP) | 1959 | M | Spain | | • |
| Frank (NL)* | 1947 | M | Netherlands, France | | |
| Lamers (BE) | 1948 | M | Belgium, France | | |
| Scheltema (NL) | 1954 | F | Netherlands | | |
| Van den Hoogenband (NL) | 1944 | M | Netherlands, Germany | • | |
| Van der Weerd (NL) | 1964 | F | Netherlands | | • |
| Voortman (NL) | 1944 | M | Netherlands | • | • |

* Marius Frank retired on 17 May 2013

| Key areas of expertise | | | |
|------------------------|-----------------------------|--|--|
| Risk Management | Multi-stakeholder relations | Finance, Administration and Internal Control | Other functional and sector expertise |
| | • | | Impact investment, CG in the social sector |
| • | | • | |
| | | • | Strategy, Leadership development |
| | • | • | Marketing, Media, Culture |
| • | | • | Corporate Governance, Legal |
| | | | Retail |
| • | | • | |
| • | • | | Conservation |

Biographies

David Carrington (1946)

David Carrington was first appointed in 2009 and his present term expires in 2017. He is a Member of Triodos Bank's Nomination and Compensation Committee. He has been an independent consultant since 2001, specialising in the development of philanthropy and social finance and in the governance of charities and social enterprises. David Carrington draws on 25 years' experience of senior management positions in charities – the last 13 as Chief Executive – and as a Board Member with a wide range of organisations in the UK. He is a non-executive Director of Big Society Capital and Chair of the Programme Board of Inspiring Impact. He is Chair and a founder Director of the Alliance Publishing Trust and of Bridges Charitable Trust and is a Member of the Advisory Board of the US Centre for Effective Philanthropy. David Carrington is of British nationality and does not own any depository receipts.

Marcos Eguiguren Huerta (1959)

Marcos Eguiguren Huerta was first appointed in 2008 and his present term expires in 2016. He is a Member of Triodos Bank's Audit and Risk Committee. Marcos Eguiguren Huerta has extensive experience in advising financial entities in Spain and in several Latin American countries. He is Partner and co-founder of SingularNet, a Spanish professional services Group focused on corporate strategy, human development and communication. He has held executive roles in Barclays Bank and BBVA. He is also Professor of business administration at the Politechnical University of Catalonia. Marcos Eguiguren is of Spanish nationality and owns 194 Triodos Bank depository receipts.

Mathieu van den Hoogenband (1944)

Mathieu van den Hoogenband was first appointed in 2007 and his present term expires in 2015. He is Chair of Triodos Bank's Nomination and Compensation Committee. He is the former President of the Executive Board of the Weleda Group AG in Arlesheim, Switzerland. Mathieu van den Hoogenband is a Member of the Shareholders Council of Rhea Holding BV (Eosta BV), Chair of the Supervisory Board of Stichting Widar 1st line Health Organisation, and Member of the Advisory Council of the Antroposophical Medical Faculty of the private University Witten/Herdecke. He teaches Leadership and Ethics at the SRH Business School Berlin and 'Life Stages' at the Alanus Hochschule in Bonn-Alfter. Mathieu van den Hoogenband is of Dutch nationality and owns 931 Triodos Bank depository receipts.

Jan Lamers (1948)

Jan Lamers was first appointed in 2002 and his present term expires in 2014. He is a former CEO of Uitgeversbedrijf Tijd and Vice President of the European Newspaper publishers association. He is CEO of Lamers-Media C&P, Chair of CultuurNet Vlaanderen, Director of Wereldmediahuis Vzw and Member of the Supervisor Board of I-Propeller NV. Jan Lamers is of Belgian nationality and does not own any Triodos Bank depository receipts.

Margot Scheltema (1954), Vice-Chair

Margot Scheltema was first appointed in 2006 and her present term expires in 2014. She is Chair of Triodos Bank's Audit and Risk Committee. Margot Scheltema was Financial Director of Shell Nederland BV until the end of 2008. She is a Member of the Audit Committee of Algemeen Burgerlijk Pensioenfonds and a Member of the Supervisory Board of ASR NV, Schiphol NV, and of TNT Express NV. Margot Scheltema is substitute council with the Enterprise Chamber of the Amsterdam Court of Appeal. She is also a Non-executive member of the Board of Lonza Group PLC and a Member of the Supervisory Board of the Rijksmuseum, World Press Photo and the Warmtebedrijf Rotterdam. Margot Scheltema is of Dutch nationality and does not own any Triodos Bank depository receipts.

Carla van der Weerdt-Norder (1964)

Carla van der Weerdt was first appointed in 2010 and her present term expires in 2014. She is a Member of Triodos Bank's Audit and Risk Committee. Carla van der Weerdt is the owner and Director of Accent Organisatie Advies and Accent Finance & Accountancy. She had a banking career for fifteen years in ABN AMRO Bank NV, amongst others as the CFO/COO of Global Transaction Banking, as the Global Head of Operational Risk Management and as the Global Head of Risk Management and Compliance in Asset Management. She is a Member of the Supervisory Board and Chair of the Audit Committee of Saxion Hogeschool. Carla van der Weerdt is of Dutch nationality and does not own any Triodos Bank depository receipts.

Hans Voortman (1944), Chair

Hans Voortman was first appointed in 2001 and his present term expires in 2014. He is a Member of Triodos Bank's Nomination and Compensation Committee. Hans Voortman is the former Managing Director of World Wide Fund for Nature (WWF) Netherlands and the former Company Director of MeesPierson. He is also the Chair of the Supervisory Board of Ark Natuurontwikkeling and Member of the Boards of Pan Parks. Hans Voortman is of Dutch nationality and does not own any Triodos Bank depository receipts.

This page was intentionally left blank

Annual Accounts 2013

Triodos Bank NV

Page

| | |
|--|-----|
| Consolidated balance sheet as at 31 December 2013 | 46 |
| Consolidated profit and loss account for 2013 | 47 |
| Consolidated statement of comprehensive income for 2013 | 48 |
| Consolidated statement of changes in the equity for 2013 | 50 |
| Consolidated cashflow statement for 2013 | 52 |
| Notes to the consolidated financial statements | 53 |
| Segment reporting | 86 |
| Solvency | 94 |
| Leverage ratio | 97 |
| Risk management | 98 |
| Company balance sheet as at 31 December 2013 | 126 |
| Company profit and loss account for 2013 | 127 |
| Company statement of changes in the equity for 2013 | 128 |
| Notes to the company's financial statements | 130 |
| Other information | 138 |

Consolidated balance sheet as at 31 December 2013

| Before appropriation of profit in thousands of EUR | Reference* | 31.12.2013 | 31.12.2012 |
|---|------------|------------------|------------------|
| Assets | | | |
| Cash | 1 | 895,755 | 380,497 |
| Government paper | 2 | 48,000 | – |
| Banks | 3 | 551,541 | 561,167 |
| Loans | 4 | 3,544,716 | 3,285,359 |
| Interest-bearing securities | 5 | 1,224,180 | 896,530 |
| Shares | 6 | 4 | 4 |
| Participating interests | 7 | 7,630 | 7,594 |
| Intangible fixed assets | 8 | 11,810 | 12,285 |
| Property and equipment | 9 | 39,085 | 38,647 |
| Other assets | 10 | 17,212 | 18,874 |
| Prepayments and accrued income | 11 | 106,720 | 89,926 |
| Total assets | | 6,446,653 | 5,290,883 |
| Liabilities | | | |
| Banks | 12 | 62,105 | 62,799 |
| Funds entrusted | 13 | 5,650,103 | 4,593,501 |
| Other liabilities | 14 | 21,222 | 12,368 |
| Accruals and deferred income | 15 | 52,881 | 50,971 |
| Provisions | 16 | 1,010 | 675 |
| Subordinated liabilities | 17 | 5,300 | 5,300 |
| Equity | 18 | 654,032 | 565,269 |
| Total equity and liabilities | | 6,446,653 | 5,290,883 |
| Contingent liabilities | 19 | 43,656 | 60,860 |
| Irrevocable facilities | 20 | 627,785 | 606,960 |
| | | 671,441 | 667,820 |

* References relate to the notes starting on page 53. These form an integral part of the consolidated annual accounts.

Consolidated profit and loss account for 2013

| in thousands of EUR | Reference* | 2013 | 2012 |
|--|------------|----------------|----------------|
| Income | | | |
| Interest income | 21 | 164,617 | 158,363 |
| Interest expense | 22 | -52,661 | -55,218 |
| Interest | | 111,956 | 103,145 |
| Income from other participations | 23 | 120 | – |
| Investment income | | 120 | – |
| Commission income | 24 | 52,993 | 48,989 |
| Commission expense | 25 | -2,295 | -1,845 |
| Commission | | 50,698 | 47,144 |
| Result on financial transactions | 26 | 437 | 433 |
| Other income | 27 | 454 | 844 |
| Other income | | 891 | 1,277 |
| Total income | | 163,665 | 151,566 |
| Expenses | | | |
| Co-worker and other administrative expenses | 28 | 104,177 | 93,694 |
| Depreciation, amortisation and value adjustments of tangible and intangible fixed assets | 29 | 8,421 | 6,392 |
| Operating expenses | | 112,598 | 100,086 |
| Value adjustments to receivables | 30 | 17,061 | 20,911 |
| Value adjustments to participating interests | | -207 | -218 |
| Total expenses | | 129,452 | 120,779 |
| Operating result before taxation | | 34,213 | 30,787 |
| Taxation on operating result | 31 | -8,530 | -8,161 |
| Net profit | | 25,683 | 22,626 |
| Amounts in EUR | | | |
| Net profit per share | | 3.23 | 3.37 |
| Dividend per share | | 1.95 | 1.95 |

Consolidated statement of comprehensive income for 2013

| in thousands of EUR | 2013 | 2012 |
|--|---------------|---------------|
| Net result | 25,683 | 22,626 |
| Revaluation of property, equipment and participating interest after taxation | 170 | -41 |
| Exchange rate results from business operations abroad after taxation | -241 | -151 |
| Total amount recognised directly in equity | -71 | -192 |
| Total comprehensive income | 25,612 | 22,434 |

This page was intentionally left blank

Consolidated statement of changes in the equity for 2013

| in thousands of EUR | Share capital | Share Premium |
|--|------------------|------------------|
| Equity as at 1 January 2012 | 305,688 | 76,234 |
| Increase of share capital | 64,540 | 31,075 |
| Stock dividend | 5,653 | -5,653 |
| Revaluation of property, equipment and participation interest after taxation | | |
| Exchange rate results from business operations abroad after taxation | | |
| Profit appropriation for previous financial year, addition to the other reserves | | |
| Profit appropriation for previous financial year, dividend | | |
| Dividend not distributed in cash | | |
| Reverted dividend | | |
| Transfer to statutory reserve for development costs | | |
| Purchasing or sale of own depository receipts | | |
| Result for financial year | | |
| Equity as at 31 December 2012 | 375,881 | 101,656 |
| Increase of share capital | 44,822 | 23,255 |
| Stock dividend | 6,749 | -6,749 |
| Revaluation of property, equipment and participation interest after taxation | | |
| Realisation of revaluation | | |
| Exchange rate results from business operations abroad after taxation | | |
| Profit appropriation for previous financial year, addition to the other reserves | | |
| Profit appropriation for previous financial year, dividend | | |
| Dividend not distributed in cash | | |
| Reverted dividend | | |
| Transfer to statutory reserve for development cost | | |
| Purchasing or sale of own depository receipts | | |
| Result for financial year | | |
| Equity as at 31 December 2013 | 427,452 | 118,162 |

| | Revaluation reserve | Statutory reserve | Other reserve | Retained earnings | Total equity |
|--|------------------------|----------------------|------------------|----------------------|-----------------|
| | 49 | 7,024 | 44,847 | 17,324 | 451,166 |
| | | | | | 95,615 |
| | | | | | – |
| | -41 | | | | -41 |
| | | -151 | | | -151 |
| | | | 5,217 | -5,217 | – |
| | | | | -12,107 | -12,107 |
| | | | 8,158 | | 8,158 |
| | | | 2 | | 2 |
| | | -842 | 842 | | – |
| | | | 1 | | 1 |
| | | | | 22,626 | 22,626 |
| | 8 | 6,031 | 59,067 | 22,626 | 565,269 |
| | | | | | 68,077 |
| | | | | | – |
| | 170 | | | | 170 |
| | 2 | | -2 | | – |
| | | -241 | | | -241 |
| | | | 7,709 | -7,709 | – |
| | | | | -14,917 | -14,917 |
| | | | 10,003 | | 10,003 |
| | | | – | | – |
| | | -674 | 674 | | – |
| | | | -12 | | -12 |
| | | | | 25,683 | 25,683 |
| | 180 | 5,116 | 77,439 | 25,683 | 654,032 |

Consolidated cashflow statement for 2013

| in thousands of EUR | 2013 | 2012 |
|---|------------------|-----------------|
| Cashflow from operating activities | | |
| Net profit | 25,683 | 22,626 |
| Adjustments for: | | |
| • depreciation | 6,356 | 6,391 |
| • value adjustments to receivables | 17,061 | 20,911 |
| • value adjustments to participating interests | -207 | -218 |
| • exchange rate differences on property and equipment | 2,074 | -64 |
| • movements in provisions | 335 | 223 |
| • other movements in accrued and deferred items | -14,746 | -14,037 |
| Cashflow from business operations | 36,556 | 35,832 |
| Movement in government paper | -48,000 | 15,000 |
| Movement in banks, deposits not on demand | 63,866 | -32,164 |
| Movement in loans | -276,418 | -468,452 |
| Movements in shares | – | – |
| Movement in banks, liabilities not on demand | -694 | 27,897 |
| Movement in funds entrusted | 1,056,602 | 862,793 |
| Other movements from operating activities | 10,516 | 239 |
| CASHFLOW FROM OPERATING ACTIVITIES | 842,428 | 441,145 |
| Cashflow from investment activities | | |
| Net investments in: | | |
| • interest-bearing securities | -327,650 | -323,434 |
| • participating interests | -213 | -4,437 |
| • intangible fixed assets | -2,218 | -1,911 |
| • property and equipment | -6,000 | -5,810 |
| CASHFLOW FROM INVESTMENT ACTIVITIES | -336,081 | -335,592 |
| Cashflow from financing activities | | |
| Movement in subordinated liabilities | – | -10,000 |
| Increase in equity | 68,077 | 95,615 |
| Payment of cash dividend | -4,914 | -3,949 |
| Purchases of depository receipts for own shares | -12 | 1 |
| CASHFLOW FROM FINANCING ACTIVITIES | 63,151 | 81,667 |
| Net cashflow | 569,498 | 187,220 |
| Cash and cash equivalents at beginning of the year | 623,618 | 436,398 |
| Cash and cash equivalents at the end of the year | 1,193,116 | 623,618 |
| On demand deposits with central banks | 895,755 | 380,497 |
| On demand deposits with banks | 297,361 | 243,121 |
| Cash and cash equivalents at the end of the year | 1,193,116 | 623,618 |

Notes to the consolidated financial statements

in thousands of EUR

General

Triodos Bank, having its legal address in Nieuweroordweg 1 in Zeist, The Netherlands, is a public limited liability company under Dutch law.

Basis of preparation

The Annual Accounts were prepared 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. The Annual Accounts relate to the thirty-third financial year of Triodos Bank NV

These financial statements have been prepared on the basis of the going concern assumption.

Accounting principles

General

Unless stated otherwise, assets are stated at cost, whereby in the case of receivables a provision for doubtful debt is recognised.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to Triodos Bank and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from Triodos Bank of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Income and expenses are attributed to the period to which they relate or to the period in which the service was provided. Revenues are recognized when Triodos Bank has transferred the significant risks and rewards of ownership of the goods to the buyer.

Interest income and commissions from lending are not accounted for in the profit and loss account if the collection of the interest and commission is doubtful.

The financial statements are presented in euros, Triodos Bank's functional currency. All financial information in euros has been rounded to the nearest thousand.

The use of estimates and assumptions in the preparation of the financial statements

The preparation of the consolidated financial statements requires Triodos Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and the contingent assets and liabilities at the balance sheet date, and the reported income and expenses for the financial year. It mainly concerns the methods for determining the provisions for doubtful debts, determining the fair value of assets and liabilities and determining impairments and other value adjustments. This involves assessing the situations on the basis of available financial data and information. For certain categories of assets and liabilities the inherent estimation risk may be higher as a result of lack of liquidity in the relevant markets. Although these estimates with respect to current events and actions are made to the best of management's knowledge, actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised or in the period of revision and future periods if the revision impacts both the reporting period and future periods.

Consolidation principles

The consolidated financial statements include the financial data of Triodos Bank, its group companies and other companies over which Triodos Bank has control. Control exists when Triodos Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Group companies are participating interests in which Triodos Bank has a direct or indirect controlling interest. In assessing whether controlling interest exists, potential voting rights that are currently exercisable are taken into account. Companies exclusively acquired with the view to resale are exempted from consolidation.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In preparing the consolidated financial statements, intra-group debts, receivables and transactions are eliminated. The group companies are consolidated in full. The financial data for joint ventures are being consolidated pro rata to the participating interest held, if consolidation is necessary in order to provide a transparent overview of the assets and result of Triodos Bank NV.

List of equity participations in accordance with Sections 2:379 and 2:414 of The Netherlands Civil Code:

- Kantoor Buitenzorg BV in Zeist, participating interest 100%, group company, fully consolidated;
- Kantoor Nieuweroord BV in Zeist, participating interest 100%, group company, fully consolidated;
- Stichting Triodos Beleggersgiro in Zeist, group company, fully consolidated;

- Triodos Assurantiën BV in liquidation in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos Cultuurbank BV in liquidation in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos Custody BV in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos Finance BV in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos IMMA BVBA in Brussel, participating interest 100%, group company, fully consolidated;
- Triodos Investment Management BV in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos MeesPierson Sustainable Investment Management BV in Zeist, participating interest 50%, joint venture with joint control, consolidated pro rata to the participating interest held;
- Triodos Nieuwbouw BV in Zeist, participating interest 100%, group company, fully consolidated.

Transactions in foreign currencies

Assets and liabilities related to transactions denominated in foreign currencies are converted at the spot rate on the balance sheet date. Transactions and the resulting income and charges in foreign currencies are converted at the rate applicable on the transaction date. The resulting exchange rate differences are accounted for in the profit and loss account under 'Result on financial transactions'.

Business operations abroad

Assets and liabilities relating to activities in business units abroad located outside the Eurozone are converted at the spot rate as at the balance sheet date. Income and expenses for activities in foreign business units outside the Eurozone will be converted at the exchange rate as at the transaction date. Any exchange rate differences arising from this will be charged or credited directly to the equity.

Hedging of the net investment in business operations abroad

Exchange rate differences arising on retranslation of a foreign currency liability accounted for as a hedge of a net investment in foreign business units located

outside the Eurozone are taken directly to shareholders' equity, in the statutory reserve for conversion differences, insofar as the hedge is effective. The non-effective part is taken to the profit and loss account as expenditure.

Financial instruments

Financial instruments, including derivatives separated from their host contracts, are initially recognised at fair value. If instruments are not measured at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement. After initial recognition, financial instruments are valued in the manner described below.

Banks and loans

Receivables on banks and the loans are valued at amortised cost, after deduction of a provision for doubtful debts. The value adjustment for doubtful debts is determined per item, with the value of the collateral provided being taken into account. Next to this specific provision a general provision has been created to cover risk arising from incurred but not reported credit losses, starting in 2013.

Government paper and interest-bearing securities

All government paper and interest-bearing securities are held in the investment portfolio. They are stated at redemption value after deduction of provisions for doubtful debts. Differences between the acquisition price and the redemption value are amortised over the remaining life of the securities and are recognised as prepayments and accrued income or accruals and deferred income in the balance sheet. Realised changes in the value are recognised in the profit and loss account.

Shares

Shares are not held in the trading portfolio and are valued at cost.

Participating interests

Participating interests where significant influence can be exercised will be valued at net asset value.

Participating interests where no significant influence can be exercised will be carried at fair value. In the case of a participating interest 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 a participating interest 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 auditor, interim financial information from the institution and any other relevant data provided to Triodos Bank. Unrealised changes in the value of participating interests where no significant influence can be exercised are recognised in equity via the revaluation reserve, with the exception of changes in value below the acquisition price, which will be recognised directly in the profit and loss account.

Realised changes in the value will be recognised in the profit and loss account.

Exchange rate differences resulting from the conversion of foreign currencies will be charged or credited directly to the equity.

Intangible fixed assets

Intangible fixed assets are stated at acquisition price or cost of manufacture minus amortisation. These costs mainly comprise the cost of direct labour; upon termination of the development phase. The amortisation will be determined in line with the estimated useful life.

Goodwill paid by Triodos Bank for the establishment of the branch in Spain will be amortised over a period of ten years. The remaining amortisation period is one year. No impairment for goodwill was recognised.

The development costs for the banking system will be written off over the estimated useful life from the moment the system is used. After a technical assessment of the banking system in 2013 the current end-of-life date of December 2016 is extended to December 2020.

Management contracts paid by Triodos Bank when acquiring the participating interest in Triodos Investment Management BV will be written off over a period of 20 years. The remaining depreciation period is thirteen years. No impairment was recognised.

Computer software that has been purchased will be written off over its useful life. This period will not exceed five years.

Property and equipment

Property under development is valued at the lower of the expenditure and the expected replacement cost upon completion. The expenditure consists of payments made to third parties.

Property for own use is stated at the current cost, which is derived from the replacement cost. A valuation is carried out at least every five years by an external appraiser. The last valuation took place November 2013. The buildings for own use are depreciated according to the straight-line method on the basis of an estimated useful economic life of 40 years. Land for own use is not depreciated.

Equipment is stated at acquisition price less straight-line depreciation on the basis of estimated useful economic life. The depreciation periods vary from three to ten years.

Provisions

Provisions are valued at the nominal value of the expenses expected to be incurred in settling the liabilities and losses. The provisions mainly consist of a provision for major building maintenance which is based on a long-term maintenance programme.

Purchases of depository receipts for own shares

The purchasing and reissuing of depository receipts for own shares is charged or credited respectively to the Other reserves. Any balance remaining after the re-issuing of all own depository receipts purchased shall be placed at the disposal of the Annual General Meeting.

Own depository receipts for shares may be purchased up to 2% of the issued and paid-up share capital.

A decision to purchase own depository receipts may be made if the supply of existing depository receipts exceeds the demand for new depository receipts. For this, authority has been given to management by the Annual General Meeting.

Derivatives and hedge accounting

Derivatives are measured at fair value, except if the cost model for hedge accounting is applied.

Derivatives embedded in contracts shall be separated from the host contract and accounted for separately at fair value if:

- the economic characteristics and risks of the host contract and the embedded derivative are not closely related;
- a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative; and
- the combined instrument is not measured at fair value with changes in fair value recognised through profit and loss.

If forward exchange contracts are concluded to hedge monetary assets and liabilities in foreign currencies, cost hedge accounting is applied. Hedge accounting is applied to ensure that the gains or losses arising from the translation of the monetary items recognised in the profit and loss account are offset by the changes in the value of forward exchange contracts arising from the difference between the spot rate at inception and spot rates as at reporting date. The difference between the spot rate agreed at the inception of the forward exchange contract and the forward rate is amortised over the term of the contract.

Triodos Bank has documented its hedging strategy and how it relates to the objective of risk management. Triodos Bank has also documented its assessment of whether the derivatives that are used in hedging transactions are effective in offsetting currency results of the hedged items using generic documentation.

Any overhedge is recognised directly in the profit and loss account at the lower of cost and market value.

Hedging relationships are terminated upon the expiry or sale of the respective derivatives. The cumulative gain or loss that has not yet been included in the profit and loss account is recognised as a deferred item in the balance sheet until the hedged transactions have taken place.

If the transactions are no longer expected to take place, the cumulative gain or loss is accounted for in the profit and loss account.

Taxation on operating result

Taxes are calculated on the pre-tax result on the basis of the applicable profit tax rates. Exempted profit items, deductible items, additions and differences between the balance sheet value and the fiscal value of particular assets and liabilities are taken into account.

Deferred tax items arising from differences between the balance sheet value and the fiscal value are valued at nominal value insofar these may be recovered through future profits (temporary differences).

Earnings per share

Earnings per share is calculated on the basis of the weighted average number of shares outstanding. In calculating the weighted average number of shares outstanding:

- Own shares held by Triodos Bank are deducted from the total number of shares in issue;
- The computation is based on monthly averages.

Cash flow statement

The cashflow statement sets out the movement in Triodos Bank's funds, broken down into operating activities, investment activities and financing activities. The funds consist of cash and the on demand deposits with banks. The cashflow statement is produced using the indirect method.

For further details about these accounting principles, please refer to the corresponding notes to the financial statements.

Assets

1. Cash

The balance sheet value of the cash as at 31 December can be broken down as follows:

| | 2013 | 2012 |
|--|----------------|----------------|
| On demand deposit Dutch Central Bank | 767,659 | 355,161 |
| On demand deposit Belgian Central Bank | 49,798 | 9,128 |
| On demand deposit German Central Bank | 9,223 | 751 |
| On demand deposit Spanish Central Bank | 69,019 | 15,441 |
| Cash in ATM's | 56 | 16 |
| Balance sheet value as at 31 December | 895,755 | 380,497 |

2. Government paper

| | 2013 | 2012 |
|------------------------|---------------|----------|
| Spanish treasury bonds | 48,000 | – |
| | 48,000 | – |

The movement in the Government paper is as follows:

| | 2013 | 2012 |
|--|---------------|----------|
| Balance sheet value as at 1 January | – | 15,000 |
| Purchase | 88,000 | – |
| Repayments | -40,000 | -15,000 |
| Sale | – | – |
| Balance sheet value as at 31 December | 48,000 | – |

3. Banks

| | 2013 | 2012 |
|-------------------------------|---------|---------|
| On demand deposits with banks | 297,361 | 243,121 |
| Deposits with banks | 254,180 | 318,046 |
| | 551,541 | 561,167 |

The on demand deposits can be freely disposed of.

Banks classified by residual maturity:

| | 2013 | 2012 |
|---------------------|---------|---------|
| On demand | 297,361 | 243,121 |
| 1 to 3 months | 202,180 | 163,546 |
| 3 months to 1 year | 50,000 | 152,500 |
| 1 to 5 years | 1,000 | – |
| Longer than 5 years | 1,000 | 2,000 |
| | 551,541 | 561,167 |

The balance sheet value of the banks as at 31 December can be broken down as follows:

| | 2013 | 2012 |
|----------------------------------|----------------|----------------|
| ABN Amro | 135,510 | 136,345 |
| Banco Cooperativo | 35,492 | 32,447 |
| Bank Nederlandse Gemeenten (BNG) | – | 40,000 |
| Barclays | 71,961 | 14,826 |
| Belfius Bank | 30,000 | 30,000 |
| Co-operative Bank | – | 49,012 |
| Coventry | 18,068 | – |
| DZ Bank | 18,160 | 20,381 |
| Frankfurter Volksbank | 16,935 | – |
| ING Bank | 30,694 | 77,381 |
| KBC Bank | 11,493 | 10,902 |
| Van Lanschot Bank | 5,376 | 1,771 |
| Nationwide Building Society | 24,090 | 24,506 |
| Rabobank | 88,728 | 90,922 |
| Royal Bank of Scotland | 43,283 | 28,875 |
| Yorkshire Bank | 18,068 | – |
| Other | 3,683 | 3,799 |
| | 551,541 | 561,167 |

4. Loans

| | 2013 | 2012 |
|------------------------------|------------------|------------------|
| Loans | 3,606,765 | 3,341,518 |
| Provision for doubtful debts | -62,049 | -56,159 |
| | 3,544,716 | 3,285,359 |

This relates to loans to customers versus loans to banks,

Loans classified by residual maturity:

| | 2013 | 2012 |
|---------------------|------------------|------------------|
| Payable on demand | 210,440 | 179,576 |
| 1 to 3 months | 97,402 | 178,737 |
| 3 months to 1 year | 209,466 | 250,218 |
| 1 to 5 years | 1,035,913 | 834,764 |
| Longer than 5 years | 2,053,544 | 1,898,223 |
| | 3,606,765 | 3,341,518 |

The movement of the provision for doubtful debts is as follows:

| | 2013 | 2012 |
|--|---------------|---------------|
| Balance sheet value as at 1 January | 56,159 | 36,583 |
| Addition | 22,189 | 24,779 |
| Write-off | -12,040 | -2,178 |
| Release | -4,221 | -3,096 |
| Exchange rate differences | -38 | 71 |
| Balance sheet value as at 31 December | 62,049 | 56,159 |

The provision does not relate to contingent liabilities and irrevocable facilities. In the provision for doubtful debts is included an Incurred But Not Reported (IBNR) provision in the amount of EUR 0.8 million (2012: nil).

EUR 1.1 million of the addition to the provision relates to interest that has been invoiced but has not been received (2012: EUR 0.7 million).

5. Interest-bearing securities

| | 2013 | 2012 |
|---------------------------------|------------------|----------------|
| Dutch Government bonds | 159,800 | 144,500 |
| Belgian Government bonds | 383,144 | 351,698 |
| Spanish Government bonds | 167,500 | 87,734 |
| United Kingdom Government bonds | 69,138 | – |
| Other bonds | 444,598 | 312,598 |
| | 1,224,180 | 896,530 |

The balance sheet value of the other bonds as at 31 December can be broken down as follows:

| | 2013 | 2012 |
|---|----------------|----------------|
| Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden (FMO) sustainable bond, The Netherlands ¹ | 140,000 | – |
| Bank Nederlandse Gemeenten (BNG), The Netherlands | 77,203 | 77,203 |
| Sustainable energy bond Landwirtschaftliche Rentenbank, Germany ¹ | 50,000 | – |
| Climate Awareness bond European Investment Bank ¹ | 45,000 | – |
| Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden (FMO), The Netherlands | 40,000 | 150,000 |
| De Société Publique de Gestion de l'Eau (SPGE), Belgium | 15,000 | 15,000 |
| NRW Bank green bond, Germany ¹ | 15,000 | – |
| SNS Bank (government guaranteed), The Netherlands | 12,000 | 12,000 |
| La Communauté française de Belgique, Belgium | 12,000 | 12,000 |
| Rabobank, The Netherlands | 10,000 | 10,000 |
| Region Wallonne, Belgium | 10,000 | – |
| Brussels Region, Belgium | 5,000 | 15,000 |
| Societe Wallone du credit social, Belgium | 5,000 | – |
| Nederlandse Waterschapsbank, The Netherlands | 4,895 | 7,895 |
| Vlaamse gemeenschap, Belgium | 3,000 | 13,000 |
| Ethias Vie, Belgium | 500 | 500 |
| | 444,598 | 312,598 |

¹ These are Green/sustainable bonds of which the proceeds are invested by the issuer in areas such as sustainable energy, energy efficiency and microfinance.

Part of the value of securities is used as collateral for a possible debit balance, amounting to EUR 10.0 million at the Dutch Central Bank (2012: EUR 5.0 million) and nil at a bank in The Netherlands (2012: EUR 4.6 million). The security for drawn loans amounts to nil (2012: EUR 4.6 million) at a bank in Spain.

In connection with differences between the acquisition prices and redemption values, as at 31 December 2013 an amount of EUR 30.4 million (2012: EUR 25.5 million) has been included under Prepayments and accrued income and an amount of EUR 3.2 million (2012: EUR 3.0 million) has been included under Accruals and deferred income.

The movement in interest-bearing securities is as follows:

| | 2013 | 2012 |
|--|------------------|----------------|
| Balance sheet value as at 1 January | 896,530 | 573,096 |
| Purchase | 517,738 | 529,258 |
| Repayments | -150,088 | -103,324 |
| Sale | -40,000 | -102,500 |
| Balance sheet value as at 31 December | 1,224,180 | 896,530 |

6. Shares

| | 2013 | 2012 |
|----------------------------------|----------|----------|
| S.W.I.F.T. SCRL | 3 | 3 |
| Ampere Equity Fund BV | 0 | 0 |
| SEPA Biogasanlage Hattingen GmbH | 1 | 1 |
| | 4 | 4 |

The shares in S.W.I.F.T. SCRL are held in the framework of the Bank's participation in S.W.I.F.T. payment transactions. The shares in Ampere Equity Fund BV are held in the framework of the Triodos Investment Management activities. The shares in SEPA Biogasanlage Hattingen GmbH are held in conjunction with a granted loan.

The movement in shares is as follows:

| | 2013 | 2012 |
|--|----------|----------|
| Balance sheet value as at 1 January | 4 | 4 |
| Purchase | – | – |
| Sales | – | – |
| Balance sheet value as at 31 December | 4 | 4 |

7. Participating interests

| | 2013 | 2012 |
|--------------------------------------|--------------|--------------|
| Other participating interests | 7,630 | 7,594 |

The participating interest can be specified as follows:

Interests where no significant influence can be exercised. The value of these interests in the amount of EUR 7.3 million (2012: EUR 7.3 million) is based on the published share price. In absence of a public share price Triodos Bank estimate the fair value through the net asset value. These are our interest in the New Resource Bank, San Francisco, Merkur Bank, Copenhagen, Cultura Bank, Oslo, GLS Gemeinschaftsbank eG, Bochum, Banca Popolare Etica Scpa, Padova, Ekobanken Medlemsbank, Järna and the Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. (FMO), The Hague.

The interest in Social Enterprise Finance Australia Limited, Sydney where no significant influence can be exercised. The fair value of the interest in the Social Enterprise Finance Australia Limited can not be determined reliably as it is a start up company with consequently no representative share price or active market trading. This interest in the amount of EUR 0.3 million (2012: EUR 0.3 million) is valued at cost.

The movement in this item is as follows:

| | 2013 | 2012 |
|--|--------------|--------------|
| Balance sheet value as at 1 January | 7,594 | 3,166 |
| Acquisitions | – | 1,519 |
| Increase of capital | 213 | 2,919 |
| Revaluation | 63 | 142 |
| Repayment of capital | – | -1 |
| Exchange rate results on foreign currencies | -240 | -151 |
| Balance sheet value as at 31 December | 7,630 | 7,594 |

8. Intangible fixed assets

| | 2013 | 2012 |
|---|---------------|---------------|
| Goodwill paid | 84 | 190 |
| Development costs for information systems | 7,621 | 8,361 |
| Management contracts | 2,569 | 2,771 |
| Computer software | 1,536 | 963 |
| | 11,810 | 12,285 |

The goodwill paid relates to:

- goodwill that Triodos Fonds Management paid to Triodos Investment Management in 2004 to acquire research activities. At the end of 2013 this goodwill is fully amortised;
- goodwill that Triodos Bank paid to Triodos Investments España in 2004, 2005 and an addition in 2009 to buy off the rights to the future profit made by the branch in Spain.

The movement in goodwill paid is as follows:

| | 2013 | 2012 |
|--|-----------|------------|
| Purchase value as at 1 January | 900 | 900 |
| Cumulative amortisation as at 1 January | -710 | -605 |
| Balance sheet value as at 1 January | 190 | 295 |
| Purchase | – | – |
| Amortisation | -106 | -105 |
| Balance sheet value as at 31 December | 84 | 190 |

The development costs for information systems

The development costs for information systems contain costs for the development of a Bank's ICT system. After a technical assessment of this banking system in 2013 the current end-of-life date of December 2016 is extended to December 2020. The lower costs caused by the extension of the estimated life, in the amount of EUR 0.9 million per year, is recognised prospectively in the profit and loss account, for the first time in 2013. This positive effect is also expected for the coming four years. The investment in this banking system has also been impaired in 2013 as a result of the decision to buy a new ERP system for Triodos Investment Management. The impairment loss is recognised in the profit and loss account for an amount of EUR 0.2 million.

The movement in the development costs for the information systems item is as follows:

| | 2013 | 2012 |
|--|--------------|--------------|
| Purchase value as at 1 January | 21,558 | 20,534 |
| Cumulative amortisation as at 1 January | -13,197 | -11,005 |
| Balance sheet value as at 1 January | 8,361 | 9,529 |
| Capitalised expenses | 1,046 | 1,218 |
| Amortisation* | -1,604 | -2,386 |
| Impairments | -182 | – |
| Balance sheet value as at 31 December | 7,621 | 8,361 |

* excluding disposal in the amount of EUR 2.0 million (2012: EUR 0.0 million).

Management contracts

The management contracts relate to contracts for the management of funds by Triodos Investment Management. When it acquired its participating interest in Triodos Investment Management, Triodos Bank paid a sum for this to Triodos Holding.

The movement in management contracts is as follows:

| | 2013 | 2012 |
|--|--------------|--------------|
| Purchase value as at 1 January | 4,030 | 4,030 |
| Cumulative amortisation as at 1 January | -1,259 | -1,058 |
| Balance sheet value as at 1 January | 2,771 | 2,972 |
| Amortisation | -202 | -201 |
| Balance sheet value as at 31 December | 2,569 | 2,771 |

9. Property and equipment

| | 2013 | 2012 |
|----------------------|---------------|---------------|
| Property for own use | 23,257 | 24,982 |
| Equipment | 15,828 | 13,665 |
| | 39,085 | 38,647 |

The movement in the property for own use is as follows:

| | 2013 | 2012 |
|--|---------------|---------------|
| Purchase value as at 1 January | 28,112 | 26,274 |
| Cumulative revaluation as at 1 January | -435 | -435 |
| Cumulative depreciation as at 1 January | -2,695 | -2,343 |
| Balance sheet value as at 1 January | 24,982 | 23,496 |
| Purchase | 475 | 1,838 |
| Depreciation | -366 | -352 |
| Revaluation | -1,834 | – |
| Balance sheet value as at 31 December | 23,257 | 24,982 |

The property for own use was valued by an external appraiser in November 2013.

The movement in equipment is as follows:

| | 2013 | 2012 |
|--|---------------|---------------|
| Purchase value as at 1 January | 26,332 | 22,737 |
| Cumulative depreciation as at 1 January | -12,667 | -10,170 |
| Balance sheet value as at 1 January | 13,665 | 12,567 |
| Purchase | 5,578 | 4,019 |
| Sale* | -53 | -46 |
| Depreciation* | -3,296 | -2,939 |
| Exchange rate differences | -66 | 64 |
| Balance sheet value as at 31 December | 15,828 | 13,665 |

* Excluding disposal in the amount of EUR 0.3 million (2012: EUR 0.5 million).

10. Other assets

The other assets include a claim regarding the deposit guarantee scheme in the amount of EUR 8,479 (2012: EUR 9,705).

11. Prepayments and accrued income

The balance sheet value of the prepayments and accrued income as at 31 December can be broken down as follows:

| | 2013 | 2012 |
|--|----------------|---------------|
| Premium on investments | 30,403 | 25,463 |
| Interest receivable | 37,577 | 34,998 |
| Deferred taxes | 5,981 | 3,797 |
| Other prepayments and accrued income | 32,759 | 25,668 |
| Balance sheet value as at 31 December | 106,720 | 89,926 |

The deferred tax item mainly relates to losses incurred by the German branch still to be off-set against future taxable profits which has an unlimited duration.

Liabilities

12. Banks

| | 2013 | 2012 |
|----------------------------|---------------|---------------|
| Deposits from banks | 62,105 | 62,799 |

This item concerns credits held by Kreditanstalt für Wiederaufbau, Germany, Landwirtschaftliche Rentenbanken, Germany and Instituto de Crédito Oficial, Spain, for interest-subsidised loans in the renewable energy sector.

Deposits with banks classified by residual maturity:

| | 2013 | 2012 |
|---------------------|---------------|---------------|
| Payable on demand | 833 | 919 |
| 1 to 3 months | 1,355 | 1,324 |
| 3 months to 1 year | 2,804 | 2,876 |
| 1 to 5 years | 26,038 | 19,565 |
| Longer than 5 years | 31,075 | 38,115 |
| | 62,105 | 62,799 |

13. Funds entrusted

| | 2013 | 2012 |
|-----------------------|------------------|------------------|
| Savings accounts | 4,007,294 | 3,324,300 |
| Other funds entrusted | 1,642,809 | 1,269,201 |
| | 5,650,103 | 4,593,501 |

Funds entrusted classified by residual maturity:

| | 2013 | 2012 |
|---------------------|------------------|------------------|
| Payable on demand | 4,217,071 | 3,409,344 |
| 1 to 3 months | 526,361 | 422,947 |
| 3 months to 1 year | 368,692 | 281,898 |
| 1 to 5 years | 439,989 | 384,037 |
| Longer than 5 years | 97,990 | 95,275 |
| | 5,650,103 | 4,593,501 |

14. Other liabilities

This item consists of various amounts payable, including Dutch and foreign taxation and social security contributions totalling EUR 9.6 million (2012: EUR 7.1 million).

15. Accruals and deferred income

The balance sheet value of the accruals and deferred income as at 31 December can be broken down as follows:

| | 2013 | 2012 |
|--|---------------|---------------|
| Discount on investments | 3,202 | 3,008 |
| Interest payable | 15,422 | 14,911 |
| Deferred taxes | 3,828 | 4,070 |
| Other accruals and deferred income | 30,429 | 28,982 |
| Balance sheet value as at 31 December | 52,881 | 50,971 |

The deferred tax item mainly relates to:

- future profits of the German branch that will be taxed in The Netherlands. The duration is unlimited.
- temporary differences between the carrying amounts of intangible fixed assets for financial reporting purposes and the amounts used for taxation purposes. The remaining duration is one to four years.

16. Provisions

| | 2013 | 2012 |
|----------------------|--------------|------------|
| Building maintenance | 1,005 | 670 |
| Other provisions | 5 | 5 |
| | 1,010 | 675 |

The movement of the provisions is as follows:

| | 2013 | 2012 |
|--|--------------|------------|
| Balance sheet value as at 1 January | 675 | 452 |
| Allocation | 334 | 311 |
| Withdrawal | – | -88 |
| Release | – | – |
| Exchange rate differences | 1 | – |
| Balance sheet value as at 31 December | 1,010 | 675 |

17. Subordinated liabilities

This relates to a 10-year bond loan dated 12 July 2006. The nominal interest rate is 5.625% and the issue price is at 99.314%. The bonds are subordinated to other liabilities. During the life of the bond, the Bank can purchase and cancel bonds, subject to the consent of the Dutch Central Bank.

In connection with differences between the acquisition prices and redemption values, as at 31 December 2013 an amount of EUR 13 (2012: EUR 17) has been included under Prepayments and accrued income.

The movement in subordinated liabilities is as follows:

| | 2013 | 2012 |
|--|--------------|--------------|
| Balance sheet value as at 1 January | 5,300 | 15,300 |
| Withdrawal | – | -10,000 |
| Balance sheet value as at 31 December | 5,300 | 5,300 |

18. Equity

The equity stated on the consolidated balance sheet is equal to that stated on the parent company balance sheet. For a breakdown, please see the Notes to the company Annual Accounts.

Fair values

The following table sets out the fair value of the financial instruments held as at 31 December 2013. The fair value of interest-bearing securities is the market value. The fair value of banks, loans, funds entrusted with a fixed interest term and the subordinated loan has been determined by calculating the net present value of expected interest and redemption cashflows, taken into account market interest rates as at the end of the year. The fair value of the other items is assumed to be equal to the balance sheet value.

The fair value of the remaining assets also includes the deferred tax item. The premium and discount not yet written off for the interest-bearing securities has been included in the balance sheet value of the interest-bearing securities.

| | 2013 Balance sheet value | 2013 Fair value | 2012 Balance sheet value | 2012 Fair value |
|---|--------------------------------|--------------------|--------------------------------|--------------------|
| Assets | | | | |
| Cash | 895,755 | 895,755 | 380,497 | 380,497 |
| Government paper | 48,000 | 47,860 | – | – |
| Banks | 551,541 | 550,832 | 561,167 | 561,927 |
| Loans | 3,544,716 | 3,509,290 | 3,285,359 | 3,325,547 |
| Interest-bearing securities including premiums/discounts | 1,251,033 | 1,276,816 | 918,985 | 964,325 |
| Shares | 4 | 4 | 4 | 4 |
| Participating interests | 7,630 | 7,630 | 7,594 | 7,594 |
| Other | 144,773 | 152,807* | 134,269 | 122,371* |
| | 6,443,452 | 6,440,994 | 5,287,875 | 5,362,265 |
| Liabilities | | | | |
| Banks | 62,105 | 62,105 | 62,799 | 62,799 |
| Funds entrusted | 5,650,103 | 5,671,748 | 4,593,501 | 4,632,197 |
| Other | 77,212 | 77,212 | 66,306 | 66,306 |
| Equity | 654,032 | 654,032 | 565,269 | 565,269 |
| Revaluation | – | -24,103 | – | 35,694 |
| | 6,443,452 | 6,440,994 | 5,287,875 | 5,362,265 |

* The fair value is negatively impacted by the tax effect of all fair value adjustments which has been posted as other.

| | 2013 Fair value | 2012 Fair value |
|----------------------------|--------------------|--------------------|
| Derivatives | | |
| Currency forward contracts | 1,135 | 812 |

The estimated fair values provided by financial institutions are considered not to be comparable on an individual basis, due to the differences in valuation methods applied and the use of estimates in these valuations. The lack of an objective method of valuation means that estimated fair values are subjective in respect of the assumed maturity and interest rates used.

Off-balance sheet liabilities

19. Contingent liabilities

This item relates to credit-substitute guarantees and non-credit-substitute guarantees that are partly secured by blocked accounts for the same amount.

20. Irrevocable facilities

These relate to the total liabilities in respect of irrevocable undertakings, which may lead to a further loan.

Other off-balance sheet liabilities

In addition to the contingent liabilities and irrevocable facilities reported on the balance sheet, the deposit guarantee scheme and the investor compensation scheme is applicable as stated in Article 3:259 of the Act on Financial Supervision.

Rental commitments

in thousands of EUR

| Location | Amount per annum | Residual term |
|-------------------------------|------------------|---------------|
| Zeist, The Netherlands | 575 | 20 months |
| Zeist, The Netherlands | 160 | 48 months |
| Brussels, Belgium | 645 | 63 months |
| Bristol, United Kingdom | 792 | 147 months |
| Edinburgh, United Kingdom | 31 | 9 months |
| Barcelona, Spain | 149 | 10 months |
| Bilbao, Spain | 14 | 3 months |
| Gerona, Spain | 18 | 61 months |
| Granada, Spain | 40 | 22 months |
| La Coruna, Spain | 15 | 3 months |
| Las Palmas, Spain | 7 | 3 months |
| Madrid, Spain | 460 | 22 months |
| Madrid, Spain | 123 | 3 months |
| Madrid, Spain | 19 | 19 months |
| Murcia, Spain | 85 | 7 months |
| Oviedo, Spain | 71 | 10 months |
| Palma de Mallorca, Spain | 92 | 16 months |
| Pamplona, Spain | 62 | 12 months |
| Santa Cruz de Tenerife, Spain | 27 | 6 months |
| Sevilla, Spain | 96 | 16 months |
| Valencia, Spain | 16 | 3 months |
| Valladolid, Spain | 22 | 3 months |
| Zaragoza, Spain | 15 | 6 months |
| Frankfurt, Germany | 267 | 10 months |

Lease commitments

in thousands of EUR

Lease commitments relates primarily to cars have been entered between 2 and 48 months with an annual charge of EUR 759.

Commitments for software use

in thousands of EUR

The following commitments have been entered for software use:

- A fixed annual payment of EUR 28 regarding the maintenance of an e-mail management system.
- For a period of at least 1 year a variable annual charge of approximately EUR 234 regarding the use of a banking system.

Other commitments

in thousands of EUR

The following commitments have been entered:

- Services relating managing of mortgages for a period of at least 1 year with an annual charge of EUR 276.
- Services relating payment transactions for a period of at least 5 years with an variable annual charge of approximately EUR 2,800.
- Services relating protection of payment systems for a period of at least 2.5 years with an variable annual charge of approximately EUR 218.

In 2010 Triodos Bank signed a joint operating agreement with a real estate developer which was amended in 2011. The objective of this agreement is to build a new office building for Triodos Bank before the third quarter of 2016. At the end of 2011 Triodos Bank signed an agreement with a third party to purchase land before September 1, 2014. This purchase depends on meeting a number of specified conditions.

Income

21. Interest income

| | 2013 | 2012 |
|---|----------------|----------------|
| Loans | 131,738 | 124,554 |
| Banks | 3,974 | 7,530 |
| Government papers and interest-bearing securities | 28,862 | 26,215 |
| Other investments | 43 | 64 |
| | 164,617 | 158,363 |

The interest income includes revenues derived from loans and related transactions, as well as related commissions, which by their nature are similar to interest payments. The interest-bearing securities item includes transaction results in the amount of EUR 3.4 million (2012: EUR 5.6 million).

22. Interest expense

| | 2013 | 2012 |
|--------------------------|---------------|---------------|
| Funds entrusted | 50,834 | 53,174 |
| Subordinated liabilities | 302 | 641 |
| Banks | 1,522 | 1,355 |
| Other | 3 | 48 |
| | 52,661 | 55,218 |

The subordinated liabilities item includes a transaction result in the amount of EUR 0.0 million (2012: EUR 0.1 million).

23. Investment income

| | 2013 | 2012 |
|------------------------------------|------------|----------|
| Dividend from other participations | 120 | – |
| | 120 | – |

24. Commission income

| | 2013 | 2012 |
|-------------------------|---------------|---------------|
| Guarantee commission | 511 | 540 |
| Share register | 4,236 | 3,844 |
| Payment transactions | 8,101 | 5,607 |
| Lending | 9,000 | 8,952 |
| Asset Management | 5,128 | 4,185 |
| Management fees | 25,574 | 25,677 |
| Other commission income | 443 | 184 |
| | 52,993 | 48,989 |

25. Commission expense

| | 2013 | 2012 |
|--------------------------|--------------|--------------|
| Commission to agents | 385 | 406 |
| Asset Management | 589 | 703 |
| Other commission expense | 1,321 | 736 |
| | 2,295 | 1,845 |

26. Result on financial transactions

| | 2013 | 2012 |
|--|------------|------------|
| Exchange results for foreign currency transactions | -83 | 115 |
| Transaction results on currency forward contracts | 520 | 318 |
| | 437 | 433 |

27. Other income

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

Expenses

28. Co-worker and other administrative expenses

| | 2013 | 2012 |
|---|----------------|---------------|
| Co-worker costs: | | |
| • salary expenses | 45,625 | 39,536 |
| • pension expenses | 4,850 | 4,520 |
| • social security expenses | 7,863 | 6,826 |
| • temporary co-workers | 4,040 | 4,988 |
| • other staff costs | 5,016 | 4,459 |
| • capitalised co-worker costs | -514 | -1,075 |
| | 66,880 | 59,254 |
| Other administrative expenses: | | |
| • office costs | 4,274 | 4,316 |
| • IT costs | 5,439 | 4,282 |
| • external administration costs | 4,166 | 3,556 |
| • travel and lodging expenses | 3,034 | 2,696 |
| • fees for advice and auditor | 3,527 | 2,631 |
| • advertising charges | 7,061 | 7,142 |
| • accommodation expenses | 7,084 | 7,044 |
| • other expenses | 2,712 | 2,773 |
| | 37,297 | 34,440 |
| | 104,177 | 93,694 |
| Average number of co-workers on a full-time basis | 789.8 | 697.7 |

Pension expenses

| | 2013 | 2012 |
|---|-------|-------|
| Pension expenses, defined contribution schemes | 2,540 | 2,266 |
| Pension expenses, defined benefit pension schemes | 2,310 | 2,254 |
| | 4,850 | 4,520 |

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

Pension scheme per country

Triodos Bank's pension scheme in The Netherlands is a combination of a defined benefit pension scheme and a defined contribution scheme. For the part of the gross annual salary up to EUR 50,065, a defined benefit pension scheme applies; the obligation vis-à-vis the participating co-workers consists of the granting of the accrued pension. For the part of the gross annual salary above EUR 50,065, a defined contribution scheme applies; the commitment to the participating co-workers consists of paying the outstanding contribution.

In The Netherlands, co-workers of related parties also participate in the pension scheme. The total pension commitment and the resulting expenses are reported within the Notes to the consolidated Annual Accounts of Triodos Bank NV. Part of the expenses are charged to the respective related parties, based on their share of the total salaries of the participating co-workers.

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

In the United Kingdom and Germany, participation in the pension scheme is voluntary. In the United Kingdom, the co-workers' contribution varies between 0% and 15% of the salary. The employer's contribution amounts to 3% or 10% of the salary. 85% of the co-workers in the United Kingdom participate in the pension scheme. In Germany, the co-workers' contribution is 3.33% of the salary and the employer's contribution is 6.67%. 95% of the co-workers in Germany participate in the pension scheme.

Other expenses

The other expenses includes a positive adjustment regarding the estimated loss from the deposit guarantee scheme based on information from the Dutch Banking Association in the amount of EUR 0.8 million (2012: positive adjustment of EUR 0.6 million).

Remuneration policy

The remuneration system employed by Triodos Bank is based on the principle that the income is generated by the joint efforts of all co-workers.

The remuneration paid to the members of the Executive Board is set by the Supervisory Board upon advice of the Nomination and Compensation Committee. The basic principles of the Triodos Bank remuneration system are taken into account.

The remuneration paid to Supervisory Board members and members of the Foundation for the Administration of Triodos Bank Shares (SAAT) Board of Trustees is set at the Annual General Meeting of Shareholders and the annual Meeting of Depository Receipt Holders respectively, whereby modest remuneration is offered in so that sufficient qualified members can be attracted and retained.

Key elements of Triodos Bank's international remuneration policy are:

- Triodos Bank continues not to offer bonus or share option schemes to either its Board members or co-workers. Financial incentives are not considered an appropriate way to motivate and reward co-workers in a values-based bank. In addition, sustainability is by its very nature the result of a combined effort by team members aimed at both the short and long term.
- Triodos Bank may provide additional individual "tokens of appreciation" to co-workers to a maximum of one months' salary. These contributions are for extraordinary achievements and are at the discretion of management after consultation with Human Resources. Such a token is not based on pre-set targets, and always offered in retrospect.
- An annual, collective token of appreciation can be paid for the overall achievements and contribution of all co-workers. This very modest amount is the same, for all co-workers with a maximum of € 500 for each co-worker. This can be paid in cash or in Triodos Bank NV depository receipts. In 2013 co-workers were granted a collective token of appreciation of € 300 per person. This amount is equal for all co-workers whether they work full-time or parttime and pro-rata for the year.
- Fixed salaries should be aligned with the median of the financial market to attract and retain the right quality of co-workers.
- The factor by which the maximum salary in the lowest scale and the maximum salary for senior management differs, will be monitored carefully in each country (the ratio in The Netherlands was 9.41 in 2013, as it was in 2012), to ensure the discrepancy between the highest and lowest remunerated co-workers is not excessive.
- Severance payments should be modest. If in a country legislation or generally accepted norms are available, these should be followed. Severance payments should, at all times, avoid rewarding underperformance.

The table below provides the loans that have been granted to the members of the Executive Board.

| | 2013 Amount outstanding | 2013 Average interest rate | 2013 Repayments | 2012 Amount outstanding | 2012 Average interest rate | 2012 Repayments |
|-------------|-------------------------------|----------------------------------|--------------------|-------------------------------|----------------------------------|--------------------|
| Pierre Aeby | 125 | 3.6% | – | 125 | 3.6% | – |

No other loans, advances or guarantees have been granted to members of the Executive Board, Supervisory Board members or members of SAAT's Board of Trustees. For reasons of principle, no share option scheme is offered to members of the Executive Board, Supervisory Board members or members of SAAT's Board of Trustees.

Remuneration paid to the Executive Board

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

| | 2013 | 2012 |
|--------------------------------------|------------|------------|
| Fixed salary expenses | 657 | 537 |
| Variable salary expense ¹ | 1 | – |
| Pension expenses | 169 | 161 |
| Private use company car | 41 | 35 |
| Social expenses | 28 | 24 |
| Crisis tax | 27 | 31 |
| | 923 | 788 |

¹ In 2013, all Triodos Bank co-workers, including the members of the Executive Board, received an collective end-of-year Token of Appreciation of EUR 300 per person.

The salary expenses of the Executive Board may be broken down as follows:

| | 2013 | 2012 |
|---------------------|------------|------------|
| Pierre Aeby* | 231 | 223 |
| Peter Blom* | 272 | 272 |
| Jellie Banga ** | 154 | – |
| Michael Jongeneel** | – | 42 |
| | 657 | 537 |

* Statutory director

** Michael Jongeneel was appointed as director of Triodos Investment Management from January 1, 2012. He stepped down from the Executive Board on April 1, 2012 and was appointed as acting Chief Operating Officer (COO) till March 1, 2013. Jellie Banga was appointed as COO from March 1, 2013.

Remuneration paid to the Supervisory Board

The remuneration paid to the Supervisory Board is as follows:

| Amounts in EUR | 2013 Remuneration | 2013 Fees for Committees | 2013 Compensation for travel time | 2013 Total | 2012 Total |
|---------------------------------------|----------------------|--------------------------------|---|----------------|----------------|
| David Carrington | 16,458 | 1,750 | 3,500 | 21,708 | 16,958 |
| Marcos Eguiguren Huerta | 16,458 | 4,000 | 3,000 | 23,458 | 21,458 |
| Marius Frank (until 17th May 2013) | 6,250 | 1,771 | 500 | 8,521 | 18,208 |
| Mathieu van den Hoogenband | 16,458 | 2,479 | 1,000 | 19,937 | 13,958 |
| Jan Lamers | 16,458 | – | 3,500 | 19,958 | 17,458 |
| Margot Scheltema | 16,458 | 5,000 | 500 | 21,958 | 18,958 |
| Hans Voortman (Chair) | 23,750 | 3,000 | 2,000 | 28,750 | 23,542 |
| Carla van der Weerd | 16,458 | 4,000 | 500 | 20,958 | 17,958 |
| | 128,748 | 22,000 | 14,500 | 165,248 | 148,498 |

The fees paid to Supervisory Board members were adjusted in the Annual General Meeting held on 17 May 2013.

The following fees apply:

- EUR 17,500 per annum for an ordinary member;
- EUR 25,000 per annum for the Chair;
- EUR 4,000 per annum for a member of the Audit & Risk Committee;
- EUR 5,000 per annum for the chair of the Audit & Risk Committee;
- EUR 3,000 per annum for members of the Nomination and Compensation Committee;
- EUR 4,250 per annum for the chair of the Nomination and Compensation Committee;
- EUR 500 per return travel (to a maximum of EUR 10,000 per annum) as compensation for travelling time for those Supervisory Board members who travel to a meeting outside their home country.

Mr. Eguiguren Huerta, Ms. Van der Weerd and Ms. Scheltema (Chair) are the members of the Audit & Risk Committee. Mr. Frank (Chair until May 2013), Mr. Van den Hoogenband (Chair since May 2013), Mr. Carrington (since May 2013) and Mr. Voortman are the members of the Nomination and Compensation Committee.

Remuneration of the Board of Trustees of SAAT

The remuneration for the members of the Board of Trustees of the Foundation for the Administration of Triodos Bank Shares, is as follows (amounts in EUR):

| Amounts in EUR | 2013 Remuneration | 2013 Compensation for travel time | 2013 Total | 2012 Total |
|--|----------------------|---|---------------|---------------|
| Marjatta van Boeschoten | 6,479 | 3,000 | 9,479 | 8,167 |
| Sandra Castaneda Elena (since May 17, 2013) | 4,083 | 500 | 4,583 | – |
| Frans de Clerck | 6,479 | 3,500 | 9,979 | 7,667 |
| Luis Espiga (until May 17, 2013) | 2,396 | 1,500 | 3,896 | 8,667 |
| Jan Nijenhof | 6,479 | 2,000 | 8,479 | 5,667 |
| Max Rutgers van Rozenburg (Chair, until May 17, 2013) | 3,500 | 1,500 | 5,000 | 9,192 |
| Josephine de Zwaan (Chair since May 17, 2013) | 8,229 | 3,000 | 11,229 | 6,167 |
| | 37,645 | 15,000 | 52,645 | 45,527 |

The fees paid to members of the SAAT Board of Trustee were adjusted in the Annual General Meeting held on 17 May 2013.

The following fees apply:

- EUR 7,000 per annum for an ordinary member;
- EUR 10,000 per annum for the chairperson;
- EUR 500 per return travel (with a maximum of 10 return travels per annum) as compensation for travelling time for those Board members who travel to a meeting outside their home country.

Auditor's fees

The table below specifies the fees of the KPMG audit firm that relate to services concerning the financial year.

The column Other KPMG network specifies the fees that were invoiced by KPMG units with the exception of KPMG Accountants NV. The comparable figures for 2012 have been adjusted to reflect the change in the specified fees.

| 2013 | KPMG Accountants NV | Other KPMG network | Total KPMG network |
|-----------------------------------|------------------------|-----------------------|-----------------------|
| Audit of the financial statements | 343 | 146 | 489 |
| Other audit-related engagements | 55 | 136 | 191 |
| Tax-related advisory services | – | 70 | 70 |
| Other non-audit services | – | 15 * | 15 |
| Total | 398 | 367 | 765 |

* This relates to contractual agreements agreed and signed in 2012.

| 2012 | KPMG Accountants NV | Other KPMG network | Total KPMG network |
|-----------------------------------|------------------------|-----------------------|-----------------------|
| Audit of the financial statements | 300 | 147 | 447 |
| Other audit-related engagements | 53 | 108 | 161 |
| Tax-related advisory services | – | 55 | 55 |
| Other non-audit services | – | 15 | 15 |
| Total | 353 | 325 | 678 |

29. Depreciation, amortisation and value adjustments of intangible and tangible fixed assets

| | 2013 | 2012 |
|---|--------------|--------------|
| Amortisation of intangible fixed assets | 2,510 | 3,101 |
| Impairment of intangible fixed assets | 182 | – |
| Depreciation of property and equipment | 3,664 | 3,291 |
| Impairment of property for own use | 2,065 | – |
| | 8,421 | 6,392 |

Depreciation has been reduced by the part that is charged on to related parties.
The property for own use was valued by an external appraiser in November 2013.

30. Value adjustments to receivables

This item consists of expenses associated with write-downs on loans and other receivables. In 2013, there is an expense item of EUR 17.1 million (2012: expense of EUR 20.9 million).

31. Taxation on operating result

| | 2013 | 2012 |
|---------------------|--------------|--------------|
| Taxation to be paid | 11,075 | 9,008 |
| Deferred taxation | -2,545 | -847 |
| | 8,530 | 8,161 |

The reconciliation between the statutory and the effective taxation rate is as follows:

| | 2013 | 2012 |
|---|--------------|--------------|
| Result before taxation | 34,213 | 30,787 |
| Statutory tax rate | 25.0% | 25.0% |
| Statutory tax amount | 8,553 | 7,697 |
| Difference arising from other tax rates abroad, exemptions and non-deductible items | -61 | 474 |
| Restatement of deferred taxation items as the result of amended tax rates | 38 | -10 |
| Effective tax amount | 8,530 | 8,161 |
| Effective tax rate | 24.9% | 26.5% |

Fiscal unity

Triodos Bank, as a parent company, forms a tax unity for value added tax and corporate income tax purposes with Triodos Assurantiën in liquidation, Triodos Cultuurbank in liquidation, Triodos Finance, Triodos Investment Management, Kantoor Buitenzorg, Kantoor Nieuweroord and Triodos Nieuwbouw as subsidiaries. The method chosen for the taxation set-off between Triodos Bank and its subsidiaries is that of proceeding as if the legal entities were independently liable to pay tax. In fact, the legal entities are jointly and severally liable for the tax liabilities of the companies belonging to the fiscal unity.

Related parties

Triodos Bank has links with the following legal entities:

- Triodos Bank provides services to Triodos Mees Pierson and Triodos Fair Share Fund at competitive rates. The services relate to the secondment of co-workers, management services, administration, accommodation, ICT and advertising.
- Triodos Bank holds funds of and provides banking services to related parties at competitive rates.
- Triodos Bank provides credit facilities and bank guarantees to investment funds and international funds at competitive rates.
- Triodos Bank lets office accommodation to Triodos Facet at a competitive lease.
- Triodos Bank has acted as a guarantor for Triodos Groenfonds at a competitive guarantee commission.
- Triodos Bank and Triodos Investment Management carry out management activities for investment funds and receive a competitive management fee for these activities.
- Triodos Custody performs custodial services for Triodos Fair Share Fund at a competitive fee.
- Triodos Bank distributes and registers securities, issued by investment funds and placed with customers of Triodos Bank, at competitive rates.
- Triodos Bank performs currency transactions for investment funds and international funds at competitive rates.
- Triodos Investment Management provides supervisory director activities for Sustainalytics BV and receive a competitive fee.
- Triodos Investment Management and Triodos Mees Pierson obtains information for research into sustainability from Sustainalytics at competitive rates.
- Triodos Mees Pierson passes on a share of the received administration fee to Sustainalytics as remuneration for their share in the performed administration activities.
- Triodos Mees Pierson manages an investment portfolio of Triodos Groenfonds at a competitive management fee.

Segment reporting

Key figures 2013 by branch and business unit

| in thousands of EUR | Bank The Netherlands | Bank Belgium | Bank United Kingdom | Bank Spain |
|---|----------------------------|------------------|---------------------------|------------------|
| Funds entrusted | 2,243,447 | 1,274,158 | 789,257 | 1,214,035 |
| Number of accounts | 274,380 | 60,085 | 43,158 | 170,068 |
| Loans | 1,177,879 | 832,185 | 617,770 | 740,864 |
| Number | 22,467 | 2,179 | 1,176 | 2,772 |
| Balance sheet total | 2,760,337 | 1,440,200 | 991,595 | 1,383,356 |
| Funds under management ¹ | | | | |
| Total assets under management | 2,760,337 | 1,440,200 | 991,595 | 1,383,356 |
| Total income | 48,874 | 30,726 | 18,082 | 31,114 |
| Operating expenses | -28,729 | -18,282 | -12,847 | -23,086 |
| Value adjustments to receivables | -8,264 | 589 | -2,323 | -2,687 |
| Value adjustments to participations | | | | |
| Operating result | 11,881 | 13,033 | 2,912 | 5,341 |
| Taxation on operating result | -2,787 | -3,395 | -906 | -1,697 |
| Net profit | 9,094 | 9,638 | 2,006 | 3,644 |
| Average number of co-workers on a full-time basis | 131.3 | 93.9 | 99.2 | 195.5 |
| Operating expenses/total income | 59% | 60% | 71% | 74% |

1. Note that at the time this statement was prepared, the Annual Accounts of funds under management had not yet been finalized.

| Bank Germany | Total banking activities | Investment Management | Private Banking | Other | Elimination intercompany transactions | Total |
|-----------------|--------------------------------|--------------------------|--------------------|------------------|---|------------------|
| 139,277 | 5,660,174 | | | | -10,071 | 5,650,103 |
| 8,455 | 556,146 | | | | | 556,146 |
| 176,240 | 3,544,938 | | | | -222 | 3,544,716 |
| 1,026 | 29,620 | | | | | 29,620 |
| 236,629 | 6,812,117 | | | 1,134,394 | -1,499,858 | 6,446,653 |
| | | 2,504,415 | 685,354 | 9,643 | | 3,199,412 |
| 236,629 | 6,812,117 | 2,504,415 | 685,354 | 1,144,037 | -1,499,858 | 9,646,065 |
| 5,795 | 134,591 | 24,716 | 3,633 | 1,698 | -973 | 163,665 |
| -7,492 | -90,436 | -18,493 | -2,700 | -2,051 | 1,082 | -112,598 |
| -4,376 | -17,061 | | | | | -17,061 |
| | | | | 207 | | 207 |
| -6,073 | 27,094 | 6,223 | 933 | -146 | 109 | 34,213 |
| 1,791 | -6,994 | -1,556 | -227 | 274 | -27 | -8,530 |
| -4,282 | 20,100 | 4,667 | 706 | 128 | 82 | 25,683 |
| 35.1 | 555.0 | 89.1 | 14.2 | 131.5 | | 789.8 |
| 129% | 67% | 75% | 74% | | | 69% |

Key figures 2012

by branch and business unit

| in thousands of EUR | Bank The Netherlands | Bank Belgium | Bank United Kingdom | Bank Spain |
|---|----------------------------|------------------|---------------------------|------------------|
| Funds entrusted | 1,933,772 | 1,097,423 | 617,759 | 858,565 |
| Number of accounts | 240,449 | 54,358 | 37,795 | 117,107 |
| Loans | 1,102,050 | 720,934 | 591,344 | 682,832 |
| Number | 18,784 | 2,024 | 1,155 | 1,648 |
| Balance sheet total | 2,315,348 | 1,244,899 | 820,389 | 1,002,859 |
| Funds under management ¹ | | | | |
| Total assets under management | 2,315,348 | 1,244,899 | 820,389 | 1,002,859 |
| Total income | 44,108 | 33,400 | 17,211 | 26,525 |
| Operating expenses | -27,393 | -17,004 | -13,364 | -16,763 |
| Value adjustments to receivables | -14,544 | -2,968 | -990 | -1,520 |
| Value adjustments to participations | | | | |
| Operating result | 2,171 | 13,428 | 2,857 | 8,242 |
| Taxation on operating result | -363 | -3,616 | -756 | -2,611 |
| Net profit | 1,808 | 9,812 | 2,101 | 5,631 |
| Average number of co-workers on a full-time basis | 125.1 | 86.1 | 90.9 | 150.2 |
| Operating expenses/total income | 62% | 51% | 78% | 63% |

1. Note that at the time this statement was prepared, the Annual Accounts of funds under management had not yet been finalized.

| Bank Germany | Total banking activities | Investment Management | Private Banking | Other | Elimination intercompany transactions | Total |
|-----------------|--------------------------------|--------------------------|--------------------|------------------|---|------------------|
| 90,191 | 4,597,710 | | | | -4,209 | 4,593,501 |
| 5,218 | 454,927 | | | | | 454,927 |
| 188,530 | 3,285,690 | | | | -331 | 3,285,359 |
| 471 | 24,082 | | | | | 24,082 |
| 233,818 | 5,617,313 | | | 997,876 | -1,324,306 | 5,290,883 |
| | | 2,187,189 | 557,471 | 9,199 | | 2,753,859 |
| 233,818 | 5,617,313 | 2,187,189 | 557,471 | 1,007,075 | -1,324,306 | 8,044,742 |
| 4,781 | 126,025 | 23,345 | 3,026 | 60 | -890 | 151,566 |
| -6,556 | -81,080 | -17,547 | -2,362 | -142 | 1,045 | -100,086 |
| -889 | -20,911 | | | | | -20,911 |
| | | | | 218 | | 218 |
| -2,664 | 24,034 | 5,798 | 664 | 136 | 155 | 30,787 |
| 722 | -6,624 | -1,567 | -161 | 230 | -39 | -8,161 |
| -1,942 | 17,410 | 4,231 | 503 | 366 | 116 | 22,626 |
| 29.4 | 481.7 | 82.3 | 12.8 | 120.9 | | 697.7 |
| 137% | 64% | 75% | 78% | | | 66% |

Lending by sector in 2013 after intercompany eliminations

| in thousands of EUR | Total | | | The Netherlands | | | Belgium |
|--------------------------|------------------|---------------|---------------|------------------|---------------|---------------|----------------|
| | amount | % | number | amount | % | number | amount |
| Environment | | | | | | | |
| Organic farming | 113,515 | 3.2% | 737 | 30,817 | 2.6% | 257 | 4,185 |
| Organic food | 74,535 | 2.1% | 610 | 22,355 | 1.9% | 319 | 11,905 |
| Renewable energy | 1,168,996 | 33.0% | 789 | 163,671 | 13.9% | 85 | 371,904 |
| Sustainable property | 329,416 | 9.3% | 537 | 192,963 | 16.4% | 233 | 94,696 |
| Environmental technology | 52,109 | 1.5% | 165 | 11,967 | 1.0% | 50 | 23,049 |
| | 1,738,571 | 49.1% | 2,838 | 421,773 | 35.8% | 944 | 505,739 |
| Social | | | | | | | |
| Retail non-food | 13,508 | 0.4% | 139 | 6,039 | 0.5% | 80 | 1,623 |
| Production | 22,754 | 0.6% | 137 | 5,475 | 0.5% | 59 | 13,156 |
| Professional services | 102,408 | 2.9% | 389 | 50,188 | 4.4% | 106 | 10,506 |
| Social housing | 223,804 | 6.3% | 312 | 17,812 | 1.5% | 125 | 24,734 |
| Healthcare | 513,590 | 14.5% | 1,043 | 174,495 | 14.8% | 447 | 132,555 |
| Social projects | 87,841 | 2.5% | 408 | 1,237 | 0.1% | 16 | 12,513 |
| Fair trade | 2,397 | 0.1% | 32 | 431 | 0.0% | 7 | 780 |
| Development cooperation | 54,786 | 1.5% | 36 | 44,135 | 3.8% | 11 | 4,780 |
| | 1,021,088 | 28.8% | 2,496 | 299,812 | 25.6% | 851 | 200,647 |
| Culture | | | | | | | |
| Education | 111,475 | 3.2% | 341 | 22,824 | 1.9% | 75 | 24,568 |
| Child care | 13,937 | 0.4% | 101 | 10,768 | 0.9% | 79 | 2,299 |
| Arts and culture | 220,685 | 6.2% | 687 | 160,488 | 13.6% | 302 | 18,702 |
| Philosophy of life | 71,968 | 2.0% | 270 | 13,447 | 1.1% | 54 | 3,868 |
| Recreation | 104,173 | 2.9% | 250 | 56,331 | 4.8% | 126 | 6,964 |
| | 522,238 | 14.7% | 1,649 | 263,858 | 22.3% | 636 | 56,401 |
| Private loans | 253,191 | 7.1% | 22,636 | 182,808 | 15.5% | 20,035 | 69,398 |
| Municipality loans | 9,628 | 0.3% | 1 | 9,628 | 0.8% | 1 | – |
| Total | 3,544,716 | 100.0% | 29,620 | 1,177,879 | 100.0% | 22,467 | 832,185 |

| Belgium | | United Kingdom | | | Spain | | | Germany | | |
|---------------|--------------|----------------|---------------|--------------|----------------|---------------|--------------|----------------|---------------|--------------|
| % | number | amount | % | number | amount | % | number | amount | % | number |
| 0.5% | 75 | 47,508 | 7.7% | 254 | 29,792 | 4.0% | 135 | 1,213 | 0.7% | 16 |
| 1.4% | 66 | 11,418 | 1.8% | 59 | 19,209 | 2.7% | 124 | 9,648 | 5.5% | 42 |
| 44.7% | 220 | 166,860 | 27.0% | 147 | 381,485 | 51.5% | 299 | 85,076 | 48.3% | 38 |
| 11.4% | 94 | 5,932 | 1.0% | 18 | 35,825 | 4.8% | 192 | – | 0.0% | – |
| 2.8% | 50 | 9,631 | 1.6% | 15 | 7,462 | 1.0% | 50 | – | 0.0% | – |
| 60.8% | 505 | 241,349 | 39.1% | 493 | 473,773 | 64.0% | 800 | 95,937 | 54.5% | 96 |
| 0.2% | 24 | 3,768 | 0.6% | 14 | 2,078 | 0.3% | 21 | – | 0.0% | – |
| 1.6% | 57 | – | 0.0% | – | 4,123 | 0.6% | 21 | – | 0.0% | – |
| 1.3% | 69 | 38,985 | 6.3% | 49 | 2,700 | 0.4% | 47 | 29 | 0.0% | 118 |
| 3.0% | 25 | 166,652 | 26.9% | 146 | – | 0.0% | – | 14,606 | 8.3% | 16 |
| 15.9% | 234 | 61,150 | 9.9% | 99 | 101,787 | 13.7% | 186 | 43,603 | 24.8% | 77 |
| 1.5% | 91 | 11,674 | 1.9% | 66 | 62,417 | 8.4% | 235 | – | 0.0% | – |
| 0.1% | 10 | 595 | 0.1% | 8 | 441 | 0.1% | 5 | 150 | 0.1% | 2 |
| 0.6% | 14 | 358 | 0.1% | 1 | 5,513 | 0.7% | 10 | – | 0.0% | – |
| 24.2% | 524 | 283,182 | 45.8% | 383 | 179,059 | 24.2% | 525 | 58,388 | 33.2% | 213 |
| 2.9% | 130 | 18,776 | 3.0% | 44 | 24,586 | 3.3% | 70 | 20,721 | 11.8% | 22 |
| 0.3% | 15 | 656 | 0.1% | 5 | 214 | 0.0% | 2 | – | 0.0% | – |
| 2.2% | 153 | 9,697 | 1.6% | 45 | 31,795 | 4.3% | 159 | 3 | 0.0% | 28 |
| 0.5% | 20 | 44,959 | 7.3% | 163 | 8,980 | 1.2% | 30 | 714 | 0.4% | 3 |
| 0.8% | 40 | 19,126 | 3.1% | 42 | 21,522 | 2.9% | 37 | 230 | 0.1% | 5 |
| 6.7% | 358 | 93,214 | 15.1% | 299 | 87,097 | 11.7% | 298 | 21,668 | 12.3% | 58 |
| 8.3% | 792 | 25 | 0.0% | 1 | 935 | 0.1% | 1,149 | 25 | 0.0% | 659 |
| 0.0% | – | – | 0.0% | – | – | 0.0% | – | – | 0.0% | – |
| 100.0% | 2,179 | 617,770 | 100.0% | 1,176 | 740,864 | 100.0% | 2,772 | 176,018 | 100.0% | 1,026 |

Lending by sector in 2012 after intercompany eliminations

| in thousands of EUR | Total | | | The Netherlands | | | Belgium |
|--------------------------|------------------|---------------|---------------|------------------|---------------|---------------|----------------|
| | amount | % | number | amount | % | number | amount |
| Environment | | | | | | | |
| Organic farming | 109,721 | 3.3% | 680 | 30,134 | 2.7% | 253 | 4,543 |
| Organic food | 77,472 | 2.4% | 630 | 27,247 | 2.5% | 383 | 12,134 |
| Renewable energy | 1,124,698 | 34.2% | 753 | 110,801 | 10.1% | 76 | 354,826 |
| Sustainable property | 230,527 | 7.0% | 451 | 138,918 | 12.6% | 205 | 62,272 |
| Environmental technology | 55,658 | 1.7% | 150 | 14,232 | 1.3% | 60 | 23,580 |
| | 1,598,076 | 48.6% | 2,664 | 321,332 | 29.2% | 977 | 457,355 |
| Social | | | | | | | |
| Retail non-food | 13,630 | 0.4% | 152 | 5,845 | 0.5% | 91 | 1,916 |
| Production | 18,484 | 0.6% | 127 | 5,579 | 0.5% | 60 | 10,865 |
| Professional services | 116,411 | 3.6% | 322 | 51,575 | 4.7% | 127 | 19,099 |
| Social housing | 188,267 | 5.7% | 304 | 27,801 | 2.5% | 128 | 17,151 |
| Healthcare | 424,519 | 12.9% | 894 | 143,496 | 13.0% | 434 | 103,249 |
| Social projects | 99,229 | 3.0% | 340 | 1,309 | 0.1% | 19 | 9,226 |
| Fair trade | 6,850 | 0.2% | 43 | 2,618 | 0.2% | 9 | 2,615 |
| Development cooperation | 58,110 | 1.8% | 45 | 46,046 | 4.2% | 14 | 5,420 |
| | 925,500 | 28.2% | 2,227 | 284,269 | 25.7% | 882 | 169,541 |
| Culture | | | | | | | |
| Education | 92,714 | 2.8% | 300 | 22,371 | 2.0% | 84 | 12,745 |
| Child care | 15,940 | 0.5% | 117 | 12,494 | 1.1% | 95 | 2,501 |
| Arts and culture | 135,991 | 4.1% | 591 | 97,777 | 8.9% | 339 | 16,323 |
| Philosophy of life | 72,312 | 2.2% | 256 | 12,049 | 1.1% | 48 | 2,845 |
| Recreation | 90,479 | 2.8% | 223 | 52,755 | 4.8% | 131 | 4,668 |
| | 407,436 | 12.4% | 1,487 | 197,446 | 17.9% | 697 | 39,082 |
| Private loans | 186,902 | 5.7% | 17,698 | 131,558 | 12.0% | 16,222 | 54,956 |
| Municipality loans | 167,445 | 5.1% | 6 | 167,445 | 15.2% | 6 | – |
| Total | 3,285,359 | 100.0% | 24,082 | 1,102,050 | 100.0% | 18,784 | 720,934 |

| Belgium | | United Kingdom | | | Spain | | | Germany | | |
|---------------|--------------|----------------|---------------|--------------|----------------|---------------|--------------|----------------|---------------|------------|
| % | number | amount | % | number | amount | % | number | amount | % | number |
| 0.6% | 75 | 50,757 | 8.6% | 258 | 22,928 | 3.4% | 82 | 1,359 | 0.7% | 12 |
| 1.7% | 64 | 11,132 | 1.9% | 58 | 16,123 | 2.5% | 95 | 10,836 | 5.8% | 30 |
| 49.2% | 194 | 158,210 | 26.8% | 142 | 407,598 | 59.7% | 304 | 93,263 | 49.6% | 37 |
| 8.6% | 129 | 8,570 | 1.4% | 17 | 20,767 | 3.0% | 100 | – | 0.0% | – |
| 3.3% | 56 | 13,070 | 2.2% | 16 | 4,776 | 0.7% | 18 | – | 0.0% | – |
| 63.4% | 518 | 241,739 | 40.9% | 491 | 472,192 | 69.3% | 599 | 105,458 | 56.1% | 79 |
| 0.3% | 33 | 5,315 | 0.9% | 15 | 554 | 0.1% | 8 | – | 0.0% | 5 |
| 1.5% | 53 | 501 | 0.1% | 2 | 1,539 | 0.2% | 12 | – | 0.0% | – |
| 2.6% | 85 | 40,289 | 6.8% | 48 | 5,438 | 0.8% | 47 | 10 | 0.0% | 15 |
| 2.4% | 23 | 129,010 | 21.8% | 140 | – | 0.0% | – | 14,305 | 7.6% | 13 |
| 14.3% | 193 | 60,503 | 10.2% | 98 | 71,616 | 10.5% | 121 | 45,655 | 24.2% | 48 |
| 1.3% | 78 | 16,717 | 2.8% | 63 | 71,977 | 10.4% | 180 | – | 0.0% | – |
| 0.4% | 12 | 980 | 0.2% | 13 | 511 | 0.1% | 6 | 126 | 0.1% | 3 |
| 0.8% | 19 | 508 | 0.1% | 2 | 6,136 | 0.9% | 10 | – | 0.0% | – |
| 23.6% | 496 | 253,823 | 42.9% | 381 | 157,771 | 23.0% | 384 | 60,096 | 31.9% | 84 |
| 1.8% | 118 | 19,571 | 3.3% | 40 | 16,183 | 2.4% | 34 | 21,844 | 11.6% | 24 |
| 0.3% | 15 | 709 | 0.1% | 5 | 236 | 0.0% | 2 | – | 0.0% | – |
| 2.3% | 152 | 11,401 | 1.9% | 44 | 10,490 | 1.5% | 56 | – | 0.0% | – |
| 0.4% | 16 | 48,154 | 8.2% | 159 | 8,486 | 1.2% | 30 | 778 | 0.4% | 3 |
| 0.6% | 28 | 15,947 | 2.7% | 35 | 17,109 | 2.5% | 29 | – | 0.0% | – |
| 5.4% | 329 | 95,782 | 16.2% | 283 | 52,504 | 7.6% | 151 | 22,622 | 12.0% | 27 |
| 7.6% | 681 | – | 0.0% | – | 365 | 0.1% | 514 | 23 | 0.0% | 281 |
| 0.0% | – | – | 0.0% | – | – | 0.0% | – | – | 0.0% | – |
| 100.0% | 2,024 | 591,344 | 100.0% | 1,155 | 682,832 | 100.0% | 1,648 | 188,199 | 100.0% | 471 |

Solvency

in thousands of EUR

The solvency is calculated according to the Basel II guidelines as set by the Dutch Central Bank.

| | 2013 | 2012 |
|---|----------------|----------------|
| The tier 1 capital and own funds can be specified as follows: | | |
| Share capital | 427,452 | 375,881 |
| Share premium | 118,162 | 101,656 |
| Statutory reserve | 5,116 | 6,031 |
| Other reserve | 77,439 | 59,067 |
| Retained earnings | 25,683 | 22,626 |
| Minus: proposed dividend | -16,671 | -14,659 |
| Minus: intangible fixed assets | -11,810 | -12,285 |
| Minus: 50% of the participating interest in other credit and financial institutions amounting to more than 10% of their capital | -2,134 | -2,178 |
| Tier 1 capital (a) | 623,237 | 536,139 |
| Revaluation reserve | 180 | 8 |
| Subordinated liabilities after deduction of discount ¹ | 2,115 | 3,170 |
| Minus: 50% of the participating interest in other credit and financial institutions amounting to more than 10% of their capital | -2,133 | -2,178 |
| Own funds (b) | 623,399 | 537,139 |
| Capital requirements (c) | 280,337 | 269,335 |
| Surplus of own funds (b-c) | 343,062 | 267,804 |
| Tier 1 ratio (a/c * 8%) | 17.8% | 15.9% |
| BIS ratio (b/c * 8%) | 17.8% | 16.0% |

The calculation of the Tier 1 ratio is based on the rules as at reporting date. The implementation of the Basel III rules will have an impact on the definition of the Tier 1 capital and the capital requirements. The Tier 1 ratio based on the Basel III rules is about 0.2% higher (2012: 0.1% lower).

1. Subordinated liabilities are weighted for 40% in the own funds (2012: 60%), due to the maturity which is shorter than 5 years.

The capital requirements can be specified as follows:

| | 2013 | 2012 |
|--|----------------|----------------|
| Capital requirement for credit risk | 258,142 | 250,188 |
| Capital requirement for market risk | – | – |
| Capital requirement for operational risk | 22,195 | 19,147 |
| | 280,337 | 269,335 |

The capital requirement for credit risk is 8% of the risk-weighted value of assets, off-balance sheet items and derivatives.

| | 2013 | 2012 |
|--|------------------|------------------|
| Risk-weighted assets | 2,947,225 | 2,827,869 |
| Risk-weighted off-balance sheet items | 266,956 | 282,258 |
| Risk-weighted derivatives | 12,600 | 17,225 |
| | 3,226,781 | 3,127,352 |
| Capital requirement percentage | 8% | 8% |
| Capital requirement amount for credit risk | 258,142 | 250,188 |

The capital requirement for market risk exclusively concerns exchange rate risk in the case of Triodos Bank. The capital requirement is 8% of the net open foreign currency position if the net open foreign currency position is more than 2% of the actual own funds. The capital requirement is zero if the net open foreign currency position is less than 2% of the actual own funds.

| | 2013 | 2012 |
|--|--------|--------|
| Bottom line of 2% of the actual own funds | 12,468 | 10,743 |
| Net open foreign currency position | 5,965 | 6,343 |
| Capital requirement percentage | 0% | 0% |
| Capital requirement amount for market risk | – | – |

The capital requirement for operational risk is 15% of the average income of the previous three years.

| | 2013 | 2012 |
|---|---------|---------|
| Total income 2010 | n/a | 102,702 |
| Total income 2011 | 128,661 | 128,661 |
| Total income 2012 | 151,566 | 151,566 |
| Total income 2013 | 163,665 | n/a |
| Average income previous three years | 147,964 | 127,643 |
| Capital requirement percentage | 15% | 15% |
| Capital requirement amount for operational risk | 22,195 | 19,147 |

Leverage ratio

in thousands of EUR

The leverage ratio is calculated according to the Basel III guidelines.

| | 2013 | 2012 |
|---|------------------|------------------|
| The tier 1 capital can be specified as follows: | | |
| Share capital | 427,452 | 375,881 |
| Share premium | 118,162 | 101,656 |
| Statutory reserve | 5,116 | 6,031 |
| Other reserve | 77,439 | 59,067 |
| Retained earnings | 25,683 | 22,626 |
| Revaluation reserve | 180 | 8 |
| Minus: proposed dividend | -16,671 | -14,659 |
| Tier 1 capital (a) | 637,361 | 550,610 |
| Regulatory adjustments to tier 1 capital: | | |
| Minus: intangible fixed assets | -11,810 | -12,285 |
| Associated deferred tax liability which would be extinguished if the intangible asset becomes impaired or derecognised. | 1,173 | 1,484 |
| Minus: deferred tax assets (excluding temporary differences only) | -5,067 | -3,293 |
| Total regulatory adjustments (b) | -15,704 | -14,094 |
| Tier 1 capital according Basel III guidelines (c) (a + b) | 621,657 | 536,516 |
| On Balance sheet exposure: | | |
| Total assets consolidated balance sheet | 6,446,653 | 5,290,883 |
| Regulatory adjustments to tier 1 capital (b) | -15,704 | -14,094 |
| Correction discounts on Interest bearing securities from liabilities to assets | -3,215 | -3,025 |
| Correction bookvalue derivatives | -7,573 | -4,973 |
| Total on balance sheet exposure (d) | 6,420,161 | 5,268,791 |
| Derivates exposures: | | |
| Replacement cost (mark to market-method) | 9,637 | 9,908 |
| Add-on amount (mark to market-method) | 16,617 | 15,378 |
| Total derivates exposure (e) | 26,254 | 25,286 |
| Off balance sheet exposure: | | |
| Contingent liabilities | 43,656 | 60,860 |
| Irrevocable facilities | 627,785 | 606,960 |
| Total off balance sheet exposure (f) | 671,441 | 667,820 |
| Total exposure (g) (d+e+f) | 7,117,856 | 5,961,897 |
| Leverage ratio (c/g) | 8.7% | 9.0% |

Risk management

in thousands of EUR

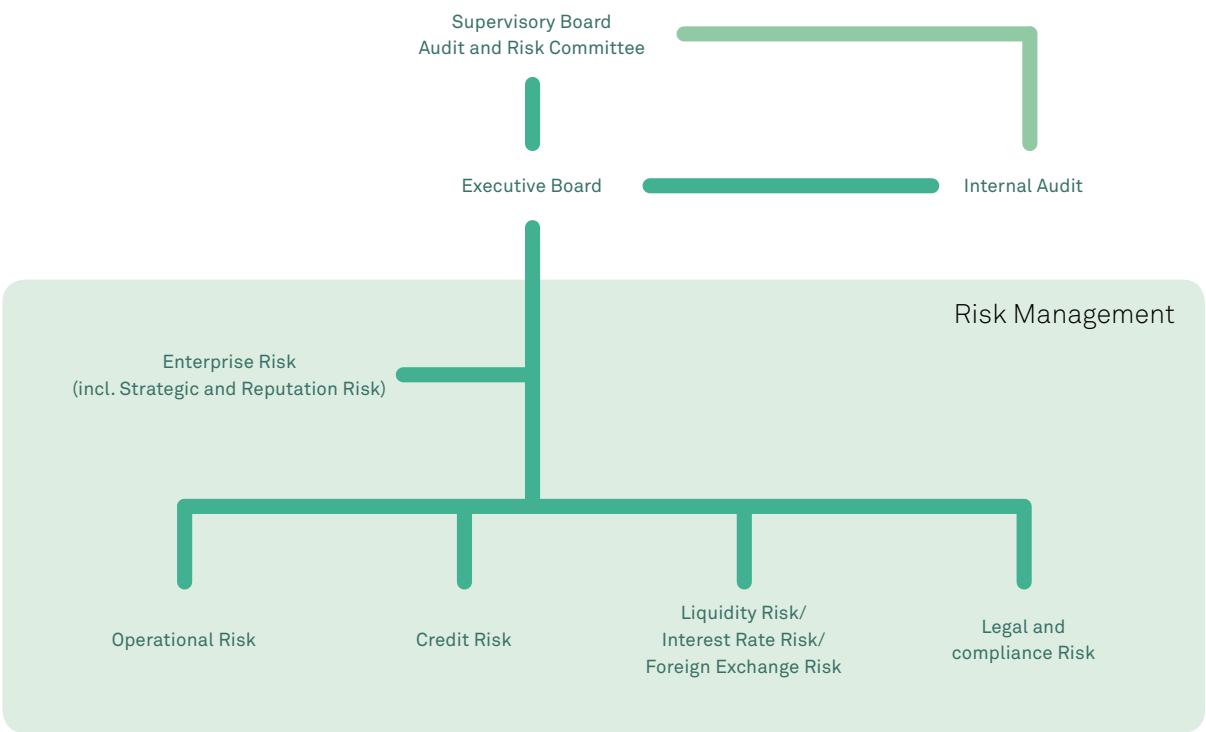
Risk Governance

The aim of Triodos Bank’s risk management activity is to ensure the long term resilience of the business. The organisation’s risk appetite reflects this goal.

Triodos Bank uses and maintains a framework of systems, procedures, limits, reports and checks to manage the risks it faces. The structure and organisation of its business processes comply with the applicable legislation and regulations for financial institutions and Triodos Bank’s sustainability aims. The three lines of defence model is the basis for managing the risks within Triodos Bank. The branches, business units and departments are responsible for managing their own risks (first line of defence). Risk managers (second line of defence) support and advise the branches, business units and departments in embedding risk management processes in the organisation.

Finally, Internal Audit (third line of defence) periodically assesses the design and effectiveness of internal processes and controls.

“Risks are monitored by various departments and committees who report directly to the Executive Board. Risk Management consists of various risk disciplines, which are coordinated by the Chief Risk Officer who, at Triodos Bank, is also the Chief Financial Officer (CFO). Measures are taken to assign these tasks to a Chief Risk Officer independent of the CFO function. The tasks within these disciplines are to support the business in identifying, assessing, mitigating and monitoring risks within the accepted risk appetite. Risk Management tasks also include analysing risks, preparing risk policies and guidelines for decision by the Executive board, and supporting and controlling their implementation in the organisation.



The Risk Management department produces the integrated report of all financial and non-financial risks, and monitors the risk profile in accordance with the accepted risk appetite.

Senior Management at each of Triodos Bank's business units is responsible for embedding the risk framework into their business.

The Executive Board has assigned the advisory responsibility for:

- Balance sheet management and related risks to the Assets and Liabilities Committee (Alco).

The Alco meets every month.

- Large loan approvals and counterparty and concentration risk to the Executive Board Credit Committee (EBCC). The EBCC meets every week.

The Audit and Risk Committee of the Supervisory Board supervises the risk management activities of Triodos Bank.

Regulatory requirements

Triodos Bank implemented the capital framework of the Basel Committee on Banking Supervision and reports according to the requirements stipulated by Basel II. Basel II Pillar I has different approaches to capital calculations regarding credit, operational and market risks. Triodos Bank opted for the Standard Approach for assigning capital is used to calculate credit risk and market risk. The Basic Indicator Approach is used to calculate the capital requirements for operational risk. The options chosen by Triodos Bank will not diminish its efforts to continue to improve and fine-tune its internal risk management system and capital calculations.

As part of Pillar II of Basel II, Triodos Bank also implemented the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP reflects the capital adequacy planning of Triodos Bank and is used for the Supervisory Review Evaluation Process (SREP) by the Dutch Central Bank as part of Pillar II requirements.

Pillar III of Basel II concerns the disclosure of solvency risks. Its purpose is to make data on solvency, and the connected risk profile of the organisation, available to stakeholders. In line with

regulations, this data is published where desirable or necessary in this annual report.

The yearly Internal Liquidity Adequacy Assessment Process (ILAAP) has been performed and submitted to the Dutch Central Bank as part of SREP. The ILAAP assesses Triodos Bank's liquidity adequacy during normal business activities and in times of stress.

During 2013 Triodos Bank developed a recovery plan in line with DNB requirement stipulated in the Financial Supervision Act (Wft). The recovery plan specifies measures Triodos Bank can take in order to survive a severe crisis on capital, liquidity and operational stability. The aim of a recovery plan is to be better prepared for a crisis and thus to lower the probability of default. For this purpose, the recovery plan identifies a number of measures aiming to strengthen Triodos Banks resilience. Also, it aims to identify potential impediments to the implementation of these measures and, where possible, ways to mitigate such impediments.

The Dutch Banking Code explicitly mentions that the Executive Board is responsible for adopting, implementing, monitoring and, where necessary, adjusting Triodos Bank's overall risk management framework. Triodos Bank implemented the recommendations set out by this Code.

The product approval process, that assesses all new products and markets against Triodos Bank's risk appetite and its duty of care to clients is in place.

Triodos Bank's risk management strategy is reflected in its risk appetite. This is the level of risk Triodos Bank is prepared to take in order to realise its strategic business objectives. The risk appetite indicates the maximum risk that Triodos Bank considers acceptable to implement in its business strategy in order to protect itself against events that could have a severe and adverse effect on liquidity, profitability, capital and the depositary receipt price.

The risk appetite strategy is the basis for recovery plan limits, ICAAP, ILAAP and stress test calculations. The integrated approach to these documents creates an integrated view on Triodos Bank risk management profile.

Triodos Bank has established an Audit & Risk Committee (Supervisory Board A&RC) in line with the Banking Code, which meets at least four times a year. The Executive Board delivers an integrated risk report to the Supervisory Board A&RC to enable them to execute adequately their supervisory responsibilities on Triodos Bank's risk profile, including capital and liquidity impact. A long-term learning program for members of the Executive Board and Supervisory Board has been set up and implemented.

Capital management

A capital strategy is developed to guarantee that sufficient capital is available to meet Triodos Bank's capital needs to implement its business strategy. Triodos Bank works with rolling three year capital planning. The Asset and Liability Committee monitors and advises the Executive Board about the capital adequacy. The Asset and Liability Committee assesses whether the available capital is sufficient to support current and future activities on a monthly basis. In 2013 the available capital was always sufficient. During 2013 new equity of EUR 68 million was issued to support growth.

The capital strategy forms the basis for the process of:

- Capital measurement (ICAAP): measuring the risks resulting in an estimate of the demand for capital.
- Capital contingency and stress testing: managing the supply of and demand for capital in stress situations.
- Capital allocation: allocating capital to the different branches, business units and departments.

Capital measurement

"The capital measured at Triodos Bank concerns both the external requirements in accordance with the results of Pillar I under Basel II and the internal demand for capital in accordance with the results of Pillar II under Basel II.

The results of Pillar I and Pillar II add up to Economic Capital, which expresses the need for capital to cover Triodos Bank's business activities. Therefore Economic Capital supports business

decision-making at all levels within banking organisations. The Economic Capital is determined by the following risks:

- Credit risk (counterparty risk and concentration risk)
- Operational risk
- Market risk (foreign exchange risk and interest rate risk)

Detailed calculations of the Pillar I capital requirements are included in the Solvency chapter (page 94) of the annual accounts.

Capital contingency and stress testing

Capital Contingency is set up for Triodos Group in case a shortage in capital occurs.

Capital Contingency is in line with the recoverability measures as described in the recovery plan.

The recovery plan sets out actions and activities to strengthen short term capital positions under stressed circumstances. The actual capital position is stressed regularly, based on a number of stress scenarios.

Capital allocation

The total liability capital (equity and subordinated loan) is allocated to business units, in proportion to the economic capital, based on their risk profile.

Credit risk

Credit risk relates primarily to a counterparty's potential inability to meet its obligations towards Triodos Bank and the losses that might be incurred as a result. Credit risk concerns both payment arrears and negative changes due to a counterparty's lower credit rating. Credit risk also includes concentration risk in the credit and investment portfolio, which is the risk Triodos Bank faces that large (connected) individual exposures and significant exposures to groups of counterparties whose likelihood of default is driven by common underlying factors, e.g. sector, economy, geographical location and instrument type, fail to meet their obligations. Credit risk relates to all financial assets such as loans, deposits with financial institutions and bonds.

Loans

Loans are provided to businesses and projects that contribute to achieving Triodos Bank's mission. Given that this involves a small number of sectors, higher sector concentration is inherent to the loan portfolio. Concentration on the existing sectors is acceptable as Triodos Bank has considerable expertise in these sectors and actively invests in further increasing knowledge within the organisation.

Triodos Bank executes country analysis in all countries where branches are located.

These analysis give insight in the overall development within a country and especially focuses on developments in the sectors where the local branch has a large loan portfolio.

Triodos Bank also executes local and group sector studies on the larger sector concentrations. These analysis show low correlation between the countries. This means that the spread of the loan portfolio among different countries is a risk mitigation factor. The outcome of the executed sector stress tests gives confidence on the concentration risk profile Triodos Bank faces.

Also the high quality of securities (collateral) against outstanding loans reduces the credit risk. Principal collateral are mortgage registrations for business or private properties, securities from public authorities, companies or private individuals, and rights of lien on movables, such as office equipment, inventories, receivables and/or contracts for projects.

Special attention was paid in 2013 to the risks of the solar energy credit portfolio in Spain after the announcement by the government of Spain of a material cut in the subsidies scheme supporting this sector, with retrospective effect. Based on an extensive analysis and stress testing of this credit portfolio we have concluded that this new regulation will not affect the valuation of this loan book. At the date of drafting this annual report, the 20 days consultation period of this new law has not yet been completed. Consequently, this law has not yet come into force.

Credit Risk management

Triodos Bank's basic and clear and focused straightforward business model mitigates, to a large degree, credit risk. The main characteristics of the model that are the most relevant from purely credit risk management perspective are:

- Lending consistently in line with the Triodos Bank Mission
- Lending primarily to sectors where Triodos Bank has already built extensive experience
- Lending primarily in countries where Triodos Bank has a branch, or proven expertise
- Financing only clearly defined assets, activities or projects within each organisation
- Maintaining direct relationships with borrowers
- Lending based on a solid business model and related cash flows secured by collaterals
- Investing mainly in government (guaranteed) bonds of the home countries, only for the purposes of managing its own balance sheet
- Having limits on healthy financial institutions, with a strong orientation on retail banking or development finance, as well as public entities with a state risk profile
- Portfolio with a balance between, on the one hand, exposure in sectors where Triodos Bank has a good knowledge and strong track-record, and, on the other, diversification by providing credits to many small enterprises.

Notwithstanding the above, as a bank, Triodos is by the nature of its activities exposed to credit risk. Credit risk emanates from Triodos Bank's dealings with individuals, corporate, financial institutions, public entities or sovereigns. Credit risk arises anytime bank funds are extended, committed, invested or otherwise exposed through actual or implied contractual agreements, whether reflected on or off balance sheet (such as loan commitments or bank guarantees). In the commercial loans portfolio, as the largest source of credit risk, (credit) losses stem from outright default due to inability or unwillingness of a client or counterparty to meet commitments in relation to lending and settlement.

Triodos Bank manages credit risks at various levels. Credit Risk management within Triodos Bank NV is fully integrated in the daily activities of the lending organisation and especially at the local branch level. At the highest level, the Executive Board determines the credit risk strategy, and the credit risk policy framework, as well as its limits. On regular basis group and local sector limits, country limits and concentration limits are recalibrated to support the diversification in the loan portfolio.

The Audit & Risk Committee of the Supervisory Board regularly assesses the credit risks stemming from lending activities.

Triodos Bank has credit risk systems and procedures in place for identification, acceptance, measurement, monitoring and control risks, such as credit, collateral and concentration.

Triodos Bank has an early warning system that helps identify problem loans ahead of time, when there still may be more options available for remedial measures. Once a loan is identified as in default (e.g. overdue payments beyond 90 days), it is managed under a dedicated remedial process, with a focus on full recovery.

Triodos Bank complies with the relevant guidelines regarding single risk, which is assumed in economic linkages between entities and in control of one entity over another. The main focus is to manage such concentrations and aim at diversification between debtors and connected groups, which is based on acknowledgement that the overall credit risk differs from a mere sum of individual risks.

Credit and concentration risk management is always performed according to the supervision rules and regulation provided by the appropriate regulator for the banking sector.

Lending organisation

Lending is primarily the responsibility of local branches, who maintain close relationships with their customers. Lending decisions are made by local credit committees in each of the branches.

Each local credit committee is authorised to make decisions within agreed parameters and limits set by

the Executive Board. Based on the advice of the Executive Board Credit Committee, the Executive Board decides on loans that exceed these limits.

All business loans in the portfolio are periodically reviewed on an individual basis. The frequency depends on the debtor's creditworthiness, the degree of market exposure and the market in which the debtor operates.

The credit committee of the branch discusses and, if necessary, takes action with respect to overdue payments from debtors. If there is any doubt regarding the continuity of the debtor's core operations and/or a debtor fails to settle agreed interest and repayment installments for a prolonged period, this debtor falls under the category of doubtful debtors and will be managed intensively.

Provisions for loan losses are recorded for doubtful debtors based on the difference between the total amount of the debtor's outstanding liability to Triodos Bank and the future expected cash flows discounted at the original effective interest rate of the contract. In 2013, the net additions to the provision for doubtful debts, as a percentage of the average loan portfolio, was 0.49% (2012: 0.67%). The total of provisions related to the outstanding credits is 1.7% (2012: 1.7%) as at the end of the year.

The credit risk in the loan portfolio is reported each month to the Executive Board Credit Committee, and quarterly to the Supervisory Board.

Governments and Financial institutions

Liquidity not invested in loans to customers are invested in bonds or placed with other banks. Triodos Bank's policy is to invest in the country where the money is entrusted. The Executive Board may deviate from this policy, after consultation with the Asset and Liability Committee. The bond portfolio of Triodos Bank is mainly comprised of government, and government guaranteed bonds. Triodos Bank also invests in a limited number of other types of high grade bonds issued by regional authorities, and financial institutions.

Banks are selected on the basis of their creditworthiness and screened on their sustainability performance. Exceptions can occur, when the number of selected banks in a country is not sufficient to place Triodos Bank's liquidities using a certain maximum concentration per individual bank. In such cases, deposit notice periods will not exceed three months. All counterparty limits for banks are granted by the Executive Board after advice from the Executive Board Credit Committee.

Triodos Bank uses Fitch and/or Moody's credit rating to assess the counterparty risk related to bonds and financial institutions, if available.

Risk weighted value

An overview of the credit risk position within Triodos Bank, based on risk-weighted assets, off-balance sheet items and derivatives, is given in the following tables which are divided by the following criteria: exposure class, sector and country.

Risk-weighted value per exposure class (asset class)

| 2013 | Net exposure value | Credit risk mitigation | Fully adjusted exposure value | Risk-weighted value |
|--|--------------------|------------------------|-------------------------------|---------------------|
| Exposure class: | | | | |
| Central governments and central banks | 1,768,334 | 326,870 | 2,095,204 | – |
| Regional governments and local authorities | 162,218 | 138,206 | 300,424 | 373 |
| Public sector entities | 59,210 | – | 59,210 | 11,342 |
| Multilateral Developments Banks | 44,995 | – | 44,995 | – |
| Banks | 929,590 | -118,233 | 811,357 | 159,095 |
| Corporates | 2,480,108 | -277,402 | 2,202,706 | 1,924,772 |
| Retail exposures | 160,383 | -21,680 | 138,703 | 73,811 |
| Secured by property | 1,378,810 | -39,071 | 1,339,739 | 908,186 |
| Past due items | 62,233 | -8,690 | 53,543 | 70,027 |
| Other items | 79,175 | – | 79,175 | 79,175 |
| Total | 7,125,056 | – | 7,125,056 | 3,226,781 |
| Whereof: | | | | |
| Assets | 6,427,361 | – | 6,427,361 | 2,947,225 |
| Off-balance sheet items | 671,441 | – | 671,441 | 266,956 |
| Derivatives | 26,254 | – | 26,254 | 12,600 |
| Total | 7,125,056 | – | 7,125,056 | 3,226,781 |

| 2012 | Net exposure value | Credit risk mitigation | Fully adjusted exposure value | Risk-weighted value |
|--|--------------------|------------------------|-------------------------------|---------------------|
| Exposure class: | | | | |
| Central governments and central banks | 1,001,159 | 201,111 | 1,202,270 | – |
| Regional governments and local authorities | 277,989 | 45,713 | 323,702 | 335 |
| Banks | 836,603 | -35,342 | 801,261 | 176,490 |
| Corporates | 2,371,288 | -169,468 | 2,201,820 | 1,895,790 |
| Retail exposures | 105,163 | -28,760 | 76,403 | 44,638 |
| Secured by property | 1,241,654 | -3,513 | 1,238,141 | 871,732 |
| Past due items | 59,828 | -9,741 | 50,087 | 67,728 |
| Other items | 70,639 | – | 70,639 | 70,639 |
| Total | 5,964,323 | – | 5,964,323 | 3,127,352 |
| Whereof: | | | | |
| Assets | 5,271,217 | – | 5,271,217 | 2,827,869 |
| Off-balance sheet items | 667,820 | – | 667,820 | 282,258 |
| Derivatives | 25,286 | – | 25,286 | 17,225 |
| Total | 5,964,323 | – | 5,964,323 | 3,127,352 |

The net exposure value is a sum of:

- Assets excluding intangible assets, excluding discount of subordinated liabilities (included under prepayments and accrued income) and after deducting discount of bonds (included under accruals and deferred income);
- Off-balance sheet items, consisting of contingent liabilities and irrevocable facilities;
- Derivatives, valued at the credit risk equivalent, which is based on the additional costs or the lost revenues of a substitute transaction in the event that the counterparty does not fulfil its obligations.

Credit risk mitigation relates to received collaterals (guarantees and pledged funds entrusted). As a result, the credit risk shifts from the exposure class of the direct counterparty to the exposure class of the collateral provider. This results in the fully adjusted exposure value for each exposure class.

The risk-weighted value is calculated by multiplying the fully adjusted exposure value with the risk weight and the conversion factor. Basel II guidelines state the definition of the exposure classes, the risk weights and conversion factors.

Risk weights depend on the exposure class and the credit rating of the direct counterparty or the collateral provider. The risk weights per exposure class used by Triodos Bank are in line with Basel II rules:

- Central governments and central banks: 0%;
- Regional governments and local authorities: 0% for Dutch governments, 20% for foreign governments; the percentage depends on national legislation;
- Public sector entities: 20% Dutch entities, foreign entities 100%;
- Banks: 0% for exposures secured by pledged funds entrusted of Triodos Bank; 20% or 50% for exposures of or guaranteed by other banks, depending on the original term to maturity of the exposure;
- Multilateral Developments Bank: 0% for listed banks, other same as exposure class banks;
- Corporates: 100%;
- Retail exposures: 75% or 100%;
- Secured by property: 35% for exposures secured by residential property, 50% or 100% for exposures secured by non residential property;
- Past due items: 50% or 100% for exposures secured by residential property; 100% or 150% for other exposures; the percentage depends on the amount of bad debt provisions that have been formed;
- Other items (participating interests, property and equipment and other assets without counterparties): 100%.

Conversion factors only apply to off-balance sheet items. The conversion factors used by Triodos Bank are:

- Contingent liabilities: 0.5 or 1.0, depending on the nature of the issued guarantee;
- Irrevocable facilities: 0.2 or 0.5, depending on the original term to maturity of the credit facility.

Risk-weighted value per sector

| 2013 | Net exposure value | % | Risk-weighted value | % | Average risk weight % |
|---------------------------------------|-----------------------|------------|------------------------|------------|--------------------------|
| Banks and financial intermediation | 1,966,272 | 28 | 205,358 | 6 | 10 |
| Basic materials | 15,064 | – | 15,303 | 1 | 102 |
| Construction and infrastructure | 1,368 | – | 826 | – | 60 |
| Consumer products (non-food) | 5,961 | – | 3,921 | – | 66 |
| Retail | 19,183 | – | 14,808 | 1 | 77 |
| Services | 440,439 | 6 | 360,316 | 11 | 82 |
| Healthcare and social work | 540,153 | 7 | 389,825 | 12 | 72 |
| Agriculture and fishing | 119,535 | 2 | 107,830 | 3 | 90 |
| Media | 43,844 | 1 | 29,125 | 1 | 66 |
| Utilities | 1,253,077 | 17 | 1,090,764 | 34 | 87 |
| Public Administration | 913,908 | 13 | – | – | – |
| Private individuals | 330,156 | 5 | 117,142 | 4 | 35 |
| Technology | 444 | – | 404 | – | 91 |
| Leisure and tourism | 111,481 | 2 | 103,787 | 3 | 93 |
| Transport and logistics | 8,333 | – | 7,306 | – | 88 |
| Real estate | 707,667 | 10 | 421,503 | 13 | 60 |
| Insurance and pension funds | 502 | – | 501 | – | 100 |
| Food and beverages | 64,787 | 1 | 55,991 | 2 | 86 |
| Other sectors | 582,882 | 8 | 302,071 | 9 | 52 |
| Total | 7,125,056 | 100 | 3,226,781 | 100 | 45 |

Risk-weighted value per sector

| 2012 | Net exposure value | % | Risk-weighted value | % | Average risk weight % |
|---------------------------------------|-----------------------|------------|------------------------|------------|--------------------------|
| Banks and financial intermediation | 1,353,300 | 23 | 260,551 | 8 | 19 |
| Basic materials | 15,855 | – | 14,508 | – | 92 |
| Construction and infrastructure | 1,364 | – | 802 | – | 59 |
| Consumer products (non-food) | 6,013 | – | 3,987 | – | 66 |
| Retail | 22,732 | – | 17,439 | 1 | 77 |
| Services | 415,164 | 7 | 333,201 | 11 | 80 |
| Healthcare and social work | 481,333 | 8 | 365,334 | 12 | 76 |
| Agriculture and fishing | 114,975 | 2 | 107,097 | 4 | 93 |
| Media | 23,042 | – | 14,461 | – | 63 |
| Utilities | 1,197,395 | 20 | 1,064,418 | 34 | 89 |
| Public Administration | 835,018 | 14 | – | – | – |
| Private individuals | 226,003 | 4 | 93,651 | 3 | 41 |
| Technology | 474 | – | 474 | – | 100 |
| Leisure and tourism | 100,732 | 2 | 91,993 | 3 | 91 |
| Transport and logistics | 11,358 | – | 10,321 | – | 91 |
| Real estate | 582,795 | 10 | 346,807 | 11 | 60 |
| Insurance and pension funds | 501 | – | 501 | – | 100 |
| Food and beverages | 70,938 | 1 | 64,715 | 2 | 91 |
| Other sectors | 505,331 | 9 | 337,092 | 11 | 67 |
| Total | 5,964,323 | 100 | 3,127,352 | 100 | 52 |

The sectors are defined in the Basel II guidelines. Risk-weighted value is attributed to the sector of the direct counterparty.

Risk-weighted value per country

| 2013 | Net exposure value | % | Risk-weighted value | % | Average risk weight % |
|-----------------|-----------------------|------------|------------------------|------------|--------------------------|
| Australia | 660 | – | 660 | – | 100 |
| Belgium | 1,290,105 | 18 | 547,982 | 17 | 42 |
| Denmark | 5,333 | – | 4,305 | – | 81 |
| France | 240,825 | 3 | 202,317 | 6 | 84 |
| Germany | 300,334 | 4 | 151,375 | 5 | 50 |
| Ireland | 53,681 | 1 | 52,142 | 2 | 97 |
| Italy | 2,909 | – | 2,908 | – | 100 |
| Luxembourg | 49,337 | 1 | 4,341 | – | 9 |
| The Netherlands | 3,048,747 | 43 | 1,026,916 | 32 | 34 |
| Norway | 125 | – | 122 | – | 97 |
| Spain | 1,169,267 | 16 | 711,615 | 22 | 61 |
| Sweden | 58 | – | 55 | – | 94 |
| United Kingdom | 963,658 | 14 | 522,034 | 16 | 54 |
| United States | 4 | – | 1 | – | 38 |
| Other countries | 13 | – | 8 | – | 62 |
| Total | 7,125,056 | 100 | 3,226,781 | 100 | 45 |

Risk-weighted value per country

| 2012 | Net exposure value | % | Risk-weighted value | % | Average risk weight % |
|-----------------|-----------------------|------------|------------------------|------------|--------------------------|
| Australia | 800 | – | 800 | – | 100 |
| Belgium | 1,237,252 | 21 | 596,477 | 19 | 48 |
| Denmark | 6,764 | – | 5,489 | – | 81 |
| France | 199,690 | 3 | 169,159 | 5 | 85 |
| Germany | 226,595 | 4 | 177,382 | 6 | 78 |
| Ireland | 57,943 | 1 | 56,925 | 2 | 98 |
| Italy | 3,155 | – | 3,155 | – | 100 |
| Luxembourg | 5,448 | – | 5,377 | – | 99 |
| The Netherlands | 2,479,701 | 42 | 928,107 | 30 | 37 |
| Norway | 142 | – | 138 | – | 98 |
| Spain | 911,357 | 15 | 685,229 | 22 | 75 |
| Sweden | 58 | – | 54 | – | 93 |
| United Kingdom | 835,396 | 14 | 499,051 | 16 | 60 |
| United States | 4 | – | 1 | – | 38 |
| Other countries | 18 | – | 8 | – | 44 |
| Total | 5,964,323 | 100 | 3,127,352 | 100 | 52 |

Risk-weighted value is attributed to the country of the direct counterparty.

Maturity per exposure class (asset class)

The following tables provide an overview of the remaining maturity of the assets per exposure class.

The payable on demand and indefinite maturities include accrued interest and fees, doubtful debt provisions and balance sheet items with no or unknown maturity.

| 2013 | Payable on demand and indefinite | 2 days or more and shorter than 3 months | More than 3 months and shorter than 1 year | More than 1 year and shorter than 5 years | More than 5 years | Total assets |
|--|----------------------------------|--|--|---|-------------------|------------------|
| Central governments and central banks | 914,226 | 60,155 | 90,843 | 357,722 | 345,388 | 1,768,334 |
| Regional governments and local authorities | 2,670 | 13,000 | 1,000 | 31,121 | 114,365 | 162,156 |
| Public sector entities | 460 | – | – | 750 | 53,000 | 54,210 |
| Multilateral Developments Banks | 81 | – | – | – | 44,914 | 44,995 |
| Banks | 304,425 | 230,654 | 50,000 | 220,930 | 107,334 | 913,343 |
| Corporates | 92,154 | 60,873 | 163,702 | 653,178 | 995,275 | 1,965,182 |
| Retail exposures | 4,126 | 769 | 3,480 | 10,170 | 62,929 | 81,474 |
| Secured by property | 45,007 | 15,665 | 40,536 | 264,788 | 930,263 | 1,296,259 |
| Past due items | 32,121 | 652 | 1,602 | 9,920 | 17,938 | 62,233 |
| Other items | 79,175 | – | – | – | – | 79,175 |
| Total | 1,474,445 | 381,768 | 351,163 | 1,548,579 | 2,671,406 | 6,427,361 |

| 2012 | Payable on demand and indefinite | 2 days or more and shorter than 3 months | More than 3 months and shorter than 1 year | More than 1 year and shorter than 5 years | More than 5 years | Total assets |
|--|----------------------------------|--|--|---|-------------------|------------------|
| Central governments and central banks | 395,736 | 10,059 | 73,458 | 274,030 | 247,875 | 1,001,158 |
| Regional governments and local authorities | 2,436 | 105,000 | 81,500 | 39,156 | 49,000 | 277,092 |
| Banks | 250,495 | 163,546 | 175,555 | 222,954 | 13,899 | 826,449 |
| Corporates | 77,638 | 42,243 | 129,883 | 545,245 | 1,013,820 | 1,808,829 |
| Retail exposures | 4,437 | 680 | 2,380 | 8,672 | 55,745 | 71,914 |
| Secured by property | 41,592 | 13,738 | 35,835 | 217,150 | 846,993 | 1,155,308 |
| Past due items | 29,367 | 663 | 1,790 | 13,681 | 14,327 | 59,828 |
| Other items | 70,639 | – | – | – | – | 70,639 |
| Total | 872,340 | 335,929 | 500,401 | 1,320,888 | 2,241,659 | 5,271,217 |

Bad debts and overdue receivables

The following tables provide an overview of the bad debts and overdue receivables per sector and country.

Bad debts are loans we expect will not be fully repaid in accordance with the original loan contract.

Provisions for loan losses are taken for doubtful debtors based on the difference between the total amount of the debtor's outstanding liability to Triodos Bank and the future expected cash flows discounted at the original effective interest rate of the contract. Overdue receivables are loans overdue in excess of 90 days.

Movements bad debts

| | 2013 | 2012 |
|---|----------------|----------------|
| Balance sheet value as at 1 January | 130,636 | 104,054 |
| Classified as bad debt during the year | 41,190 | 42,387 |
| Interest charged on bad loans | 3,035 | 2,104 |
| Release of bad loans / transfer to not impaired | -7,382 | -11,779 |
| Bad loans written off | -6,185 | -2,178 |
| Repayments | -8,568 | -4,151 |
| Exchange rate result | -34 | 199 |
| Balance sheet value as at 31 December | 152,692 | 130,636 |

Bad debts and overdue receivables per sector

| 2013 | Bad debts at year end | Provision for Bad debts at year end | Value adjustments in the year | Overdue receivables (excl. Bad debts) at year end |
|---------------------------------|-----------------------------|--|-------------------------------------|--|
| Basic materials | 12,718 | 945 | 710 | 2,900 |
| Construction and infrastructure | 51 | 50 | – | – |
| Consumer products (non-food) | 151 | 66 | -4 | – |
| Retail | 642 | 387 | 34 | 14 |
| Services | 17,056 | 3,151 | 1,221 | 2,491 |
| Healthcare and social work | 27,536 | 8,237 | 4,002 | 4,114 |
| Agriculture and fishing | 19,004 | 4,504 | 1,126 | 4,392 |
| Media | 1,658 | 828 | 755 | 1,370 |
| Utilities | 29,912 | 25,334 | 1,859 | 2,486 |
| Private individuals | – | – | – | 566 |
| Leisure and tourism | 20,262 | 8,485 | 3,328 | 652 |
| Transport & logistics | – | – | – | – |
| Real Estate | 261 | 132 | -324 | 105 |
| Food and beverages | 8,793 | 4,562 | 2,769 | 4,443 |
| Other sectors | 14,648 | 5,368 | 1,585 | 1,140 |
| Total | 152,692 | 62,049 | 17,061 | 24,673 |

| 2012 | Bad debts at year end | Provision for Bad debts at year end | Value adjustments in the year | Overdue receivables (excl. Bad debts) at year end |
|---------------------------------|-----------------------------|--|-------------------------------------|--|
| Basic materials | 379 | 235 | 48 | – |
| Construction and infrastructure | 51 | 51 | 12 | – |
| Consumer products (non-food) | 507 | 164 | 69 | – |
| Retail | 685 | 353 | 222 | 79 |
| Services | 12,888 | 1,847 | 915 | 1,597 |
| Healthcare and social work | 20,883 | 4,306 | 2,580 | 13,899 |
| Agriculture and fishing | 24,043 | 9,496 | 2,880 | 6,949 |
| Media | 70 | 70 | 29 | 790 |
| Utilities | 38,097 | 28,261 | 11,988 | 2,462 |
| Private individuals | – | – | – | 7 |
| Leisure and tourism | 12,249 | 4,802 | 262 | 787 |
| Transport & logistics | 56 | 32 | -17 | – |
| Real Estate | 2,057 | 469 | 415 | 93 |
| Food and beverages | 4,466 | 1,619 | 771 | 8,525 |
| Other sectors | 14,205 | 4,454 | 737 | 1,528 |
| Total | 130,636 | 56,159 | 20,911 | 36,716 |

Bad debts and overdue receivables per country

| 2013 | Bad debts at year end | Provision for Bad debts at year end | Value adjustments in the year | Overdue receivables (excl. Bad debts) at year end |
|-----------------|-----------------------------|--|-------------------------------------|--|
| Belgium | 12,470 | 6,754 | -630 | 839 |
| France | – | – | – | – |
| Germany | 14,656 | 6,793 | 4,376 | 2,971 |
| Ireland | 714 | 370 | 6 | 992 |
| The Netherlands | 82,413 | 36,516 | 8,305 | 2,464 |
| Spain | 30,296 | 6,420 | 2,687 | 13,926 |
| United Kingdom | 12,143 | 5,196 | 2,317 | 3,481 |
| Total | 152,692 | 62,049 | 17,061 | 24,673 |

| 2012 | Bad debts at year end | Provision for Bad debts at year end | Value adjustments in the year | Overdue receivables (excl. Bad debts) at year end |
|-----------------|-----------------------------|--|-------------------------------------|--|
| Belgium | 26,014 | 16,082 | 3,218 | 293 |
| France | – | – | – | – |
| Germany | 7,371 | 2,249 | 889 | 17,490 |
| Ireland | 714 | 370 | 89 | 1,084 |
| The Netherlands | 72,797 | 30,241 | 14,294 | 4,476 |
| Spain | 16,578 | 3,819 | 1,520 | 10,115 |
| United Kingdom | 7,162 | 3,398 | 901 | 3,258 |
| Total | 130,636 | 56,159 | 20,911 | 36,716 |

Operational risk

In the course of its normal business, Triodos Bank runs operational risks. These risks relate to losses Triodos Bank could incur as a result of inadequate or failing internal processes, systems, human behavior or external events. Triodos Bank limits these risks with clear policies, reports and procedures for all business processes.

The operational risk framework uses several tools and technologies to identify, measure, mitigate and monitor risks on an operational, tactical and strategic level. The operational risk framework is developed under responsibility of the Chief Finance Officer. Special parts of Operational Risk Management are Information Security, Outsourcing and Business Continuity. Activities to manage risks related to these subjects are executed under the responsibility of the Chief Operating Officer in line with the overall operational risk framework.

A Non Financial Risk Committee, where all operational risk aspects are discussed together with compliance risk and reputation, is embedded.

Numerous control measures are implemented in IT-systems and embedded in procedures and work instructions. Co-worker training, level of experience and involvement all support this, because people are key to the success of managing risks.

The Basic Indicator Approach is used for the capital calculation of operational risk, in accordance with Basel II. The operational risk framework follows the principles mentioned in the Sound Practices for the Management and Supervision of Operational Risk. These sound practices give guidelines to the qualitative implementation of operational risk management and are advised by the Bank of International Settlements.

During 2013 no material losses occurred within Triodos Bank as a result of operational risk related events.

Foreign exchange risk

Foreign exchange risk is the current or prospective risk to earnings and capital that arises from adverse movements in foreign exchange rates. Triodos Bank's base currency is the Euro. The UK Branch balance sheet and profit and loss are denominated in GBP. Exchange rate differences arising on translating the UK Branch balance sheet to Euro, are accounted for as a hedge of a net investment in a foreign business unit and are taken directly to shareholders' equity, in the statutory reserve for conversion differences, insofar as the hedge is effective.

Triodos Bank aims to avoid net currency positions, with the exception of those arising from strategic investments. The term positions in foreign currencies reflect mainly the currency derivatives for Triodos Investment Funds which are nearly fully hedged.

The foreign exchange risk is monitored daily and discussed in the Asset and Liability Committee on a monthly basis. Limits are agreed by the Executive Board.

Foreign currency position

The following table shows Triodos Bank's foreign currency position in thousands of EUR as at 31 December.

| 2013 | Cash position Debit | Cash position Credit | Term position Debit | Term position Credit | Net position Debit | Net position Credit |
|--------------|------------------------|-------------------------|------------------------|-------------------------|-----------------------|------------------------|
| GBP | 889,767 | 890,333 | – | – | – | 566 |
| USD | 5,972 | 397 | 265,440 | 265,428 | 5,587 | – |
| NOK | 120 | – | – | – | 120 | – |
| PEN | – | – | 8,094 | 8,094 | – | – |
| PHP | – | – | 818 | 818 | – | – |
| ZAR | – | – | – | – | – | – |
| AUD | 660 | – | – | 454 | 206 | – |
| ARS | – | – | – | – | – | – |
| SEK | 52 | – | – | – | 52 | – |
| Total | 896,571 | 890,730 | 274,352 | 274,794 | 5,965 | 566 |

Net open foreign currency position (total of net positions debit and credit): 6,531.

| 2012 | Cash position Debit | Cash position Credit | Term position Debit | Term position Credit | Net position Debit | Net position Credit |
|--------------|------------------------|-------------------------|------------------------|-------------------------|-----------------------|------------------------|
| GBP | 708,364 | 707,794 | – | – | 570 | – |
| USD | 5,581 | 259 | 214,740 | 214,727 | 5,335 | – |
| NOK | 136 | – | – | – | 136 | – |
| PEN | – | – | 12,115 | 12,115 | – | – |
| ZAR | – | – | 926 | 926 | – | – |
| AUD | 801 | – | – | 551 | 250 | – |
| ARS | – | – | 290 | 290 | – | – |
| SEK | 52 | – | – | – | 52 | – |
| Total | 714,934 | 708,053 | 228,071 | 228,609 | 6,343 | 0 |

Net open foreign currency position (total of net positions debit and credit): 6,343.

Interest rate risk

Interest rate risk is the current or prospective risk that earnings and/or capital are negatively affected by interest rate changes in the financial markets. This risk is inherent to the traditional banking business.

Triodos Bank uses various indicators to measure interest rate risk. The interest rate risk position is monitored by the Asset and Liability Committee on a monthly basis. The interest rate risk is managed with an interest rate risk model, using guidelines and limits and by performing various interest rate stress scenario analyses. Limits are agreed by the Executive Board based on a proposal made by the Asset and Liability Committee.

Overview of interest rate risk indicators:

- Earnings at Risk: a short term indicator, which shows the effect of a gradual interest rate shock of plus or minus 2% (200 basis points) on the interest income of Triodos Bank for a one year period.
- Economic Value of Equity at Risk: a long-term indicator, which represents the change of the Economic Value of Equity (which is the net present value of the future cash flows of all assets and liabilities) in case of an interest rate shock of plus or minus 2% (200 basis points).
- Outlier Criterion: the Economic Value of Equity at Risk in % of the Actual own Funds.
- Cushion: shows the difference between the Economic Value of Equity and the Actual own Funds.
- Modified Duration of Equity: an indicator that expresses the sensitivity of the Economic Value of Equity in case of interest rate changes.

Overview of interest rate risk indicators used by Triodos Bank as at the end of the year for all currencies

Base case represents the expected results of Interest Earnings and Economic Value of Equity in an unchanged interest environment.

| 2013 | Base case | Rising interest rate (+200 bp) | | Decreasing interest rate (-200 bp) | |
|----------------------------------|-----------|--------------------------------|--------|------------------------------------|-------|
| Amounts in millions | | in % | | in % | |
| Actual own Funds | EUR 623 | | | | |
| Earnings at Risk 1 year | EUR 135 | EUR +19 | +14.2% | EUR -6 | -4.5% |
| Economic Value of Equity at Risk | EUR 704 | EUR -67 | -9.5% | EUR +49 | +6.9% |
| Outlier Criterion | | | 10.8% | | 10.8% |
| Modified Duration of Equity | 3.9 | 5.0 | | 11.0 | |

| 2012 | Base case | Rising interest rate (+200 bp) | | Decreasing interest rate (-200 bp) | |
|----------------------------------|-----------|--------------------------------|--------|------------------------------------|-------|
| Amounts in millions | | in % | | in % | |
| Actual own Funds | EUR 537 | | | | |
| Earnings at Risk 1 year | EUR 125 | EUR +17 | +13.5% | EUR -4 | -3.3% |
| Economic Value of Equity at Risk | EUR 672 | EUR -45 | -6.7% | EUR -6 | -0.9% |
| Outlier Criterion | | | 8.4% | | 8.4% |
| Modified Duration of Equity | 3.0 | 3.3 | | 7.4 | |

The calculations for these indicators are based on interest rate maturities. However saving and current accounts have a non-defined interest maturity. A quantitative assessment of the interest rate sensitivity of our saving accounts and current accounts has been executed. The outcome of this assessment is used in the calculations for interest rate risk.

The model used for the interest rate risk management of savings and current accounts predicts future volumes and interest rates based on historical data, taking into consideration the statistical significance of that data. The model combines the relationship between client interest rates and market interest rates and outflow predictions.

Remaining interest-rate terms of financial instruments

The following table sets out the remaining contractual interest-rate term of the financial instruments held as at 31 December.

| 2013 | Floating-rate | <= 3 months | <= 1 year | <= 5 years | > 5 years | Total |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Interest-bearing assets | | | | | | |
| Cash | 895,755 | – | – | – | – | 895,755 |
| Government paper | – | 18,000 | 30,000 | – | – | 48,000 |
| Banks | 297,361 | 202,180 | 51,000 | 1,000 | – | 551,541 |
| Loans | 598,529 | 419,446 | 451,245 | 1,111,105 | 939,929 | 3,520,254 |
| Interest-bearing securities | – | 163,495 | 109,045 | 512,537 | 465,956 | 1,251,033 |
| Total | 1,791,645 | 803,121 | 641,290 | 1,624,642 | 1,405,885 | 6,266,583 |
| Interest-bearing liabilities | | | | | | |
| Banks | 833 | 2,849 | 7,778 | 19,571 | 31,074 | 62,105 |
| Funds entrusted | 11,857 | 1,033,179 | 1,567,241 | 1,993,498 | 1,025,434 | 5,631,209 |
| Subordinated liabilities | – | – | – | 5,287 | – | 5,287 |
| Total | 12,690 | 1,036,028 | 1,575,019 | 2,018,356 | 1,056,508 | 5,698,601 |

| 2012 | Floating- rate | <= 3 months | <= 1 year | <= 5 years | > 5 years | Total |
|-------------------------------------|-------------------|----------------|------------------|------------------|------------------|------------------|
| Interest-bearing assets | | | | | | |
| Cash | 380,497 | – | – | – | – | 380,497 |
| Government paper | – | – | – | – | – | – |
| Banks | 243,121 | 163,546 | 153,500 | 1,000 | – | 561,167 |
| Loans | 680,848 | 431,387 | 472,551 | 908,810 | 791,763 | 3,285,359 |
| Interest-bearing securities | – | 110,058 | 106,513 | 437,640 | 264,774 | 918,985 |
| Total | 1,304,466 | 704,991 | 732,564 | 1,347,450 | 1,056,537 | 5,146,008 |
| Interest-bearing liabilities | | | | | | |
| Banks | 919 | 1,879 | 2,956 | 20,527 | 36,518 | 62,799 |
| Funds entrusted | 15,964 | 768,716 | 1,225,822 | 1,625,260 | 934,265 | 4,570,027 |
| Subordinated liabilities | – | – | – | 5,283 | – | 5,283 |
| Total | 16,883 | 770,595 | 1,228,778 | 1,651,070 | 970,783 | 4,638,109 |

Notes:

Only interest bearing assets and liabilities are reported in this table, which results in differences with the balance sheet figures.

Interest bearing securities and subordinated liabilities are valued at redemption value including bond premium and after deduction of discounts.

For funds entrusted without a fixed interest rate term, the outcome of the quantitative savings and current account model, as mentioned before, is used.

All other interest-bearing assets and liabilities are reported as floating rates or are broken down in the maturity calendar by their remaining contractual interest rate term.

Liquidity risk

Liquidity risk refers to the risk that Triodos Bank is unable to fulfill its payment obligations to its customers and counterparties at a particular point in time without incurring unacceptable losses.

Customers' savings and deposits are attracted in order to finance Triodos Bank's lending operations. The surplus is primarily placed with the ECB, financial institutions or invested in bonds. Triodos Bank has a strong liquidity position, and is funded entirely by deposits from private customers and small and medium sized enterprises. As a result, Triodos Bank does not need to rely on funding from the wholesale money and capital markets. Triodos Bank regularly assesses its liquidity position based on stress scenarios. The results of these stress tests were satisfactory in 2013. Actions to be taken to manage our liquidity position in case of a future liquidity crisis are described in the Liquidity Contingency Plan.

On a weekly basis the detailed liquidity position at branch level is reported to the CFO. Every month the Asset and Liability Committee reports the liquidity ratios related to the Basel III requirements:

- The Liquidity Coverage Ratio (LCR): to ensure an adequate level of unencumbered, high-quality assets that can be converted into cash to meet liquidity needs over a 30-day time horizon under an acute liquidity stress scenario specified by supervisors.
- The net stable funding (NSF) ratio indicates the relation between available longer-term, stable funding and the required longer-term, stable funding resulting from the liquidity profiles of assets and off balance sheet items.

These ratios comply with the Basel III guidelines but are not yet made compulsory by supervisors.

The minimum LCR would be 60% in 2015 and increase by 10 percentage points per year to reach 100% in 2019. Minimum NSFR standards will be set by 2018. However, given the importance of these two ratios for the resilience of the banking sector, Triodos Bank already includes these indicators in its internal reporting and measurement of liquidity risk.

Asset encumbrance

Assets can be differentiated between assets which are used to support funding or collateral needs (encumbered assets) and assets which are available for potential funding needs (unencumbered assets).

| 2013 | | | | | |
|------------------------------|-----------------------|--------------------|--------------------------------------|----------------|----------------|
| Amounts in millions EUR | | | | | |
| Asset type | Encumbered | | Unencumbered | | Total |
| | Pledged as collateral | Other ¹ | Available as collateral ² | Other | |
| Cash and other liquid assets | | 42.5 | 1,404.8 | | 1,447.3 |
| Other investment securities | 10.0 | | 1,171.7 | 90.5 | 1,272.2 |
| Loans | | | | 3,544.7 | 3,544.7 |
| Other financial assets | | | | 131.6 | 131.6 |
| Non-financial assets | | | | 50.9 | 50.9 |
| Total assets | 10.0 | 42.5 | 2,576.5 | 3,817.7 | 6,446.7 |

| 2012 | | | | | |
|------------------------------|-----------------------|--------------------|--------------------------------------|----------------|----------------|
| Amounts in millions EUR | | | | | |
| Asset type | Encumbered | | Unencumbered | | Total |
| | Pledged as collateral | Other ¹ | Available as collateral ² | Other | |
| Cash and other liquid assets | | 34.1 | 907.6 | | 941.7 |
| Other investment securities | 14.2 | | 771.8 | 110.5 | 896.5 |
| Loans | | | | 3,285.4 | 3,285.4 |
| Other financial assets | | | | 116.4 | 116.4 |
| Non-financial assets | | | | 50.9 | 50.9 |
| Total assets | 14.2 | 34.1 | 1,679.4 | 3,563.2 | 5,290.9 |

1) Assets which are restricted from using to secure funding. These are cash reserves held at Central Banks.

2) Assets that are readily available in the normal course of business to secure funding or meet collateral needs. Readily available assets are assets that are accepted by central banks or in the repo markets.

Liquidity Coverage Ratio

| Amounts in millions of EUR | 2013 Total amount | 2013 Weighted amount | 2012 Total amount | 2012 Weighted amount |
|---|-------------------------|----------------------------|-------------------------|----------------------------|
| Stock of high quality liquid assets: | | | | |
| Total stock of high quality liquid assets | 1,809 | 1,802 | 1,021 | 1,021 |
| Total cash outflow | 6,242 | 665 | 5,116 | 715 |
| Total cash inflow | 462 | 445 | 458 | 416 |
| Cap on cash inflows | | 499 | | 536 |
| Net cash outflow | | 220 | | 299 |
| Liquidity Coverage Ratio | | 818% | | 342% |

The Net cash outflow must be covered by the stock of High quality liquid assets, so the ratio must be at least 100%.

Net Stable Funding Ratio

| Amounts in millions of EUR | 2013 Total amount | 2013 Weighted amount | 2012 Total amount | 2012 Weighted amount |
|---------------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| Total available stable funding | 6,405 | 5,206 | 5,255 | 4,312 |
| Total required stable funding | 7,108 | 3,604 | 5,987 | 3,359 |
| Net stable funding ratio | | 144% | | 128% |

The Net Stable Funding Ratio must be more than 100%. This means that the available stable funding must cover the required stable funding.

Legal and compliance risk

Triodos Bank has internal policies, rules and procedures to guarantee that its management complies with relevant laws and regulations regarding customers and business partners. In addition, the Compliance department independently monitors the extent to which Triodos Bank complies with its rules and procedures. External aspects of the Compliance department primarily concern accepting new customers, monitoring financial transactions and preventing money laundering. Internal aspects primarily concern checking private transactions by co-workers, preventing and, where necessary, transparently managing conflicts of interest, and safeguarding confidential information. Triodos Bank has a European compliance team led from its head office in Zeist. Compliance officers are present in every branch. The Compliance department reports to the Executive Board.

There were no significant incidents in 2013 concerning compliance and integrity. Triodos Bank was not involved in any material legal proceedings or sanctions associated with non-compliance with legislation or regulations in terms of financial supervision, corruption, advertisements, competition, privacy or product liability.

Strategic and reputation risk

Triodos Bank has a clearly defined mission derived from its articles of association and works according to the values that are described in its business principles. Within the organisation, there is a lot of investment in co-workers' training, awareness raising and involvement with the topics and principles that are most important to Triodos Bank. Triodos Bank's reputation is a strategic pillar, as confidence in Triodos Bank is vital to its provision of services, so any risks to it are managed very carefully. Key for Triodos Bank reputation is to 'Walk the talk'. The achievement of this includes training of co-workers, reporting all related activities as transparently as possible, and carefully choosing partners for collaboration. In times of crisis, Triodos Bank's aim is to provide timely and accurate information and to actively communicate on any issues.

This page was intentionally left blank

Company balance sheet as at 31 December 2013

| Before appropriation of profit in thousands of EUR | Reference* | 31.12.2013 | 31.12.2012 |
|---|------------|------------------|------------------|
| Assets | | | |
| Cash | | 895,755 | 380,497 |
| Government paper | | 48,000 | – |
| Banks | 32 | 549,355 | 559,545 |
| Loans | | 3,544,716 | 3,253,359 |
| Interest-bearing securities | | 1,224,180 | 896,530 |
| Shares | 33 | 4 | 4 |
| Participating interests | 34 | 29,083 | 28,607 |
| Intangible fixed assets | 35 | 8,736 | 9,508 |
| Property and equipment | 36 | 20,556 | 20,478 |
| Other assets | | 34,746 | 57,435 |
| Prepayments and accrued income | | 98,477 | 82,337 |
| Total assets | | 6,453,608 | 5,288,300 |
| Liabilities | | | |
| Banks | | 62,105 | 62,799 |
| Funds entrusted | 37 | 5,660,149 | 4,595,562 |
| Other liabilities | | 21,162 | 9,845 |
| Accruals and deferred income | | 50,505 | 49,228 |
| Provisions | 38 | 355 | 297 |
| | | 5,794,276 | 4,717,731 |
| Subordinated liabilities | | 5,300 | 5,300 |
| Capital | 39 | 427,452 | 375,881 |
| Share premium reserve | 40 | 118,162 | 101,656 |
| Revaluation reserve | 41 | 180 | 8 |
| Statutory reserve | 42 | 5,116 | 6,031 |
| Other reserves | 43 | 77,439 | 59,067 |
| Retained earnings | | 25,683 | 22,626 |
| Equity | | 654,032 | 565,269 |
| Total equity and liabilities | | 6,453,608 | 5,288,300 |

| | 31.12.2013 | 31.12.2012 |
|------------------------|----------------|----------------|
| Contingent liabilities | 43,656 | 60,860 |
| Irrevocable facilities | 627,785 | 606,960 |
| | 671,441 | 667,820 |

* References relate to the notes starting on page 130. These form an integral part of the consolidated annual accounts.

Company profit and loss account for 2013

| in thousands of EUR | 2013 | 2012 |
|--|---------------|---------------|
| Result on participating interests after taxation | 5,077 | 4,832 |
| Other result after taxation | 20,606 | 17,794 |
| Net profit | 25,683 | 22,626 |

Company statement of changes in the equity for 2013

| in thousands of EUR | Share Capital | Share premium |
|--|------------------|------------------|
| Equity as at 1 January 2012 | 305,688 | 76,234 |
| Increase of share capital | 64,540 | 31,075 |
| Stock dividend | 5,653 | -5,653 |
| Revaluation of property, equipment and participation interest after taxation | | |
| Exchange rate results from business operations abroad after taxation | | |
| Profit appropriation for previous financial year, addition to the other reserves | | |
| Profit appropriation for previous financial year, dividend | | |
| Reverted dividend | | |
| Dividend not distributed in cash | | |
| Transfer to statutory reserve for development costs | | |
| Purchasing or sale of own depository receipts | | |
| Result for financial year | | |
| Equity as at 31 December 2012 | 375,881 | 101,656 |
| Increase of share capital | 44,822 | 23,255 |
| Stock dividend | 6,749 | -6,749 |
| Revaluation of property, equipment and participation interest after taxation | | |
| Realisation of revaluation | | |
| Exchange rate results from business operations abroad after taxation | | |
| Profit appropriation for previous financial year, addition to the other reserves | | |
| Profit appropriation for previous financial year, dividend | | |
| Dividend not distributed in cash | | |
| Reverted dividend | | |
| Transfer to statutory reserve for development costs | | |
| Purchasing or sale of own depository receipts | | |
| Result for financial year | | |
| Equity as at 31 December 2013 | 427,452 | 118,162 |

| Revaluation reserve | Statutory reserve | Other reserve | Retained earnings | Total equity |
|------------------------|----------------------|------------------|----------------------|-----------------|
| 49 | 7,024 | 44,847 | 17,324 | 451,166 |
| | | | | 95,615 |
| -41 | | | | -41 |
| | -151 | | | -151 |
| | | 5,217 | -5,217 | - |
| | | | -12,107 | -12,107 |
| | | 2 | | 2 |
| | | 8,158 | | 8,158 |
| | -842 | 842 | | - |
| | | 1 | | 1 |
| | | | 22,626 | 22,626 |
| 8 | 6,031 | 59,067 | 22,626 | 565,269 |
| | | | | 68,077 |
| | | | | - |
| 170 | | | | 170 |
| 2 | | -2 | | - |
| | -241 | | | -241 |
| | | 7,709 | -7,709 | - |
| | | | -14,917 | -14,917 |
| | | 10,003 | | 10,003 |
| | | - | | - |
| | -674 | 674 | | - |
| | | -12 | | -12 |
| | | | 25,683 | 25,683 |
| 180 | 5,116 | 77,439 | 25,683 | 654,032 |

Notes to the company's financial statements

in thousands of EUR

General

The accounting principles for valuation and determination of results are the same as those for the consolidated Annual Accounts.

In accordance with Section 2:402 of The Netherlands Civil Code, the company profit and loss account only contains a breakdown of the net result into the result on participating interests and the Other result.

For those items not included in these Notes, please see the Notes to the consolidated Annual Accounts.

Assets

32. Banks

| | 2013 | 2012 |
|-------------------------------|----------------|----------------|
| On demand deposits with banks | 295,175 | 241,499 |
| Deposits with banks | 254,180 | 318,046 |
| | 549,355 | 559,545 |

The on demand deposits can be freely disposed of.

33. Shares

| | 2013 | 2012 |
|----------------------------------|----------|----------|
| S.W.I.F.T. SCRL | 3 | 3 |
| SEPA Biogasanlage Hattingen GmbH | 1 | 1 |
| | 4 | 4 |

The movement in shares is as follows:

| | 2013 | 2012 |
|--|----------|----------|
| Balance sheet value as at 1 January | 4 | 4 |
| Purchase | – | – |
| Sales | – | – |
| Balance sheet value as at 31 December | 4 | 4 |

34. Participating interests

| | 2013 | 2012 |
|--|---------------|---------------|
| Participating interests in group companies | 20,097 | 19,801 |
| Other participating interests | 8,986 | 8,806 |
| | 29,083 | 28,607 |

This relates to equity participations that are held long-term for business operation purposes. The statement of equity participations in accordance with Section 2:379 of The Netherlands Civil Code is included under the accounting principles for consolidation in the Notes to the consolidated Annual Accounts.

The movement in this item is as follows:

| | 2013 | 2012 |
|--|---------------|---------------|
| Balance sheet value as at 1 January | 28,607 | 24,175 |
| Acquisitions | – | 1,519 |
| Incorporations | 19 | 18 |
| Increase of capital | 213 | 2,919 |
| Result on participating interests | 5,077 | 4,832 |
| Transfer from or to provision for negative equity of participating interests | -133 | -33 |
| Dividend paid | -4,520 | -4,340 |
| Revaluation | 63 | 142 |
| Repayment of capital | -3 | -472 |
| Sale | – | -2 |
| Exchange rate result on foreign currency | -240 | -151 |
| Balance sheet value as at 31 December | 29,083 | 28,607 |

35. Intangible fixed assets

| | 2013 | 2012 |
|---|--------------|--------------|
| Goodwill paid | 84 | 183 |
| Development costs for information systems | 7,116 | 8,362 |
| Computer software | 1,536 | 963 |
| | 8,736 | 9,508 |

Goodwill paid

Goodwill paid relates to the goodwill that Triodos Bank paid to Triodos Investments España in 2004, 2005 and 2009 to buy off the rights to the future profit made by the Spanish branch.

The movement in goodwill paid is as follows:

| | 2013 | 2012 |
|---|------|------|
| Purchase value as at 1 January | 788 | 788 |
| Cumulative depreciation as at 1 January | -605 | -506 |
| Balance sheet value as at 1 January | 183 | 282 |
| Purchase | – | – |
| Depreciation | -99 | -99 |
| Balance sheet value as at 31 December | 84 | 183 |

Development costs for information systems

The development costs for information systems relate to the development costs for the banking system.

The movement in the development costs for the information systems item is as follows:

| | 2013 | 2012 |
|---|---------|---------|
| Purchase value as at 1 January | 21,507 | 20,441 |
| Cumulative depreciation as at 1 January | -13,145 | -10,953 |
| Balance sheet value as at 1 January | 8,362 | 9,488 |
| Capitalised expenses | 540 | 1,260 |
| Depreciation | -1,604 | -2,386 |
| Impairments | -182 | – |
| Balance sheet value as at 31 December | 7,116 | 8,362 |

36. Property and equipment

| | 2013 | 2012 |
|----------------------|---------------|---------------|
| Property for own use | 6,406 | 8,785 |
| Equipment | 14,150 | 11,693 |
| | 20,556 | 20,478 |

The movement in the property for own use is as follows:

| | 2013 | 2012 |
|--|--------------|--------------|
| Purchase value as at 1 January | 9,045 | 9,045 |
| Cumulative depreciation as at 1 January | -260 | -193 |
| Balance sheet value as at 1 January | 8,785 | 8,852 |
| Purchase | – | – |
| Depreciation | -77 | -67 |
| Revaluation | -2,302 | – |
| Balance sheet value as at 31 December | 6,406 | 8,785 |

The movement in equipment is as follows:

| | 2013 | 2012 |
|--|---------------|---------------|
| Purchase value as at 1 January | 21,054 | 17,494 |
| Cumulative depreciation as at 1 January | -9,361 | -7,272 |
| Balance sheet value as at 1 January | 11,693 | 10,222 |
| Purchase | 5,452 | 3,977 |
| Sale* | -53 | -46 |
| Depreciation* | -2,876 | -2,524 |
| Exchange rate differences | -66 | 64 |
| Balance sheet value as at 31 December | 14,150 | 11,693 |

* Excluding disposal in the amount of EUR 0.3 million (2012: EUR 0.5 million).

Liabilities

37. Funds entrusted

| | 2013 | 2012 |
|-----------------------|------------------|------------------|
| Savings accounts | 4,007,295 | 3,322,186 |
| Other funds entrusted | 1,652,854 | 1,273,376 |
| | 5,660,149 | 4,595,562 |

The Other funds entrusted item includes an amount of EUR 10.1 million (2012: EUR 4.2 million) for deposits from consolidated participating interests.

38. Provisions

| | 2013 | 2012 |
|--|------------|------------|
| Provision for negative equity of participating interests | – | 134 |
| Other provisions | 355 | 163 |
| | 355 | 297 |

The movement of the provisions is as follows:

| | 2013 | 2012 |
|--|------------|------------|
| Balance sheet value as at 1 January | 297 | 213 |
| Allocation | 191 | 167 |
| Withdrawal | – | -82 |
| Release | -134 | – |
| Exchange rate differences | 1 | -1 |
| Balance sheet value as at 31 December | 355 | 297 |

39. Capital

The authorised capital totals EUR 1 billion and is divided into 20 million shares, each with a nominal value of EUR 50. At year-end, there were 8,549,035 shares (2012: 7,517,630 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 8,549,035 depository receipts (2012: 7,517,630 depository receipts), each of EUR 50.

The purchasing and reissuing of depository receipts for own shares is charged or credited respectively to the Other reserves. Any balance remaining after the re-issuing of all own depository receipts purchased shall be placed at the disposal of the Annual General Meeting.

The movement in the number of shares is as follows:

| | 2013 | 2012 |
|---|------------------|------------------|
| Number of shares as at 1 January | 7,517,630 | 6,113,764 |
| Increase of share capital | 896,418 | 1,290,800 |
| Stock dividend | 134,987 | 113,066 |
| Number of shares as at 31 December | 8,549,035 | 7,517,630 |

40. Share premium reserve

This item includes the share premium reserve, which is composed of deposits that exceed the nominal capital, after deduction of capital transfer tax. The full balance of the share premium reserve has been recognised as such for tax purposes.

41. Revaluation reserve

The revaluation reserve relates to the unrealised value adjustments in respect of the acquisition price for participating interests and property for own use.

42. Statutory reserve

| | 2013 | 2012 |
|------------------------|--------------|--------------|
| Development costs | 8,651 | 9,325 |
| Conversion differences | -3,535 | -3,294 |
| | 5,116 | 6,031 |

Development costs

The movement in the statutory reserve for development costs is as follows:

| | 2013 | 2012 |
|--|--------------|--------------|
| Balance sheet value as at 1 January | 9,325 | 10,167 |
| Transfer of other reserve | -674 | -842 |
| Balance sheet value as at 31 December | 8,651 | 9,325 |

Conversion differences

The movement in the statutory reserve for conversion differences is as follows:

| | 2013 | 2012 |
|---|--------|--------|
| Balance sheet value as at 1 January | -3,294 | -3,143 |
| Exchange results on participating interests | -241 | -151 |
| Balance sheet value as at 31 December | -3,535 | -3,294 |

43. Other reserves

The movement in other reserves includes purchasing of own depository receipts. At year-end 2013, Triodos Bank hadn't purchased own depository receipts (2012: nil).

Zeist, 27 February 2014

Supervisory Board

David Carrington

Marcos Eguiguren Huerta

Mathieu van den Hoogenband

Jan Lamers

Margot Scheltema, Vice-Chair

Hans Voortman, Chair

Carla van der Weerd

Executive Board

Pierre Aeby*

Peter Blom*, Chair

Jellie Banga

* Statutory director

This page was intentionally left blank

Other information

Profit appropriation

As set out in the Articles of Association, the appropriation of profit is as follows:

Part of the profit as reported in the adopted profit and loss account shall be used by the Executive Board to form or add to the reserves to the extent that this is deemed desirable. The remaining profit shall be distributed to the shareholders, unless the General Meeting decides otherwise.

All depository receipts issued up to and including 23 May 2014 are entitled to the final dividend for the financial year 2013. The results of Triodos Bank NV are taken into consideration in the issue price.

The proposed appropriation of profit is based on the number of depository receipts issued as at 31 December 2013, minus the number of depository receipts purchased by Triodos Bank. The final proposal will be submitted at the Annual General Meeting of Depository Receipt Holders.

The proposed appropriation of profit (in thousands of EUR) is as follows:

| | |
|---|---------------|
| Net profit | 25,683 |
| Addition to the other reserves | -9,012 |
| <hr/> | |
| Dividend (EUR 1.95 per depository receipt) | 16,671 |

Subsequent event

Funding of the Deposit Guarantee System has been deferred to 2015. As from July 2015 banks, in the scope of the Dutch Guarantee System in the Netherlands, will have to contribute ex ante to a fund managed by Stichting Depositogarantiefonds. In 2014 banks will have to pay a one-off bank levy in order to contribute at the financing of the nationalisation of SNS Reaal, based on the "Wet resolutieheffing 2014". For Triodos Bank the contribution will be about EUR 8 million. This amount is not tax deductible in The Netherlands.

Branches

In addition to its head office in The Netherlands, Triodos Bank has branches in The Netherlands, Belgium, the United Kingdom, Spain and Germany.

Independent auditor's report

To the annual general meeting of depository receipt holders of Triodos Bank NV.

Report on the financial statements

We have audited the accompanying financial statements 2013 of Triodos Bank NV, Zeist, which are included on pages 46 to 136 of this annual report, which comprise the consolidated and company balance sheet as at 31 December 2013, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the annual report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Triodos Bank NV as at 31 December 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the annual report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 27 February 2014

KPMG ACCOUNTANTS N.V.
P.A.M. de Wit RA

Report by the Foundation for the Administration of Triodos Bank Shares (SAAT)

The share capital of Triodos Bank has been entrusted to the independent Foundation for the Administration of Triodos Bank Shares (Stichting Administratiekantoor Aandelen Triodos Bank (SAAT)). To finance the shares, SAAT issues depository receipts. Depository receipt holders benefit from the economic rights associated with these shares, such as the right to dividends, but do not exercise any control related to them. Control rights are vested in the SAAT. A more detailed description of the corporate governance structure of Triodos Bank, and in particular the rights and responsibilities of SAAT and the depository receipt holders, can be found in the chapter on corporate governance, on page 30 of this annual report.

For an overview of the shares taken in trust and the issued depository receipts of Triodos Bank, as at 31 December 2013, please refer to page 143 of this annual report.

In exercising its voting right at the General Meeting of Triodos Bank ("General Meeting"), the Board of SAAT upholds the following principles:

- safeguarding Triodos Bank's mission;
- safeguarding Triodos Bank's independence;
- safeguarding the economic interests of the depository receipt holders, which relates to Triodos Bank's continuity and profitability, dividends, and the development of the value of depository receipts.

The Board of SAAT aims to align the economic interests of its depository receipt holders and Triodos Bank's mission, for their mutual benefit. This is reflected by the following stipulations in SAAT's administrative conditions:

Article 6

The foundation shall independently exercise the voting rights attached to the shares owned by it. In doing so, it shall be guided by the interests of the depository receipt holders and the interests of the bank, as well as by the principles expressed in the objectives of the bank.

The voting policy of SAAT is guided by article 6 of the administrative conditions and the principles as stated above.

SAAT discharges its stewardship responsibilities by monitoring and engaging with Triodos Bank in line with the principles described above. It also voluntarily complies with the relevant principles and best practices of the Dutch Corporate Governance Code, and other well-regarded stewardship regulations.

The Board of SAAT pays particular attention to the mid and long term performance of Triodos Bank. It monitors internal and external developments to assess and anticipate any impact they might have on Triodos Bank's values. The Board of SAAT's monitoring and engagement activities include:

- full meetings with Triodos Bank's Executive Board, and between the Chair of the Board of SAAT and the Chairs of the Executive and Supervisory Boards, separately and together;
 - participating in depository receipt holder meetings, client days and other meetings by invitation, in countries with Triodos Bank branches;
 - attending Triodos Bank theme days;
 - attending meetings regarding developments in professional shareholding, corporate governance, and the sectors where Triodos Bank is active;
- Discussions and meetings take place on a confidential basis, as appropriate. Should the Board of SAAT members feel Triodos Bank has not responded appropriately to questions it raises, it has a clear policy to escalate its stewardship activities.

General Meeting 2013

The Board of SAAT is Triodos Bank's sole shareholder. As such, at the General Meeting in Zeist on 17 May 2013, it voted on the items below and explained why it had made the decisions it did. For details of approved proposals visit www.triodos.com/agm.

The Board of SAAT approved the following proposals:

- adoption of the 2012 financial Annual Accounts and the proposed profit appropriation;
- discharge of the Statutory Directors of responsibility for their management during 2012;
- discharge the Supervisory Board of responsibility for its supervision during the financial year 2012;
- amendments to the articles of association of Triodos Bank;

- reappointment of Hans Voortman as a member of the Supervisory Board for one year;
- reappointment of David Carrington as a member of the Supervisory Board;
- adjustment of the remuneration of the Supervisory Board members;
- granting a power of attorney to the Statutory Directors in order to obtain depository receipts in Triodos Bank and to issue shares.

Annual Meeting of depository receipt holders

The annual survey of depository receipt holders was completed by almost 3,000 respondents and its results were presented at the Annual Meeting of depository receipt holders.

SAAT uses the results of the survey to enrich its perspective on the investor group whose interests it represents. The results give an insight into the priorities and views of the depository receipt holders.

Among other things the results showed that, according to the survey's participants, over 90% of investors think the bank aligns its mission and financial returns effectively. Participating depository receipt holders' principal motivation for investing is Triodos Bank's impact on sectors (49.5%), closely followed by its role as a reference point for sustainable banking internationally (41.5%). Only 6% invested primarily because of Triodos Bank's local impact.

The Annual Meeting of depository receipt holders approved the following proposals:

- appointment of Sandra Castañeda Elena as a member of the Board of SAAT;
- reappointment of Josephine de Zwaan as a member of the Board of SAAT;
- reappointment of Frans de Clerck as a member of the Board of SAAT;
- adjustment of the remuneration of the members of the Board of SAAT.

Meetings and decisions of the Board of SAAT

During 2013, the Board of SAAT convened eight times, four times in person and four times by telephone. The Board of SAAT also had four meetings with members of Triodos Bank's Executive Board.

The issues addressed in these meetings included:

- the 2012 annual report, in order to consider carefully the votes to be cast at the General Meeting of Triodos Bank. The report has been assessed, among other things, on the relative share of each sector (social, cultural and environmental) in the loan portfolio, the balance between profitability, risk exposure and the realisation of Triodos Bank's mission, and the extent to which Triodos Bank's activities have an impact on civil society;
 - the 2013 half-year report;
 - the risks highlighted in the Prospectus for the issuing of the depository receipts;
 - Triodos Bank's growth and scale in relation to its mission;
 - the wider impact of the financial crisis on Triodos Bank in general and more specifically the impact on the sectors Triodos Bank is active in;
 - the diversification of the sectors and innovation of financial products from the perspective of Triodos Bank's mission;
 - the impact of developments, both regulatory and incidents in other banks in the banking sector, on Triodos Bank;
 - the inflow of savings and the savings/loan ratio, in terms of impact;
 - the ambitions of Triodos Bank as a relationship bank, sustainable service provider and reference point;
 - developing more and better dialogue with the growing number of depository receipt holders.
- The Board of SAAT initiated research, together with Triodos Bank, on the dialogue between depository receipt holders and Triodos Bank during the last five years as relevant input.
- ways to protect Triodos Bank's independence.

Activities of the Board of SAAT

The Board carried out the following activities, in addition to the meetings above:

- visits to Triodos Bank's branches in The Netherlands, Belgium, the UK and Spain;
- attending client meetings, meetings with depository receipt holders, and informal discussions with depository receipt holders;
- attending annual shareholder meetings of investment funds managed by Triodos Bank;
- involvement in the selection process of members of the Supervisory Board – both new and re-appointments. A key focus in this respect is the commitment of the candidates to Triodos Bank's mission;
- the Chair of the Board of SAAT consulted regularly with the Chairs of Triodos Bank's Executive and Supervisory Boards. Regular tripartite meetings with the Chairs of the Executive and Supervisory Boards took place, including five meetings with the Chair of the Executive Board.
- the Board of SAAT initiated a three Board (Executive Board, Supervisory Board, Board of SAAT) meeting on values based banking and the different roles of these three boards as they relate to Triodos Bank's values;
- the SAAT organised a one day programme focused on the impulse behind, and mission of, Triodos Bank for the members of the Board of SAAT.
- the selection of new members to the Board of SAAT was also prepared and discussed with the Chair of the Executive Board.

Composition of the Board of SAAT and independence of its members

Given the responsibility of the Board of SAAT to protect the identity and mission of Triodos Bank, it is essential that the members of the Board are independent. For this reason, Statutory Directors or members of the Supervisory Board may not be members of the Board of SAAT.

SAAT's articles of association stipulate that the Board shall consist of three or more members. At present, it has five members: two Dutch and a British, Belgian and Spanish representative.

The composition of the Board changed in 2013. Sandra Castañeda Elena was appointed as a Board member. Josephine de Zwaan and Frans de Clerck were reappointed as Board members. Josephine de Zwaan was further appointed, by the Board, as the Chair succeeding Max Rutgers. Max Rutgers, who retired as a member of the Board and Chair during the depository receipt holders' meeting of 17 May, has been a committed and effective servant to the investors for 15 years and we are extremely grateful for his contribution.

For information about the remuneration of the members of the Board of SAAT, please refer to the Triodos Bank annual accounts on page 82.

The Board of SAAT expects that it will again be able to deepen its role as a committed shareholder in 2014. Maintaining a dialogue between Triodos Bank and its depository receipt holders is an essential part of this effort. It will undertake this work not only during the Annual Meeting of depository receipt holders in The Netherlands, but also in Belgium, the UK, and Spain, where separate informal meetings for depository receipt holders will take place.

Zeist, 27 February 2014

On behalf of the Board of SAAT,
Josephine de Zwaan, Chair
Marjatta van Boeschoten
Sandra Castañeda Elena
Frans de Clerck
Jan Nijenhof

SAAT's registered office is Nieuweroordweg 1,
3704 EC, Zeist, The Netherlands.

Statement of the shares

Statement of the shares taken in trust and the issued depository receipts of Triodos Bank NV as at 31 December 2013.

| in thousands of EUR | 31.12.2013 | 31.12.2012 |
|---|------------|------------|
| Triodos Bank NV shares taken in trust, having a nominal value of EUR 50 each | 427,452 | 375,882 |
| Issued depository receipts of Triodos Bank NV, having a nominal value of EUR 50 each | 427,452 | 375,882 |

Zeist, 27 February 2014

Board of Trustees

Marjatta van Boeschoten
Sandra Castaneda Elena
Frans de Clerck
Jan Nijenhof
Josephine de Zwaan, Chair

Independent auditor's report

Introduction

We have audited the above statement that shows the position as at 31 december 2013 in respect of the shares placed in trust and the depository receipts of Triodos Bank NV shares issued by Stichting Administratiekantoor aandelen Triodos Bank, Zeist. This statement is the responsibility of the Foundation's management.

Our responsibility is to express an opinion on this statement, based on our audit.

Scope

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and we believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, this statement provides a true and fair view of the Triodos Bank NV shares placed in trust and the issued depository receipts of Triodos Bank NV shares as at 31 december 2013.

Amstelveen, 27 February 2014

KPMG ACCOUNTANTS N.V.
P.A.M. de Wit RA

Biographies

Marjatta van Boeschoten (1946)

Marjatta van Boeschoten was first appointed in 2009 and her present term expires in 2015. Previously she was on the Triodos Bank Supervisory Board from 2001 to 2009. Marjatta van Boeschoten was a lawyer of the Supreme Court in England for seven years before becoming a management development consultant. She is a Director of Phoenix Consultancy and works with large organisations in the public and private sectors in the UK. She is General Secretary of the Anthroposophical Society in Great Britain. Marjatta van Boeschoten is of British nationality and owns one Triodos Bank depository receipt.

Sandra Castañeda Elena (1974)

Sandra Castañeda Elena was first appointed in 2013 and her present term expires in 2016. She is currently Senior Advisor Sustainability at Inditex S.A. (owner of Zara). She has helped integrate environmental and social criteria into the business strategies of companies and academic institutions, in different positions, since 2005. Previously, she was part of the core team setting up Triodos Bank in Spain. Sandra Castañeda Elena is of Spanish nationality and owns 49 Triodos Bank depository receipts.

Frans de Clerck (1945)

Frans de Clerck was first appointed in 2010 and his present term expires in 2016. He is a co-founder of Triodos Bank Belgium (1993) and a former Statutory Director and Member of the Executive Board of Triodos Bank NV. Frans de Clerck is a Member of the Supervisory Board of Stichting Triodos Holding and Member of the Board of Boss Paints NV, the Hélène De Beir Foundation and Chair of the Supervisory Board of WZC De Foyer vzw in Belgium. Frans de Clerck is of Belgian nationality and owns six Triodos Bank depository receipts.

Jan Nijenhof (1945)

Jan Nijenhof was first appointed in 2005 and his present term expires in 2014. He is also a Member of the Supervisory Board of Stichting Triodos Holding and was Coordinating Vice President of the District Court of Haarlem until 1 April 2010. He has been a substitute judge in the same court and in the District Court Oost Brabant ever since. He is also a Member of the Appeals Tribunal for Higher Education. Jan Nijenhof is of Dutch nationality and does not own any Triodos Bank depository receipts.

Josephine de Zwaan (1963), Chair

Josephine de Zwaan was first appointed in 2010 and her present term expires in 2016. She is also a Member and Chair of the Supervisory Board of Stichting Triodos Holding. Josephine de Zwaan was a lawyer for more than thirteen years, specialising in major real estate projects. During the last five years of that period, she was a member of the partnership (CMS) Derks Star Busmann, where she was in charge of a team of real estate lawyers. Although no longer acting as a lawyer, she is still involved in this firm as an advisor to the board. Since 2000 Josephine de Zwaan has acted in administrative and supervisory roles in education, health care and culture in particular (Hogeschool Leiden, Stichting Vilans, Raphael Stichting, Bureau Promotie Podiumkunsten, Iona Stichting and Academy for Liberal Arts). In 2009 she was appointed Arbitrator for the Arbitration Tribunal Foundation for Health Care and Member of the Governance Committee of the Arbitration Board for Health Care. In 2013 she was also appointed as a member of the Supervisory Board of Stichting Cito. Josephine de Zwaan is of Dutch nationality and does not own any Triodos Bank depository receipts.

About this report

This is the audited version of the 2013 Annual Report. Additional information can be found online at www.triodos.com/reports.

The 2013 Annual Report is an integrated annual and sustainability report covering the activities of Triodos Bank NV in The Netherlands, Belgium, the UK, Spain, and Germany, as presented in the Triodos Group Structure. The report covers the period from 1 January to 31 December 2013.

Triodos Bank's previous annual and sustainability report was published in April 2013 and covered the 2012 calendar year. The reporting in the 2013 financial year is based on the same principles as the 2012 report. Any changes in the methods of calculation used are explained in the text. When preparing the Triodos Bank Annual Report, a study group examines how the most recent reporting guidelines and best practices can be used to improve the report in the future.

External experts verify the data included in this report. KPMG Accountants NV verifies the financial data in accordance with the legal requirements. There is no legal framework for the verification of the environmental and social data included in the report, although the key indicators used to measure social and environmental performance are also verified by KPMG.

Global Reporting Initiative

Triodos Bank used the Global Reporting Initiative's third generation (GRI 3.1) guidelines (as published in 2006 and updated in 2011) for the sixth time in the preparation of the 2013 Annual Report. For the fifth time we used the GRI Financial Sector Supplements that have been updated in 2008.

Triodos Bank uses these guidelines to try and ensure a high degree of comparability between its report and those of other companies that use them. The bank's ambition is to do this at A+ level. This has been checked and confirmed by the GRI. The GRI Content Index and the GRI Application Level Check Statement can be found online at www.triodos.com/reports. Triodos Bank started to align its reporting with the fourth generation of GRI guidelines in the 2013 Annual Report, and will implement them in full in the 2014 Annual Report.

Production

Triodos Bank NV 2013 Annual Report

Published

April 2014

Text

Triodos Bank

Coordination

RRED Communications, The Hague, The Netherlands

Concept & Art Direction

Michael Nash Associates, London, United Kingdom

Design and layout

Grafisch ontwerp PI&Q, Zeist, The Netherlands

Printing

Drukkerij Pascal, Utrecht, The Netherlands

Circulation

1,000 copies

Contact

If you have comments or questions about this report, please contact your local office of Triodos Bank. Addresses are provided on page 147.

This document can be downloaded from
www.triodos.co.uk and
www.triodos.com/reports

Addresses

International head office

Nieuweroordweg 1, Zeist
PO Box 55
3700 AB Zeist, The Netherlands
Telephone +31 (0)30 693 65 00
www.triodos.com

Branches

The Netherlands

Utrechtseweg 44, Zeist
PO Box 55
3700 AB Zeist, The Netherlands
Telephone +31 (0)30 693 65 00
www.triodos.nl

Belgium

Hoogstraat 139/3 – Rue Haute 139/3
1000 Brussels, Belgium
Telephone +32 (0)2 548 28 28
www.triodos.be

United Kingdom

Deanery Road
Bristol BS1 5AS, United Kingdom
Telephone +44 (0)117 973 9339
www.triodos.co.uk

Edinburgh Regional office

24 Hanover Street
Edinburgh EH2 2EN, United Kingdom
Telephone +44 (0)131 220 0869
www.triodos.co.uk

Spain

C/ José Echegaray 5-7
Parque Empresarial Las Rozas
28232 Madrid, Spain
Telephone +34 91 640 46 84
www.triodos.es

Barcelona office

Avenida Diagonal 418 bajos
Casa de Les Punxes
08037 Barcelona, Spain
Telephone +34 93 476 57 47

Sevilla office

C/ Marqués de Paradas 24
41001 Seville, Spain
Telephone +34 95 462 41 66

Madrid office

C/ Ferraz 52
28008 Madrid, Spain
Telephone +34 91 541 62 64

Madrid office 2

C/ Mártires Concepcionistas 18
esq. C/ Ortega y Gasset
28006 Madrid, Spain

Valladolid office

Acera de Recoletos 2
47004 Valladolid, Spain
Telephone +34 983 21 71 76

Valencia office

C/ Del Justícia 1
46004 Valencia, Spain
Telephone +34 96 351 02 03

Zaragoza office

Avenida César Augusto 23
50004 Zaragoza, Spain
Telephone +34 976 45 64 69

Bilbao office

C/ Lersundi 18
48009 Bilbao, Spain
Telephone +34 94 424 30 97

A Coruña office

Avenida Finisterre 25
15004 A Coruña, Spain
Telephone + 34 981 14 81 00

Palma de Mallorca office

Avenida de Portugal 5
07012 Palma de Mallorca, Spain
Telephone +34 971 22 94 87

Las Palmas de G.C. office

c/ Manuel González Martín 2
35004 Las Palmas de Gran Canaria, Spain
Telephone +34 928 24 24 33

S.C. de Tenerife office

Rambla de Santa Cruz 121
38004 Santa Cruz de Tenerife, Spain
Telephone +34 922 27 93 81

Murcia office

Avenida de la Libertad s/n
30009 Murcia, Spain
Telephone + 34 968 28 24 39

Girona office

Pça. Catalunya 16
17004 Girona, Spain

Granada office

C/ Gran Vía de Colón 29
18001 Granada, Spain

Oviedo office

C/ Cabo Noval 11
33007 Oviedo, Spain

Pamplona office

Avda. del Ejército, 30
31002 Pamplona, Spain

Germany

Mainzer Landstr. 211
60326 Frankfurt am Main, Germany
Telephone +49 (0)69 717 19 100
Fax +49 (0)69 717 19 222
www.triodos.de

Sustainable banking

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