

Triodos Bank NV

ANNUAL REPORT 2008

**IMPORTANT DATA FOR TRIODOS BANK'S
SHAREHOLDER AND DEPOSITORY RECEIPT HOLDERS**

Annual General Meeting of Shareholders	15 May 2009
Ex-dividend date	18 May 2009
Dividend payment date	20 May 2009

Key figures in euros

amounts in millions of euros

	2008	2007	2006	2005	2004
Financial					
Liability capital	204	200	124	120	102
Number of depository receipt holders	11,797	12,084	9,039	9,271	8,231
Funds entrusted	2,077	1,617	1,356	1,072	897
Number of accounts	169,517	130,644	102,318	87,989	79,468
Loans	1,270	1,019	854	665	548
Number	9,381	6,181	3,977	3,682	3,255
Balance sheet total	2,363	1,885	1,539	1,222	1,026
Funds under management*	1,378	1,429	1,282	1,080	797
Total assets under management	3,741	3,314	2,821	2,302	1,823
Total income	73.7	59.2	45.9	36.6	30.2
Operating expenses	-55.5	-47.7	-36.8	-29.3	-22.4
Value adjustments to receivables	-3.2	0.6	-0.3	0.5	-2.0
Value adjustments to participating interests	-1.0	—	—	—	—
Operating result before taxation	14.0	12.1	8.8	7.8	5.8
Taxation on operating result	-3.9	-3.1	-2.7	-2.5	-2.2
Net profit	10.1	9.0	6.1	5.3	3.6
Solvency (BIS ratio)**	13.0%	16.8%	13.5%	14.3%	15.3%
Operating expenses/total income	75%	81%	80%	80%	74%
Return on liability capital in %	5.0%	5.6%	5.0%	5.0%	3.6%
Per share (in euros)					
Net asset value at year end	70	70	69	67	67
Net profit***	3.51	3.85	3.40	3.37	2.39
Dividend	1.95	1.95	1.80	1.65	1.50
Social					
Number of co-workers at year end****	475	397	349	301	264
Co-worker turnover	14%	18%	20%	19%	17%
Women as percentage of management team	29%	33%	33%	36%	32%
Training costs per fte in euros	1,235	1,189	971	1,061	1,236
Ratio between the highest and the lowest salary	7.7	7.3	7.0	6.8	6.5
Environment					
Environmental impact in Eco-Mpt per fte*****	4,702	4,283	4,349	4,331	4,546
Emission of CO ₂ (1,000 kg)	1,778	1,454	1,163	1,013	957
Compensation CO ₂	100%	100%	100%	100%	100%

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

** With effect from 2008, the solvency is calculated in accordance with the new Basel II directives. The comparable figure for 2007 has been adjusted.

*** 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 comparable figure for 2007 has been adjusted.

***** In 2008, the Bank's external and temporary co-workers were included in the calculation of the environmental figures for the first time. The figure for 2007 has been recalculated to enable comparison.

Key figures in pounds

amounts in millions of pounds #

	2008	2007	2006	2005	2004
Financial					
Liability capital	194	147	83	82	72
Number of depository receipt holders	11,797	12,084	9,039	9,271	8,231
Funds entrusted	1,978	1,186	911	735	632
Number of accounts	169,517	130,644	102,318	87,989	79,468
Loans	1,210	747	574	456	386
Number	9,381	6,181	3,977	3,682	3,255
Balance sheet total	2,251	1,382	1,033	837	723
Funds under management*	1,312	1,048	861	740	562
Total assets under management	3,563	2,430	1,894	1,577	1,285
Total income	70.2	43.4	30.8	25.1	21.3
Operating expenses	-52.9	-35.0	-24.7	-20.1	-15.8
Value adjustments to receivables	-3.1	0.5	-0.2	0.3	-1.4
Value adjustments to participating interests	-0.9	—	—	—	—
Operating result before taxation	13.3	8.9	5.9	5.3	4.1
Taxation on operating result	-3.6	-2.3	-1.8	-1.7	-1.5
Net profit	9.7	6.6	4.1	3.6	2.6
Solvency (BIS ratio)**	13.0%	16.8%	13.5%	14.3%	15.3%
Operating expenses/total income	75%	81%	80%	80%	74%
Return on liability capital in %	5.0%	5.6%	5.0%	5.0%	3.6%
Per share (in GBP)					
Net asset value at year end	67	51	46	46	47
Net profit***	3.34	2.82	2.28	2.31	1.69
Dividend	1.86	1.43	1.21	1.13	1.06
Social					
Number of co-workers at year end****	475	397	349	301	264
Co-worker turnover	14%	18%	20%	19%	17%
Women as percentage of management team	29%	33%	33%	36%	32%
Training costs per fte in euros	1,176	872	652	727	871
Ratio between the highest and the lowest salary	7.7	7.3	7.0	6.8	6.5
Environment					
Environmental impact in Eco-Mpt per fte*****	4,702	4,283	4,349	4,331	4,546
Emission of CO ₂ (1,000 kg)	1,778	1,454	1,163	1,013	957
Compensation CO ₂	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.

** With effect from 2008, the solvency is calculated in accordance with the new Basel II directives. The comparable figure for 2007 has been adjusted.

*** 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 comparable figure for 2007 has been adjusted.

***** In 2008, the Bank's external and temporary co-workers were included in the calculation of the environmental figures for the first time. The figure for 2007 has been recalculated to enable comparison.

Key figures in US-dollars

amounts in millions of US-dollars#

	2008	2007	2006	2005	2004
Financial					
Liability capital	284	295	163	142	139
Number of depository receipt holders	11,797	12,084	9,039	9,271	8,231
Funds entrusted	2,890	2,380	1,786	1,268	1,225
Number of accounts	169,517	130,644	102,318	87,989	79,468
Loans	1,768	1,500	1,125	787	748
Number	9,381	6,181	3,977	3,682	3,255
Balance sheet total	3,289	2,775	2,026	1,445	1,401
Funds under management*	1,918	2,104	1,689	1,278	1,088
Total assets under management	5,207	4,879	3,715	2,723	2,489
Total income	102,6	87.2	60.5	43.3	41.2
Operating expenses	-77.3	-70.3	-48.4	-34.7	-30.6
Value adjustments to receivables	-4.4	0.9	-0.4	0.6	-2.7
Value adjustments to participating interests	-1.4	—	—	—	—
Operating result before taxation	19.5	17.8	11.7	9.2	7.9
Taxation on operating result	-5.4	-4.6	-3.6	-2.9	-3.0
Net profit	14.1	13.2	8.1	6.3	4.9
Solvency (BIS ratio)**	13.0%	16.8%	13.5%	14.3%	15.3%
Operating expenses/total income	75%	81%	80%	80%	74%
Return on liability capital in %	5.0%	5.6%	5.0%	5.0%	3.6%
Per share (in USD)					
Net asset value at year end	97	103	91	79	91
Net profit***	4.88	5.67	4.48	3.99	3.26
Dividend	2.71	2.87	2.37	1.95	2.05
Social					
Number of co-workers at year end****	475	397	349	301	264
Co-worker turnover	14%	18%	20%	19%	17%
Women as percentage of management team	29%	33%	33%	36%	32%
Training costs per fte in euros	1,719	1,750	1,279	1,255	1,688
Ratio between the highest and the lowest salary	7.7	7.3	7.0	6.8	6.5
Environment					
Environmental impact in Eco-Mpt per fte*****	4,702	4,283	4,349	4,331	4,546
Emission of CO ₂ (1,000 kg)	1,778	1,454	1,163	1,013	957
Compensation CO ₂	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.

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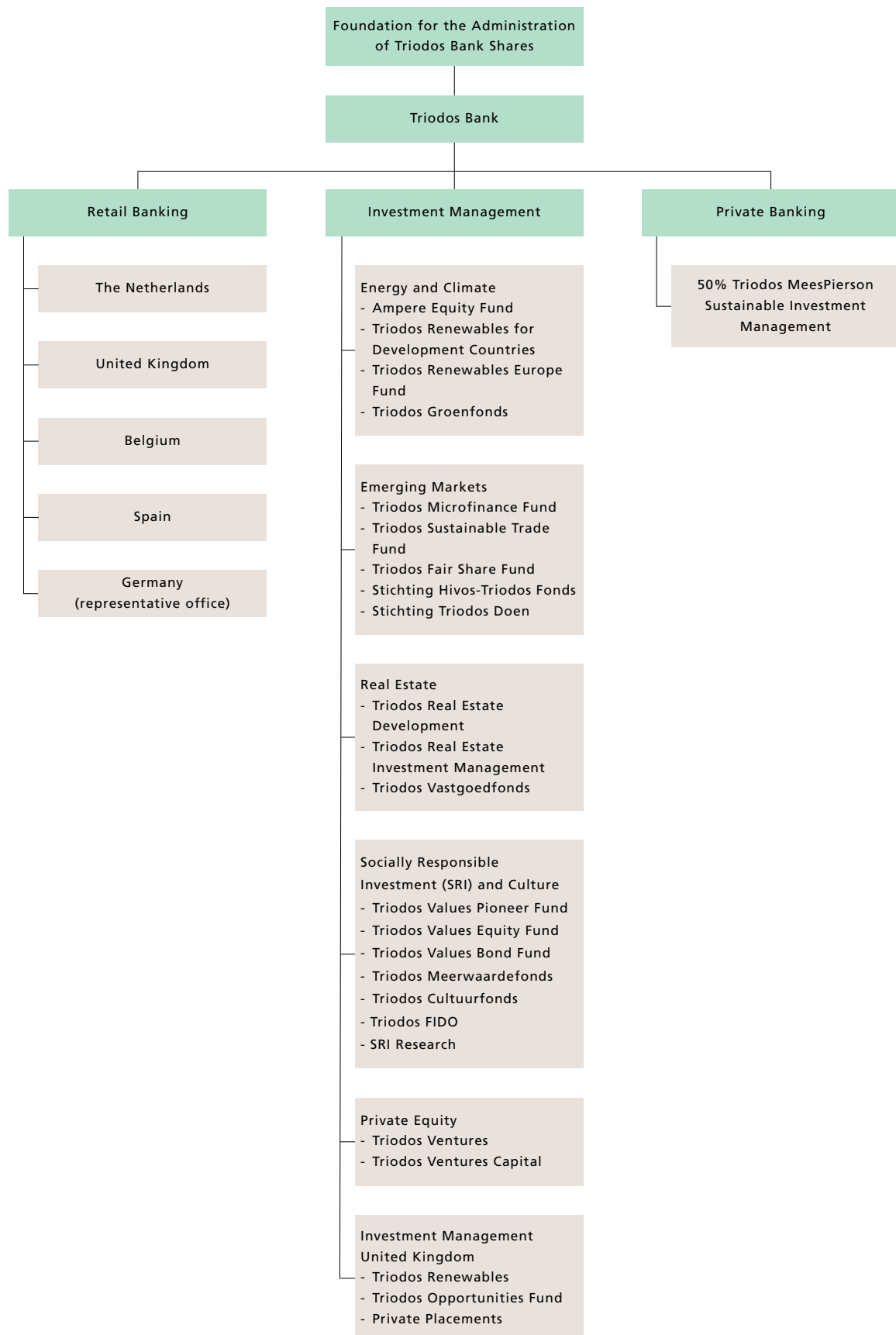
***** In 2008, the Bank's external and temporary co-workers were included in the calculation of the environmental figures for the first time. The figure for 2007 has been recalculated to enable comparison.



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Triodos Group Structure at 1 January 2009



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. Our 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.

OUR 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 that we offer 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.

OUR MARKET AND CORE ACTIVITIES

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

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 the Bank tries to offer a collective package of banking services to promote sustainable development. The Bank's aim is to create a broad customer base – a combination of private and corporate customers who have made a conscious decision to bank with Triodos. Exactly how this happens differs in each country; our services have developed in different ways in each of the countries where

we work, depending in part on the stage of development of the branches and offices in question.

AS A PRODUCT INNOVATOR

A second strategic objective is to develop innovative products and sell them through the Bank and third parties. These products directly reflect the mission and values at the core of the Bank's work. Product development is most advanced in the Netherlands, where The Triodos Added Value Funds, Triodos Green Fund, Triodos Sustainable Real Estate Fund and the Triodos Culture Fund are all distributed to the general public through other banks. The launch of Luxembourg-based funds has also laid the foundation for European-wide distribution. More than 50% of the growth in these funds now comes from distribution via third parties, bringing Triodos Bank products to a broader audience.

AS AN OPINION LEADER

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 its more than 25 years' experience to encourage society to promote more sustainable development. The implications of this public debate extend well beyond the activities of the Bank itself. And Triodos' vision and approach have given the Bank international recognition. The Bank's participation in the public debate means people can see what we stand for and hear our opinions about important social trends. Triodos Bank's identity is crucial in this respect, strengthening the Triodos brand and reputation.

INCA MAR

"MHOREC"
EVENTOS Y PINATOS
BRINDAMOS SERVICIOS EN
TODOS, ESTADOS
MESAS, SILLAS

FILMACION
TALLADO
TRABAJO
BUBLES



Supervisory Board Annual Report

TO THE SHAREHOLDERS AND DEPOSITARY RECEIPT HOLDERS

We hereby present the 2008 Annual Report and Accounts, consisting of the Board of Management Annual Report, the Annual Accounts, and the Notes and Additional Information. The Annual Accounts for 2008 have been approved by KPMG Accountants NV. The auditor's report is included on page 119 of this Annual Report.

The Supervisory Board's primary responsibility is the supervision and review of the development of Triodos Bank's operations, on the basis of the Board of Management's written quarterly reports. It has also been involved in the Bank's strategic decision-making. In this connection it granted approval for the 2009-2011 business plan and the opening of a branch in Germany. The global financial crisis has naturally also been a frequent subject of discussion. The Board is delighted that Triodos Bank is able to hold its own in this respect.

The Board has an Audit Committee and a Nomination and Compensation Committee. The Audit Committee met on three occasions with the CFO as representative of Triodos Bank's Board of Management and Internal Audit department. In addition, one meeting was held with the Internal Audit department and the external auditor, without the Board of Management attending. In 2008, there were no particular points of attention worth mentioning here.

The Nomination and Compensation Committee discussed the remuneration packages of the Board of Management and made proposals to the Board. Since Triodos Bank's Board of Management does not have any bonuses or options, this Committee's activities are limited.

In 2008, a strategy meeting was attended by the members of the Supervisory Board, the members of the Board of SAAT (Foundation for the Administration of Triodos Bank Shares) as

well as by the Bank's senior management. During this meeting, thoughts were exchanged about the Bank's long-term prospects, particularly against the background of the financial and economic crisis. The Supervisory Board met once without the Board of Management, to discuss its own effectiveness, as well as its relationship with and the effectiveness of Triodos Bank's Board of Management. In general, the effectiveness was considered satisfactory with the Board making agreements about improvements and changes on a number of points. The decision to precede each Supervisory Board meeting with a presentation on one area of Triodos Bank's activities was implemented in 2008. This was extremely worthwhile for the Board in the exercise of its function. This enables the Supervisory Board to gain a better understanding of the various activities, and build up better contacts with the Board of Management under the Articles of Association. The Board was strengthened in 2008 with the addition of Mr. Marcos Eguiguren, who has specific financial and banking experience. His knowledge of the Spanish market is a welcome addition.

We propose that the Board of Management and the Supervisory Board of Triodos Bank be discharged in respect of the fulfilment of their duties during the past financial year. According to the schedule for retirement by rotation, the terms of three members of the Board have expired.

Ms. M. van Boeschoten is at the end of her second term and is no longer eligible for reappointment. She will be nominated for an appointment on the Board of SAAT. The Board is delighted that Marjatta van Boeschoten is still willing to make her knowledge and experience available to Triodos Bank and is very grateful to her for the contribution that she has made during the past eight years as Supervisory Director.

- ◀ Peruvian microfinance bank, Mibanco lends money to around 450,000 borrowers. José Antonio Ccencho Limache is one of them, and has been able to develop his company thanks to loans from the bank. Triodos Fair Share Fund, Triodos-Doen and Hivos-Triodos Funds are shareholders in Mibanco.

It is proposed to appoint Mr. D. Carrington as her successor. David Carrington is an independent consultant in the field of financial policy and charitable work. He is very familiar with a number of sectors in which Triodos Bank is active and has an extensive network.

Mr. Frank is at the end of his first term and is eligible for reappointment. The Board supports the reappointment of Marius Frank. Finally, Mr. Voortman is at the end of his second term and is eligible for reappointment. The Board supports the reappointment of Hans Voortman for a final term.

Zeist, 25 February 2009

Hans Voortman, Chair

Prior to the publication of this Annual Report, it has come to light that the Dutch government has proposed that Ms. T. Bahlmann be appointed as member of the Supervisory Board of the ING Group. This means that she will be retiring from her position as Member of the Supervisory Board of Triodos Bank. Whilst it is with regret that Tineke Bahlmann is leaving her position on the Board, we respect her decision to focus on her new position, which has a great importance to society.

Board of Management Annual Report

In 2008, the credit crisis erupted with full force and it has dominated the social agenda ever since. In the 2007 annual report we talked about risk and decreasing confidence in financial products, such as sub-prime mortgages. In the second half of 2008, these developments led to an unprecedented financial crisis. A year earlier, it was still inconceivable that governments would have to intervene in the banking sector so forcefully, resulting in a fundamental rethink about how the financial system works and the role of banks in it. It is now clear that the banks have taken enormous risks in their pursuit of ever increasing profit. These risks have become painfully visible in the extremely high provisions that banks have had to make, in anticipation of heavy losses. One of the effects of this is the decline in the price of many listed banks to the level of the early nineteen nineties. Triodos Bank does not invest in complex financial products, and for that reason it has not had to make any provisions.

A MODEL OF TRANSPARENT BANKING

Because public discussion now includes the role of banks themselves, Triodos Bank feels that it is an important part of the debate. While Triodos Bank is limited in size, the success of our approach has not gone unnoticed. The current crisis demonstrates that the key issue for banks is not so much about being large or small, but about the business model itself. Triodos Bank has always consciously opted for a transparent, relatively simple model which takes savings in from depositors, and lends them out to sustainable companies. In addition, the Bank offers a number of investment funds that enable investors to choose the sector they invest in and the relative risks associated with them, such as sustainable energy or microfinance.

Since banks operate with the benefit of the savings of others, substantial buffer capital and sufficient liquidity is vitally important. This limits banks exposure to particular risks. Triodos Bank believes that this is an essential feature of what banks want to be and should be: institutions that can be trusted. Triodos Bank has put this theory into practice and it has given it additional resilience during the crisis.

THE SOCIAL FUNCTION OF BANKS

We can learn a great deal from the causes of the credit crisis, and the role of banks in it. These profound changes are not just a temporary setback to a financial system that has otherwise been successful. Government intervention is too substantial, and the social damage from it too great, for that. It is vitally important that the financial system itself is examined, in addition to improving risk management and its supervision.

Banks are often criticised for neglecting their social responsibility in the pursuit of profit; rather, they should fulfil a 'utility' function. While this is new for many banks it is self-evident to Triodos Bank. Banks with a stock exchange listing, who only see their task as maximising shareholder value, find it particularly difficult to reconcile their short-term goals with a long-term contribution to social interests.

High profits, and the high share prices that go with them, are these bank's key measures of success - as well as for staff and board members whose bonuses are linked to this kind of performance. For unlisted banks, such as the cooperative banks and Triodos Bank, this bias towards shareholder value does not exist. For these banks, customer value and social value are paramount and profit the outcome of sound management. It is striking that this category of banks is able to maintain its position in the crisis without government assistance. The question that must be asked is whether the global stock market system, with its limited focus on shareholder value alone, can be reconciled with the social function of banks. We believe the financial sector, the regulatory authorities, the government and politicians will have to comment on this.

THE NEW BANK

A New Bank, could and should emerge from the wreckage of the financial crisis. This New Bank has a number of characteristics that may restore the public's faith in the banking system. The most important of which is that the New Bank will have to be stakeholder-driven.

Customers, co-workers and shareholders, as well as the broad-based social agenda (the sustainability of the economy, for example), are the stakeholders the New Bank must focus on. Within this framework, the New Bank will pay more attention to long-term relationships than short-term transactions. Bonuses will play a very limited role. The New Bank will mainly concentrate on saving and lending. Existing Investment Banking, the high-risk investment activities described currently as being part of a normal 'bank's' work, can no longer be referred to as bank activity at all. It can no longer be allowed to threaten the continuity of 'normal' banking operations. Payment transactions are still part of a bank's core business, but it is quite possible for this utility function to be performed by a neutral party - naturally, with a government guarantee. The healthy flow of money is too important to be left to free market forces.

Transparency is and remains vitally important to the activities and products of the New Bank. A stock exchange listing for the New Bank is undesirable because it puts too much emphasis on the short-term interests of shareholders. Many readers will recognise Triodos Bank in this description. This is, of course, not surprising in view of the bank's social mission. The fact that banks like Triodos Bank, which has successfully followed these principles for more than 28 years, makes this prototype bank even more credible. These elements are also the building blocks for other banks that want to transform themselves and concentrate on a bank's traditional business: saving and lending and advising customers about how to manage money and risk.

CLIMATE CRISIS IS MORE FUNDAMENTAL

The credit crisis is not an isolated issue. The world faces a number of fundamental questions and the credit crisis is probably one of the easiest to overcome. The climate crisis is much more fundamental. It is penetrating further and further into the consciousness of citizens, politicians and the business community. New forecasts are more severe than their predecessors and, according to experts, the time left to do something about catastrophic changes to our climate has fallen to between ten and fifteen years.

The climate issue is mainly an energy crisis. The transition from oil, coal and gas to wind, biomass and solar energy is still too slow. However, it is encouraging that both the European Union and the new us president, Barack Obama, have elevated sustainable energy to the status of an important investment goal. Issues of climate and environment are usually a secondary concern, with little attention or support, during an economic downturn. But they should be seen as an opportunity to link public spending to stimulate the economy with the green investment agenda. This would represent real progress. It is no accident that a Global Green New Deal is being talked about now, after the example of the New Deal that had to stem the depression last century.

Triodos Bank chooses to support and promote sustainable energy. In the short term, this means wind power, responsible biomass and solar energy. Over the longer term, Triodos Bank sees solar energy as a key solution to the energy problem. Sunlight is an infinite source of energy and the applications of solar energy are very wide, such as integrating solar cells in building materials. Solar energy can be used in a decentralised way, producing a significant geopolitical benefit. And above all, solar energy leaves the earth in peace. We collect it and immediately convert it into energy, without it first being absorbed by plants and subsequently being eventually converted into oil or gas.

Triodos Bank does not choose nuclear energy. Although its CO₂ emissions are minimal, the waste problem associated with it, toxic pollution and water consumption during production are absolutely not sustainable. As well as the energy crisis, there is a raw materials crisis. The use of the latter for consumer goods has increased phenomenally, but the supply of a significant number of raw materials will be exhausted in the fairly short term. Manufacturing industry is, therefore, faced with a major challenge to recycle its production. This means that there must be a drastic increase in the re-use of easily recycled raw materials. Major investments in this innovation demand are required in the next ten years. Triodos Bank sees this as an important sector to contribute to through both venture capital and Bank finance.

The food crisis has provoked less attention during the past year, but has not diminished as a fundamental issue. Competition between the use of crops for fuel and for food has reduced because the economic crisis has put pressure on oil prices. At the same time there is less demand for biofuels, but this is only a temporary situation. The food crisis is a complex issue that involves both quality and quantity. The latter also has consequences for the range of foods available. The farming industry is also faced with the problem of biodiversity, disease resistance and soil fertility. All three are declining, because heavily industrialised agriculture, in which monocultures produce greater yields in the short-term, causes major problems in the longer-term. The use of genetically modified crops and seeds contribute to this process. Modern agriculture should primarily focus on the potential nature has to offer in its normal state, and not on how we can manipulate it. This is the point of departure for organic farming. Healthy plants grow in healthy soil and in turn contribute to the health of people and animals – a point proved by scientific research partly financed by Triodos Bank last year. Organic farming is, and remains, an important sector for Triodos Bank. The Bank expects that the growth in the number of organic companies and increasing consumer awareness about the quality of organic products will also be increasingly apparent in the years to come.

CAPITAL, WORK AND NATURE

Triodos Bank focuses its lending on the real economy. And we have become much more aware of its importance since the credit crisis hit. The task of banks is not to make money from money, but to support and finance the real economy. Examined in detail, the credit crisis is arguably a healthy adjustment to a disproportionate emphasis on capital and the return to be achieved on it. We have learnt that, in the modern economy, the production of goods and services always combines the production factors of labour, nature and capital. But capital has become the dominant force over the last hundred years because it made financing the organisation of the production process and its associated knowledge possible.

At least it did until the capital became disconnected from the real economy, and separate from the production factors of nature and labour. We have created more capital than we need and have allowed it to circulate faster and faster. And we have started to believe that the circulation itself has value - earning money with money. The credit crisis shows us that capital can only lead to meaningful productivity if it works in tandem with labour and nature. In this respect we have been brought to our senses and back to today's most pressing issue: how do we deploy all three production factors to create a sustainable economy? This is the question that we must now ask ourselves. And it's a question Triodos Bank wants to answer, creating concrete ways to put this into practice. Maximum profit must be replaced with maximum sustainability.



Peter Blom: 'The role of banks in society is under discussion because of the financial crisis.'

A new bank concept is required which puts the bank's social function back in the foreground with the profession of banker subservient to it.'

RESULTS

Triodos Bank is committed to sustainable development, with a focus on people's quality of life. Quality of life extends beyond the well-being of individuals, to social relationships and how we treat the environment, nature and wildlife. Quality of life does not contradict entrepreneurship and financial return, but puts them in a broader context. Indeed, this is the added value that Triodos Bank contributes. Social and economic developments underline the interest in Triodos Bank's focus on quality, people and nature. The Bank is responding to this by broadening and deepening its activities. The following are the main results achieved in 2008:

- Triodos Bank's balance sheet total grew by 25% to EUR 2.4 billion. Growth between 15 to 20 percent was expected. As a consequence of the financial crisis and the problems facing the banking sector, many savers decided to change to Triodos Bank. This resulted higher growth than expected, particularly in the Netherlands and Belgium.
- Growth at all Triodos investment funds combined slightly decreased. At the start of 2008, the expectation was growth between 20 and 25 percent. Growth was achieved in practically all investment sectors, except in sustainable investment in stock exchange quoted companies. This area suffered from the downward spiral of the financial markets. It was notable that the Triodos investment funds experienced price losses, rather than large numbers of investors leaving. The fall in value of the sustainable funds was offset for by an



Pierre Aeby: 'Triodos Bank ensures that money makes the mutual dependence between saver and

lender visible. Without this link, only the highest financial return is an issue, and the financial system will ultimately run aground.'

increase in value of investment funds such as the Triodos Fair Share Fund, the Triodos Green Fund and The Triodos Culture Fund. Triodos Bank is very satisfied with this result, given highly challenging market conditions.

- The total amount of funds entrusted to the Bank and investment funds grew by 13% to EUR 3.7 billion.
- Growth of the loan portfolio amounted to EUR 251 million. This is less than the expected growth of EUR 295 million. Growth of the loan portfolio declined as a consequence of a weakening of the British pound. As a result, the loan portfolio at the British branch increased

by 13% in pounds sterling but decreased by 13% in euros. In addition, growth at the German representative office did not meet expectations.

- Funds entrusted grew by EUR 460 million, considerably exceeding the EUR 350 million that was expected. This growth was achieved despite the 13% decline in the euro value of the UK branch's funds entrusted.
- The Bank's total number of customers increased by 25%. Expected growth was between 15% and 20%. By the end of 2008, the Bank has a total of 191,000 customers.
- The net profit for 2008 is EUR 10 million, 13% higher than for 2007 and exceeded expectations. The net profit is inflated by a one-off currency gain, which was achieved by hedging against currency fluctuations of the British pound in respect of the operations in the UK. The operating result is stable.
- The quality of customer service continued to improve. The Bank has devoted a great deal of attention to the introduction of the new current account in the Netherlands. Since the introduction according to plan at the start of 2008, Triodos Bank customers in the Netherlands can pay, save and invest online.
- Triodos Bank United Kingdom introduced an internet savings account and hopes that this will encourage growth in its number of customers.
- Triodos Bank Belgium attracted many new savers, and also saw interest in its private banking services decline.
- Four years after its launch, Triodos Bank Spain for the first time contributed to the Bank's profit. The Bank opened a new office in Seville.
- The representative office Triodos Finanz GmbH has mainly focused on preparing for opening of a Triodos branch in Germany. As a result, there was a very limited increase in the loan portfolio.
- As planned, Triodos Sustainable Trade Fund was successfully introduced at the start of 2008. Through this fund the Bank wants to supply trade finance to fair trade and organic producers. This involves risk-bearing loans that

Statement of funds entrusted per branch

amounts in millions of euros

	31.12.2008		31.12.2007	
	amount	%	amount	%
The Netherlands	970.2	47	678.6	41
Belgium	572.2	28	414.7	26
United Kingdom	359.0	17	414.4	26
Spain	175.3	8	109.1	7
Total	2,076.7	100	1,616.8	100

Statement of funds entrusted per category

amounts in millions of euros

	31.12.2008		31.12.2007	
	amount	%	amount	%
Savings accounts	1,039.4	50	959.2	59
Deposits and time accounts	595.4	29	302.6	19
Other funds entrusted	441.9	21	355.0	22
Total	2,076.7	100	1,616.8	100

can be granted thanks to the buffer capital supplied by a number of non-profit organisations. At year-end 2008, the Fund's financing capacity was EUR 10 million.

- In October 2008 it was decided to merge the entities Triodos Fund Management bv and Triodos Investment Management bv, which will continue to operate under the name Triodos Investment Management. Integrating the funds will produce increased synergy with respect to the available knowledge and experience in the fields of fund management, fund distribution and investments. The legal merger will take place in June 2009.
- The number of co-workers increased by 20% to 475 in 2008. Absenteeism was 2.4% (2007: 1.9%), remaining below the stated maximum of 2.5%.
- The most important points of attention in the 2008 environmental programme were reducing

paper usage per fte and encouraging the use of bicycles for commuting between home and work. However, as a consequence of the growth in the number of customers and co-workers, paper usage increased by 7% per fte (2007: 2% increase).

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 make comparison easier. Triodos Bank is an organisational stakeholder of GRI. This annual report uses the G3 (version 3) guidelines.

SUSTAINABILITY POLICY

Considerations with respect to sustainability are shared at all levels of Triodos Bank and are an integral part of its management. For all decisions regarding the Bank's activities, the social and environmental aspects are taken into account. Unlike many other organisations, Triodos Bank does not have a separate department that continuously focuses on sustainability or corporate social responsibility.

Triodos employs specific criteria to ensure the sustainability of products and services. The Bank employs both positive criteria for encouragement and negative criteria for exclusion. The negative criteria exclude loans and investments in sectors or activities that are harmful 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 the Business Principles. All sustainability criteria referred to can be found on Triodos Bank's websites.

PRODUCTS AND SERVICES

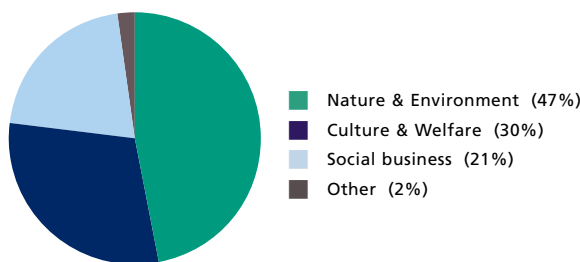
Triodos Bank's products and services offer investors and savers the opportunity to finance new and existing companies and organisations that finance new and existing

companies and organisations that contribute to the improvement of the environment or create social or cultural added value. Potential borrowers are first assessed on the added value they create in the social, environmental or cultural field. This can be a limited assessment if the potential borrower is active in a recognised sustainable sector. If this is not the case, this aspect is examined in more detail and advice may be sought. The commercial feasibility is then assessed and we decide whether a loan is a responsible banking option. The criteria Triodos Bank uses to assess companies can be viewed on Triodos Bank's websites.

LENDING

The growth of the loan portfolio is an important indicator of the contribution Triodos Bank makes towards a more sustainable economy. All the sectors the Bank works in qualify as sustainable and the respective companies and projects contribute to realising Triodos Bank's mission. In 2008, there was no reason to compare the sustainability levels of the various sectors and base a core policy on the outcome of this. The Bank's main focus remains on the existing sectors in which it has already developed considerable expertise.

Outstanding loans per sector in 2008



NATURE & ENVIRONMENT (47%, 2007: 40%)

This sector consists of renewable energy projects such as wind power and hydroelectric 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 BUSINESS (21%, 2007: 23%)

This sector includes loans to traditional businesses and innovative enterprises and service providers with clear social objectives, such as providing work space for start up enterprises. Loans to fair trade businesses and microfinance institutions providing basic financial services for people in the developing world, are also included.

CULTURE & WELFARE (30%, 2007: 35%)

This sector covers small loans to organisations working in education, care for people with disabilities, complementary healthcare and artists. All the enterprises Triodos Bank lends to in this sector have a clear, people-centred policy. The lending sectors above indicate the main sectors Triodos Bank is involved in. These sectors are financed by both Triodos Bank itself and its investment funds.

In 2008, the loan portfolio grew by 25% to EUR 1,270 million (2007: 19%). This EUR 251 million growth was less than the expected EUR 295 million. The majority of this difference was due to a decline in the euro value of the UK loan portfolio as a result of a weakened British pound.

The increase in demand for renewable energy finance resulted in an increased share of the loan portfolio allocated to wind turbines and solar panels and, to a lesser degree, small-scale biomass and hydropower projects. The loan portfolio as a percentage of the total amount of funds entrusted rose to 61% (2007: 63%). Triodos Bank aims for a loan portfolio to funds entrusted ratio of 70%. The quality of the loan portfolio remained good, despite the fact that the addition to the provisions increased considerably, although remaining within the stated target. Nonetheless, this is an indication that the recession has affected Triodos Bank's loan portfolio.

SAVINGS AND PAYMENTS

Savings enable Triodos Bank to finance companies and organisations that benefit people and the environment. An increase of the funds entrusted is an important indicator of the Bank's ability to attract sufficient funds for the financing of companies and projects in sustainable sectors. The total amount of funds entrusted, consisting of savings accounts,

savings deposits or fixed term deposit accounts and credit balances on current accounts or deposit accounts, increased by EUR 460 million in 2008, a 28% increase (2007: 19%). Since the anticipated growth was EUR 350 million, the target was greatly exceeded. All branches contributed to this growth. The Netherlands and Belgium in particular generated significant new deposits. By offering our savers the opportunity to donate part of the interest they receive to a charity, many social organisations receive support every year. In 2008, 133 organisations (2007: 503) received total donations of EUR 1.2 million (2007: EUR 0.9 million) in this way.

INVESTMENTS

In addition to savings and payments, investment is an important activity at Triodos Bank. However, the clear growth of the last few years has ceased. The funds that invest in listed companies in particular have been seriously affected by the general malaise in the market. Investment takes place through investment funds or investment institutions bearing the Triodos name and managed by Triodos Bank, but which are not on the Bank's balance sheet. The funds publish separate annual reports and each has its own Annual General Meeting of Shareholders. There were 13 investment funds in 2008, in which individuals and institutions could invest. The total funds entrusted to the joint Triodos investment funds decreased by 6% in 2008 to EUR 1,218 million, compared to EUR 1,292 million at year-end 2007.

FINANCIAL RESULTS

In 2008, the Bank's income grew by 25% to EUR 74 million (2007: EUR 59 million). Triodos Investment Management and Triodos Fund Management contribute EUR 15 million to the Bank's income (2007: EUR 13 million).

In 2008, the commission income amounted to 33% (2007: 34%).

Costs have risen as a consequence of the growth in activities, particularly in respect of savings accounts in the Netherlands, co-worker costs and the increased regulatory pressure. The unexpectedly large increase in the number of customers has placed additional pressure on the customer. In 2008, the ratio of operating

expenses is 75% (2007: 81%). This percentage is inflated by a one-off currency gain. The aim is to reduce this percentage in the coming years by increasing growth, so that the costs can be to be shared across a larger amount.

Net profit increased by 13% to EUR 10.1 million (2007: EUR 9.0 million). Earnings per share, calculated using the average number of outstanding shares during the financial year, were EUR 3.51 (2007: EUR 3.85), a 9% decrease. The profit is placed at the disposal of the shareholders.

The Bank proposes a dividend of EUR 1.95 per share (2007: EUR 1.95). This means that the pay-out ratio (the percentage of total profit distributed as dividends) will be 56% (2007: 51%).



Michael Jongeneel: 'Triodos Bank works continuously on the improvement of its ICT

services, including accessibility via the internet, so that we can better serve customers in this time of strong growth.'

The medium-term profit objective has been set at 7% of the Bank's liability capital. The mature branches (the Netherlands, Belgium and the United Kingdom) have proven that they can achieve this level of profitability. As a consequence of new investments, growth remained below 7%. Triodos Bank Spain passed its break-even point in 2008 and is also expected to achieve a 7% profit in a few years' time.

Triodos Fund Management and Triodos Investment Management also contribute to the results. Triodos Fund Management, which provides services to private individuals through investment funds, made a considerably lower contribution to the profit as a result of decreasing amounts invested in listed companies, to which the investment fee is linked. Triodos Investment Management,

Number of statement of depository receipts per holder
amounts in millions of euros

	Depository receipt holders		Issued capital	
	2008	2007	2008	2007
1 - 50	6,347	6,704	7.7	8.3
51 - 500	4,879	4,849	52.9	53.3
501 - 1,000	388	363	18.4	17.7
1,001 and more	183	168	125.2	120.9
Total	11,797	12,084	204.2	200.2

which manages investment funds on behalf of institutional investors, achieved a considerably better result than expected.

The time frame within which the Bank will realise the 7% profit objective depends on the opportunities it chooses to and can take advantage of in a market where 'sustainable development' will be highlighted in the coming years. In the current market, the realisation of this profit objective is subject to considerable uncertainty. A worsening economic climate can result in above-average lending portfolio write-downs, delaying the realisation of the profit target. Furthermore, realising growth opportunities comes with considerable initial expenses.

The number of depository receipt holders slightly decreased from 12,084 to 11,797. Liability assets increased by 2% from EUR 200 million to EUR 204 million. In 2008, maintaining an internal market for the buying and selling of depository receipts for shares continued to operate effectively. At the end of 2008, the net asset value for each depository receipt was EUR 70, the same as at the end of 2007.

From the start of 2008, the BIS ratio (capital adequacy ratio), an important measure of a bank's solvency, is calculated according to the Basle II guidelines and decreased from 16.8% at the end of 2007 to 13.0% at the end of 2008. This percentage is well above the statutory minimum of 8%. The introduction of these new guidelines will not have any notable impact on our lending capacity.

There is no share option scheme at Triodos Bank for co-workers, members of the Board of Management, the Supervisory Board or Board members of SAAT as matter of principle. Given its values, the Bank considers that a share option scheme is not an appropriate instrument for rewarding performance.

PROSPECTS FOR 2009

- Triodos Bank's balance sheet total is expected to grow by between 15% and 20% to approximately EUR 2.8 billion. The loan portfolio is expected to increase more than EUR 300 million and the funds entrusted to approximately EUR 400 million. As a consequence of the financial crisis, these expectations are considerably less reliable than in previous years. Growth was particularly affected by the developments on the interest and capital markets and the competition on the savings market that often results in unrealistically high interest payments. Triodos Bank has a healthy growth ambition but does not want to realise this at all costs.
- All branches will try to further broaden their customer base. For the bank as a whole, the number of customers is expected to grow by 15% to 20% with a total of 220,000.
- Excluding unforeseen circumstances, the Bank expects to achieve a positive result for 2009. The respective amount will to a large extent depend on the developments in the money and capital markets and the severity of the recession.
- The Board of Management has decided to open a German branch. The Supervisory Board has approved this decision. The approval of the regulatory authority is expected during the course of 2009. In addition, at the end of 2009 the Bank expects to open a branch office in Frankfurt.
- In 2009, Triodos Investment Management expects to launch the new Triodos Microfinance Fund for institutional and private investors. The introduction of a real estate fund for institutional investors is also expected.

- In 2009, the Bank will actively contribute to a greater extent than ever before to the social debate about the role and significance of banks within society.

Zeist, 25 February 2009

Triodos Bank Board of Management

Pierre Aeby*

Peter Blom*, Chair

Michael Jongeneel

* *Director under the articles of association*



Matthijs de Haan has run an organic dairy farm with 85 cows in Ingen, the Netherlands for the last five years. The company has purchased two 'milking robots' which automate the milking process and have a positive impact on milk production and the cows' well-being. Money from Triodos Bank Netherlands made this investment possible.

Triodos Bank The Netherlands

Confidence in many Dutch banks has been lost as a result of the credit crisis in the Netherlands. It is particularly striking in this context that confidence remains high in Triodos Bank. The combination of sustainable business practice and transparent investment is an important reason for increasing numbers of both private individuals and businesses to become Triodos Bank customers.

In 2008, Triodos Bank worked hard to improve both services and accessibility. By introducing giro-based securities transfer, investments can be made in Triodos Bank investment funds via the internet. The Bank dramatically improved the speed with which it answers customers' questions in 2008. An independent customer satisfaction survey of a large number of banks, showed that customers rate Triodos Bank's services very highly, receiving the highest mark of the fourteen banks investigated.

ACHIEVEMENT OF GOALS FOR 2008

The Dutch balance sheet increased by EUR 234 million (29%) to EUR 1,039 million. The loan portfolio grew by EUR 93 million to EUR 525 million, against an expected increase of EUR 90 million. Entrusted funds grew more strongly than expected, by EUR 292 million to EUR 970 million. Anticipated growth was EUR 120 million.

More than 19,000 customers joined the Bank against a target of 14,000. Besides private individuals, a growing number of entrepreneurs also consider banking with Triodos Bank to be a logical part of their sustainable business operations. The number of corporate customers rose by 34% during the year, as a result. The total number of customers reached 111,000 by the end of the year.

The introduction of a new, giro-based securities transfer system in the first quarter of the year made it possible for individuals and organisations to do all their banking business at Triodos Bank online (saving, transactions and investing). This further reduced barriers to switching to Triodos.

LENDING

The loan portfolio grew by EUR 93 million (21%) to EUR 525 million, slightly higher than expected growth of EUR 90 million. Strongest growth was in the energy sector, particularly the finance of wind energy. There was also marked growth in loans and overdrafts to institutions for the care of the elderly and 'zorgboerderijen', or farms where people in care can work. Credit was also granted to innovative companies through a scheme for technology start-ups. Private mortgage lending established itself in 2008 and grew, in line with expectations, by EUR 16 million.



Matthijs Bierman: 'The attention on transparent banking has increased

enormously due to the credit crisis.

Transparency is one of Triodos Bank's core values, and has led to a record number of new customers in 2008.'

SAVINGS

Because of the increased interest in sustainable banking within the private and business market, savings growth in 2008 far exceeded expectations. There was a substantial increase in funds entrusted, especially in the second half of 2008, partly as a result of the credit crisis. Deposits, in particular, were in demand due to the high money market rates. Total funds entrusted increased by 43% to EUR 970 million.

INVESTMENT

At the end of the year, Triodos Bank customers in the Netherlands had invested a total of EUR 535 million in Triodos investment funds (2007: EUR 553 million). Despite the poor investment climate, funds that provide loans and advances to green and cultural enterprises and micro-finance institutions in developing countries, continued to attract interest from investors.

Triodos Fair Share Fund, in particular, experienced strong growth (60%). The expected growth of Triodos Added Value Fund was slightly negative, but less than the poor stock market climate would suggest, because the decrease in the net asset value was partly compensated by the inflow of new customers.

PAYMENT

The Triodos Internet Betaalrekening (online current account) was also an important source of new customers. A large proportion of new customers also have a current account with Triodos Bank. The service for new customers is now much quicker than in 2007.

INSURANCE

The turnover of Triodos Insurance, and its business non-life insurance activity, grew by 16%, slightly below expectations. The income from life insurance dropped slightly. As a consequence of the increased turnover and unchanged costs, there was a slight improvement in the Triodos Insurance results.

PROSPECTS FOR 2009

It is expected that interest in sustainable banking will remain high in 2009. Triodos Bank in the Netherlands expects to welcome more than 20,000 new customers during the year. Funds entrusted are expected to grow by EUR 150 million and lending by EUR 100 million. The focus of lending is on the finance of innovative organisations that actively contribute to a more sustainable society.

Zeist, 25 February 2009

Matthijs Bierman, Managing Director

Key figures The Netherlands

amounts in thousands of euros

	2008	2007
Funds entrusted	970,164	678,648
<i>Number of accounts</i>	92,748	67,172
Loans	525,495	432,827
<i>Number</i>	6,880	4,003
Balance sheet total	1,038,881	805,038
Total income	22,848	19,539
Operating expenses	-17,359	-14,006
Value adjustments to receivables	-1,562	399
Operating result before taxation	3,927	5,932
Taxation on operating result	-1,001	-1,513
Net profit	2,926	4,419
<i>Number of co-workers at year-end</i>	107	88



In his workshop Les Trois Claviers (the three keys) in Brussels, Gaëtan Leclef uses his expert knowledge to restore traditional pianos, particularly Steinways. Loyal customers include the cream of pianists, who swear by the unique sound of a hand-made piano. Finance from Triodos Bank in Belgium has helped the business to grow.

Triodos Bank Belgium

2008 was the year Triodos Bank Belgium broke through into the mainstream. In the spring of 2008, Netwerk Vlaanderen, an independent non-profit organisation, which advises consumers on ethical and sustainable forms of saving and investing, described Triodos Bank as the most ethical bank in Belgium.

The financial crisis prompted widespread publicity for Triodos Bank. The financial daily *De Tijd*, for example, highlighted Triodos Bank as a pillar of strength. Many new customers decided to entrust their savings to Triodos Bank. More than ever before, Triodos Bank demonstrated that sustainable banking is part of the solution to the financial crisis.

Intense competition has developed in the financial sector. Major banks have started to offer high-yielding (internet) savings accounts for the first time. In the Belgian financial sector the interest margin, which had already been slim for some time, came under additional pressure.

ACHIEVEMENT OF GOALS FOR 2008

The balance sheet total of the Belgian branch increased by EUR 161 million (37%) to EUR 592 million. Lending increased by EUR 74 million to EUR 259 million, well above a target of EUR 50 million. Entrusted funds grew more strongly than expected, by EUR 157 million to EUR 572 million. As a result of the narrow interest margin, the increase in interest income was slightly lower than the increase in lending and savings volumes. 6,000 new customers joined the Bank, compared to a target of 4,000.

As expected, we recruited a relatively large number of new co-workers. At the end of 2008, the branch had 53 co-workers, a 33% increase. Growth was particularly marked in the administrative services and loans departments, creating considerable improvements in the quality of customer service.

LENDING

The loan portfolio grew by EUR 74 million (40%) to EUR 259 million, significantly

exceeding expected growth of EUR 50 million. There was a 60% increase in finance for sustainable energy projects and a 23% increase in lending to small and medium-sized businesses. Most of the growth in lending (83%) came from the wind energy sector, where outstanding loans amounted to EUR 107 million. Among small and medium-sized businesses, lending increased in the healthcare sector (local healthcare services and care facilities for the elderly), in particular. There was a notable increase in finance for wind power projects in Belgium and France. As a leading investor, Triodos Bank cooperates closely with other banks to finance these loans.



Olivier Marquet: 'The growth of entrusted funds, in a fiercely contested savings

markets, points to saver's increasing confidence in Triodos Bank and its goals.'

SAVINGS

Funds entrusted grew by EUR 157 million (38%) to EUR 572 million, far exceeding a target of EUR 493 million. Growth in deposits (58%) was considerably higher than growth in savings accounts (24%), because of a significant discrepancy in interest paid to deposit in the first half of 2008. As a result, both types of products now make up the same share of the entrusted funds.

INVESTMENTS

At the end of 2008, our customers had invested EUR 17 million in Triodos investment funds, compared to EUR 22 million at the end of 2007. This decrease was due to the wider poor performance of the stock exchange. The increase in new customers during the year signals a growing interest in sustainable investment. In addition, negotiations have started with potential partners to distribute the Triodos investment funds through other channels.

The managed assets within the private banking offering, managed in cooperation with Puilaetco private bank, grew by 28% to EUR 22 million (2007: EUR 17 million).

OTHER ACTIVITIES

In Belgium, Triodos Bank works with organisations and non-governmental organisations (NGOs) who act as paid intermediaries for the bank. In 2008, this payment came to EUR 219,000, distributed to 19 organisations. Triodos Bank sponsored the Dit is onze Aarde (This is our earth) exhibition about humanity's impact on the climate. The Bank actively supports many social projects. Vwz Triodos Fonds (a non-profit association to which customers can use part of their interest as a donation) annually supports around twenty sustainable projects. In 2008, customers donated EUR 62,205 through Vwz Triodos Fonds.

PROSPECTS FOR 2009

In 2009, Triodos Bank Belgium again expects to achieve significant growth despite the uncertainty around wider economic market developments and fierce competition in the savings market. Lending is expected to increase by EUR 56 million and funds entrusted are expected to grow by EUR 117 million. Triodos Bank expects to attract approximately 5,000 new customers. The Bank will adjust its savings accounts' payments to the new regulations that come into force in Belgium in 2009 and plans to launch a sustainable pension savings fund in the second half of 2009. Mortgage loans for energy-efficient housing will also be actively promoted.

Triodos Bank wants to continue to raise its increasingly strong profile as a sustainable alternative and communicate its vision of sustainable banking to a broad public. The Bank again expects to invest in quality services and efficient processes.

Brussels, 25 February 2009

Olivier Marquet, Managing Director

Key figures Belgium

amounts in thousands of euros

	2008	2007
Funds entrusted	572,164	414,698
<i>Number of accounts</i>	30,434	24,324
Loans	259,206	185,575
<i>Number</i>	1,103	1,096
Balance sheet total	591,658	431,125
Total income	8,914	8,010
Operating expenses	-7,523	-6,250
Value adjustments to receivables	66	165
Operating result before taxation	1,457	1,925
Taxation on operating result	-118	-378
Net profit	1,339	1,547
<i>Number of co-workers at year-end</i>	53	40



Cherry Orchards is a therapeutic community offering rehabilitation and support to people recovering from a life crisis brought about by physical or mental illness, helping individuals to take increasing responsibility for their lives. A Triodos Bank loan from the UK has enabled Cherry Orchards to refurbish its existing facilities and invest in new projects.

Triodos Bank United Kingdom

The financial crisis dominated everyone's attention in 2008, from big business to individual savers. An unprecedented shake-up in the world economy was keenly felt in the UK as borrowers struggled to access credit and savers coped with sharply declining interest rates. With the mainstream banking industry reeling from a series of crises, the government has announced a number of measures aimed at stimulating the economy. But while an economic downturn of this depth and intensity brings unwelcome pain, it could change the financial landscape forever, and for the better.

Since its inception Triodos has argued for a better balance between people, planet and profit. It's an approach that had more attention and increasing credibility during 2008. Because while the existing financial system that puts profit before people and planet collapsed - with dire consequences for millions of people and businesses around the world - sustainable banks like Triodos flourished. In Triodos Bank's case success is directly connected to a much more straightforward, sustainable approach to business. Throughout 2008, Triodos Bank promoted this radically different, but simpler model in the UK. As a result, we enjoyed more attention from savers, the press and the business community than ever before, resulting in continuing growth in all the areas we work in.

The number of deposits increased by 7% during the year compared to 2007, for instance. While Triodos Renewables, a fund that invests in renewable energy projects across the UK, attracted more than GBP 10 million contrasting with a wider slowdown in conventional investment.

ACHIEVEMENT OF GOALS 2008

As part of a European institution we report our performance in euros, however our UK business operates in pounds sterling. During 2008 the pound became increasingly weak against the euro, declining in value from GBP 1 to EUR 1.36 at the start of 2008, to EUR 1.05 by the end of the year. This has had a significant impact on the reporting of our euro-denominated final

results. So much so that while our balance sheet grew by 14% in sterling during the year, converted to euros the figure becomes a reduction of 12%. Both lending, savings account deposits and current accounts increased by 13% in pounds sterling.

During the year, the UK branch's balance sheet rose by GBP 44 million (14%) to GBP 362 million. The target was GBP 30 million. Lending rose by GBP 38 million to GBP 342 million against a target of GBP 40 million. We attracted more new clients than expected, on the back of the introduction of online accounts.

LENDING

Access to credit in the business world became increasingly difficult for conventional business during 2008. As a result, by the end of the year, in particular, Triodos Bank was able to meet growing demand from businesses and charities looking for competitively priced borrowing. Most areas of our lending performed well in 2008, with the organic farming industry posting especially strong growth. Net lending increased by GBP 23 million to GBP 207 million, against a target of GBP 40 million, an increase of 13%.

SAVINGS

As a direct result of the credit crunch, many UK financial institutions offered inflated interest rates in 2008 as part of aggressive efforts to attract more deposits. Despite these unprecedented competitive conditions, total deposits grew by 13%, a GBP 38 million increase, against a target of GBP 40 million. We launched a new campaign to reach a broader group of savers during the year. Growth came from a new online savings account launched in the Autumn, a tax-free savings account and reinvigorated partnership accounts.

INVESTMENT BANKING

Following preparatory work in 2007, we launched a fourth share issue for Triodos Renewables in 2008 to support further growth. Despite a declining stock market, and widespread reluctance to invest in new opportunities, the share issue attracted almost

GBP 10 million, double the UK branch's most successful previous issue. The Fund now has over 4,000 private investors, and several financial institutions investing in sustainable energy projects across the UK.

During the year, the Investment Banking team launched the Triodos Opportunities Fund, a social venture capital fund for social businesses. The Fund attracted considerable interest at its launch and has developed a healthy pipeline of investments for 2009 and future years.



Charles Middleton: 'The strong connections we have built with our customers enabled us to emerge

from the crisis that engulfed the financial world in 2008 stronger, and better prepared for the future, than ever before.'

The team has expanded significantly during the year to take advantage of a number of opportunities, most of which are in corporate finance advisory work for sustainable businesses. More and more medium-sized companies want to issue shares to their customers, supported by a growing group of investors who prefer a direct investment to an investment fund. The Bank expects to see several investments in 2009 as a result of developmental activity in previous years.

OTHER ACTIVITIES

In 2008, our profile in the UK increased significantly. To mark the inaugural UK Ethical Investment Week, for instance, we took a number of prospective and existing customers on a special bus tour to three local business customers, making a compelling distinction between Triodos and conventional banks.

In addition to the third Women in Ethical Business Awards, which attracted a record number of entries and a growing national profile, we ran a social enterprise photography competition capturing inspiring visions of

British social enterprise and culminating in a special event and the production of a calendar.

We continued to invest in our co-workers during the year, with Triodos Bank becoming one of the winners of the Sunday Times' 100 Best Small Companies to Work For in 2008. During 2008 Triodos was also voted the best bank for charities at the prestigious 2008 Charity Times Awards, recognising leadership and professionalism in the UK charity sector.

PROSPECTS FOR 2009

We plan to increase our lending by GBP 40 million and the funds entrusted by GBP 40 million. We also expect to increase the number of customers by 6% to over 37,000. We will launch at least one new fund for retail as well as institutional investors in 2009.

We will extend our online offering to personal banking customers, and expand our business banking operations. We intend to deliver ambitious growth targets by selling these accounts more actively via the internet, and improving the experience of potential customers when they come to us, however they choose to do this.

In 2009 we will take more proactive steps to engage in the debate about how to build a more sustainable future. In particular we will highlight the role banks like Triodos can play in the financial system that's needed to build a sustainable future.

Bristol, 25 February 2009

Charles Middleton, Managing Director

Key figures United Kingdom

amounts in thousands of euros

	2008	2007
Funds entrusted	359,021	414,355
<i>Number of accounts</i>	28,619	26,754
Loans	216,855	249,806
<i>Number</i>	733	675
Balance sheet total	379,646	432,979
Total income	15,271	14,162
Operating expenses	-9,774	-9,931
Value adjustments to receivables	-326	62
Operating result before taxation	5,171	4,293
Taxation on operating result	-1,489	-1,227
Net profit	3,682	3,066
<i>Number of co-workers at year-end</i>	88	77



Leyrene solar energy plant in Noez, Toledo, Spain, is the result of a joint venture between Francisco de Pablo and Teresa Molinero with minority partner Ángel Rodríguez. Ariadna Solar is the company behind the park, which produces 1.4 MW of clean electricity. The park's name comes from a combination of the names of Francisco de Pablo and Teresa Molinero's daughters, Leyre and Irene. Triodos Bank has financed the project.

Triodos Bank Spain

The international financial crisis has not led to government intervention in Spanish credit institutions in 2008. On the other hand, Spanish banks are now involved in fierce competition to attract savings because of the global liquidity crisis. Despite these difficult circumstances, Triodos Bank Spain achieved high growth figures for the fourth year in a row, and contributed to the Bank's profit for the first time. Substantial growth in lending, in particular, is the result of widespread publicity that the Bank has attracted as a specialist financial partner for companies and institutions in the social, environmental and cultural fields.

By the middle of 2008, Triodos Bank had reached the 10,000 customers mark in Spain. The Bank's customers were asked to give their opinion about Triodos Bank and the range of products it offers. This survey included an option to suggest improvements and additions to the existing product range. Ninety-six percent of customers surveyed indicated that they were satisfied or very satisfied with Triodos Bank. This is especially positive at a time when the prevailing opinion on banks is so negative and the financial system is suffering a crisis of confidence. Interest in expanding the Bank's office network in other parts of the country, provided another striking result. In addition, a large number of customers said they were interested in a wider range of products and services.

In October 2008, the new Cuenta Triodos account was launched in cooperation with leading public interest organisations. As anticipated, Triodos Bank opened its local Andalusian branch in Seville in November 2008. And, importantly, the Bank bought its head office premises in Madrid.

In 2009, a start was made with the sustainable redevelopment of the Las Rozas building in Madrid with special attention being paid to the reduction of energy consumption.

ACHIEVEMENT OF GOALS FOR 2008

Triodos Bank Spain passed its break-even point during the year and, four years after opening, the branch is actively contributing to the Bank's

profit. Its balance sheet total grew by 79% to EUR 295 million in 2008. Funds entrusted increased by EUR 66 million against an expected increase of EUR 94 million. Lending increased, beyond expectations of EUR 100 million, by EUR 118 million. The number of customers rose by 38% to 11,600.

Triodos Bank's profile in Spain has increased in the online media and on the radio in particular. The financial crisis and the Bank's activities have created a lot of extra media attention, with considerable light being shed on the solidity and success of a form of banking which is unique for Spain.



Esteban Barroso: 'Triodos Bank is the leader in the field of ethical and sustainable

banking. With a package of products and services unique for Spain, the Bank reaches a wide variety of customers throughout the country.'

LENDING

In 2008, the loan portfolio grew by EUR 118 million (79%) to EUR 269 million. This net growth is well above an ambitious target of EUR 100 million. Growth was particularly marked in the renewable energy (particularly solar energy) and social projects sectors. More and more companies and organisations regard Triodos Bank as their logical financial partner to help them with the development of their sustainable activities.

SAVINGS

Funds entrusted rose by EUR 66 million (61%) to EUR 175 million in 2008. This means that a growth target of EUR 94 million was not met, because of intense competition from Spanish credit institutions to attract savings deposits, as

well as Triodos Bank's relatively low profile in Spain. Nevertheless, the number of customers increased by 3,200 (38%).

Triodos Bank Spain works with important organisations in the sectors it operates in. For the Affinity, Cuenta Triodos, Cuenta Justa (a fair-trade savings account), Ecodepósito (a green savings account), and Depósito Actúa (a savings product focusing on human rights) savings products, agreements have been made with campaigning organisations like Friends of the Earth, Amnesty International, Ecologistas en Acción, Fundación Ecología y Desarrollo, Greenpeace, Intermón Oxfam, Justicia y Paz, Médecins du Monde, Médecins Sans Frontières, Sociedad Española de Agricultura Ecológica, SEO/BirdLife, SETEM and WWF/Adena.

OTHER ACTIVITIES

Triodos Foundation provided a number of workshops on organic farming and aquaculture during Expo Zaragoza 2008, as part of a cooperation agreement concluded in 2007 with Sociedad Española de Agricultura Ecológica (SEAF) to encourage the development of the organic farming sector. During the same event, Triodos Bank sponsored the fair trade Cyber Café in the Citizens' Initiative Pavilion. The organisation of a meeting in Madrid with desOLASOL, a European Commission project to stimulate jointly-owned photovoltaic systems was another important activity.

In 2008, Triodos Bank in Spain continued to promote the development of sustainable investment together with Analistas Internacionales en Sostenibilidad (AIS).

PROSPECTS FOR 2009

The economic prospects for Spain in 2009 are not good. They point to an economic downturn with deflation, unemployment increasing to more than 14% and no or even negative economic growth. With falling interest rates in the euro zone, banks are seeing their margins decline. The financial crisis, and particularly the real estate crisis in Spain, will undoubtedly have a negative effect on the Spanish financial market.

In 2009, efforts will focus on further growth and the start up of a number of new activities.

Triodos Bank Spain expects the lending portfolio to increase by more than EUR 80 million and funds entrusted to grow by EUR 100 million. The Bank also expects to attract more than 50% more customers. To this end, as well as vigorous publicity and marketing efforts, work processes will also have to be more efficiently designed.

Triodos Bank Spain expects to further extend and improve the existing package of products and services for private and corporate customers in 2009. If economic circumstances allow, Triodos will also introduce investment funds to the Spanish market for private customers. In addition, the Bank wants to gradually increase the number of its regional offices and strengthen its ties with like-minded organisations.

Madrid, 25 February 2009

Esteban Barroso, Managing Director

Key figures Spain

amounts in thousands of euros

	2008	2007
Funds entrusted	175,330	109,121
<i>Number of accounts</i>	17,716	12,394
Loans	268,565	150,438
<i>Number</i>	665	407
Balance sheet total	295,484	164,747
Total income	7,210	3,931
Operating expenses	-6,457	-5,321
Value adjustments to receivables	-123	—
Operating result before taxation	630	-1,390
Taxation on operating result	-233	398
Net profit	397	-992
<i>Number of co-workers at year-end</i>	61	50



Intrépida Mu is a Spanish company that designs clothes made from 100% organic and fair trade cotton produced by Peruvian cooperatives. Miquel Castells and Pepe Bargañó are the founders of this Barcelona based company. Triodos Bank in Spain has provided funding for their company.

Triodos Bank Private Banking

Private banking means offering a broad range of financial and non-financial services to wealthier people, foundations, associations and religious and other institutions. Sustainable asset management is the core product in Triodos Private Banking, which includes both Triodos investment funds and private asset management. Triodos Research selects which sustainable investments to make. For its private asset management services, Triodos Bank cooperates with Triodos MeesPierson Investment Management. Triodos MeesPierson is a joint venture between Triodos Bank and MeesPierson, which combines MeesPierson's broad asset management expertise with Triodos Bank's sustainable banking experience. Triodos Bank has offered private banking services since 2005.

ACHIEVEMENT OF GOALS FOR 2008

In 2008, growth in private asset management was lower than expected. Nonetheless, total assets under management in the Netherlands rose by 17% to more than EUR 120 million. In 2008, Private Banking Netherlands acquired 29 new customers. Most of these are spiritual organisations, equity funds or charities. In Belgium, where Triodos Bank also offers private banking services, total assets under management rose to EUR 22 million. Private Banking Belgium acquired nine new customers. Triodos Bank does not yet offer stand-alone private banking services in the UK, Spain and Germany.

The lower than expected growth in private banking activities in 2008 was entirely due to the turmoil in the financial markets. After a sluggish first half-year, the prospects for the global economy went from bad to worse very rapidly in late 2008. At the same time, confidence in the global financial sector fell. This combination resulted in sharply falling prices on the stock markets. As a result, private investors, as well as institutions and associations, were reluctant to invest their liquid assets. In addition, short-term interest rates on the money market rose sharply due to the decreasing confidence in the financial sector. This development is reflected by the volume of the deposits of the Bank's customers. As at year-end 2008, the total assets under management

were EUR 120 million, while the liquid assets held by the Bank amounted to EUR 71 million.

The asset management services offered by Triodos Private Banking could not escape the impact of the poor returns on the financial markets. The return on the sustainable key portfolio fell by more than 37%. This decrease was very similar to the 38% fall in the regular MSCI World index in 2008. During the last three years, since year-end 2005, Triodos Bank's sustainable portfolio generated a 13% return, which still exceeded the return on regular equity investments.

In 2008, our fixed interest investments achieved a positive return. However, performance did lag behind the Bank's external benchmark, 70% of which consists of government bonds. Due to their obvious security, these loans were very popular in 2008. Triodos Bank does not invest in government loans on behalf of its investors, and our return on the fixed-income portfolio lagged relatively. Triodos Bank expects to rectify this in the coming years. The fixed-income



Albert van Zadelhoff: 'In 2008, sustainable investors were confronted with challenging

market conditions. Triodos Private Banking is convinced that in the long-term, banking transparently will result in attractive returns in both financial terms and for society and the environment.'

portfolios that included social and cultural investments generated a significantly better return than the portfolios that did not include these investments. In calculating these returns, Triodos Bank excludes the tax rebate for social and cultural funds that applies to private investors. So for private investors, in practise the actual return was even higher. Since the

start of 2007, this portfolio has generated a return of more than 10%, which compares very favourably with the alternative investments offered by our non-sustainable competitors. This demonstrates that Triodos Bank's investment principles, including transparency, corporate social responsibility and avoiding composite investments, have particularly proven their worth during the past few years.

TRIODOS MEESPIERSON

For Triodos MeesPierson Sustainable Investment Management, 2008 was a less successful year than the previous year. Total assets under management decreased by EUR 40 million to EUR 672 million. MeesPierson customers also suffered from the commotion surrounding the Fortis group's funding difficulties, which resulted in a loss of clients at our joint venture. Triodos Bank expects this development will remain confined to the immediate future. The primary source of uncertainty has been removed following the purchase of Fortis by the Dutch government.

OTHER DEVELOPMENTS

In 2008, more socially active organisations opted for a sustainable design of their investments and banking activities, reinforcing the ongoing trend. In 2008, Triodos Bank has a stand at the Civil Society annual conference for charitable organisations in the Netherlands for the first time. In 2009, Triodos Bank will continue to raise its profile with such organisations. There's a growing awareness in charitable organisations that their investment policy is an integral part of their social mission. For such socially committed organisations, Triodos Bank is the natural partner. In addition, the Bank will increase its focus on wealthy private investors. This market segment is increasingly critical of their bankers' behaviour, and its wider impact on society. Triodos Bank Private Banking provides sustainable asset management for his market segment for invested capital exceeding EUR 300,000. The Bank also provides advice on investments in the Triodos funds and on liquidity management.

PROSPECTS FOR 2009

Despite the stagnating market, Triodos Private Banking expects to further expand its market share in 2009. In addition, growth is expected in the alternative investments and liquid assets held by our corporate customers. Partly as a consequence of the integration of part of Triodos Bank The Netherlands' asset advice services, a significant increase of the total assets under management to EUR 350 million is anticipated. From 2009, this figure includes the liquid assets held in the Triodos funds, as well as the assets under private management.

In Belgium, Triodos Private Banking will in 2009 implement further steps to expand the existing private banking operations. The existing co-operation with Puilaetco, a subsidiary of Kredietbank, will intensify. It is vital for Triodos Bank that the same sustainable investment model is maintained in all the countries where the Bank is active. Rolling out private banking services across all the branches of Triodos Bank will become a reality in the long-term.

Zeist, 25 February 2009

Albert van Zadelhoff, Director

Key figures Triodos Private Banking

amounts in thousands of euros

	2008	2007
Assets under management*	156,581	133,473
Total income	1,565	1,180
Operating expenses	-1,631	-1,385
Operating result before taxation	-66	-205
Taxation on operating result	25	53
Net profit	-41	-152
<i>Number of co-workers at year-end**</i>	6	5

* Including 50% of assets managed by the joint venture Triodos MeesPierson Sustainable Investment Management, insofar as they are invested according to Triodos investment criteria.

** Excluding co-workers employed by Triodos MeesPierson Sustainable Investment Management (2008: 6, 2007: 5 co-workers).



In 2008, construction started of an anaerobic digestion unit in 't Haantje, the Netherlands. The unit processes compostable waste, such as manure and leftover foods, to create renewable biogas and nutrient-rich solids which can be used as fertiliser. Funding from Triodos Green Fund helped to make the project possible.

Triodos Investment Funds

Triodos Fund Management and Triodos Investment Management, both subsidiaries of Triodos Bank, are responsible for managing the Triodos investment funds. These funds allow individuals and institutions to invest directly in a number of sustainable sectors, including microfinance, sustainable real estate, renewable energy, organic farming, conservation and cultural projects. The funds also invest in listed companies worldwide that provide sustainable products or services, or achieve above average social and environmental performance and actively contribute to sustainable development.

The retail investment funds for private investors are distributed by a large number of banks, including the branches of Triodos Bank. Direct contact is maintained with investors in institutional funds. Please see page 46 for the statement of balance sheet totals.

In 2008, the Triodos investment funds' total assets under management decreased by EUR 74 million to EUR 1.2 billion, a 6% decrease (2007: 9% increase). Growth was realised in all sectors except in sustainable investment in listed companies. This was the only area that felt the full impact of the financial crisis and the globally emerging economic recession. The number of investment funds under management increased from 21 to 23 as a result of the launch of Triodos Sustainable Trade Fund and Triodos Microfinance Fund.

In October 2008, Triodos Bank decided to merge Triodos Fund Management bv and Triodos Investment Management bv, which will continue under the Triodos Investment Management name. This merger ensures a better alignment of the Bank's investment activities in renewable energy, emerging markets (microfinance and fair trade) and venture capital. The integration of these activities will produce benefits of scale. It will also help consolidate the available knowledge and experience of fund management, fund distribution and investments. This merger has been implemented within the organisation from 1 January 2009, see page 4. The legal merger will take place at the end of June 2009.

The activities of Triodos Investment Management are organised on the basis of the following issues: Climate and Energy, Emerging Markets, Real Estate, Socially Responsible Investment and Private Equity.



Bas Rüter: 'Triodos Real Estate Fund has a unique integral approach to sustainable housing,

that is part of the solution to the real estate market and climate crisis.'

ENERGY AND CLIMATE

Activities relating to energy and climate include finance to a broad range of projects working in the energy and the environment sectors. Triodos Investment Management chooses to finance projects on the basis of its sustainability principles and social criteria. For all activities, the aim is to make an optimal contribution to combating the increasingly urgent problem of climate change.

In view of the problem of climate change, Triodos Bank is addressing the prevention and reduction of energy consumption by striving to ensure that energy is generated from renewable sources whenever possible and that, when not, fossil fuels are utilised in the most clean and efficient way possible. Financing, for example biomass energy projects is subject to stricter sustainability criteria than set out under governmental guidelines. Triodos Bank also encourages action and awareness within the Bank about our own CO₂ emissions. The Bank also develops local initiatives addressing the climate issue.

Triodos Bank is currently clustering its knowledge about energy and the climate. From the start of 2009, bank finance (financing share capital and subordinated loans) will be granted by a team of investment experts and fund managers. The invested amounts derive from

various sources. The focus is on investment in actual energy production by means of so-called power generating assets.

TRIODOS RENEWABLES EUROPE FUND

Triodos Renewables Europe Fund, with its registered office in Luxembourg, was launched in 2006 to offer investors the chance to invest in renewable energy throughout Europe. Private and professional investors participate in the Fund. The Fund invests in high-risk, unlisted, small and medium-sized renewable energy producers. It is an active investor in European private wind, solar, hydro energy and biomass power plants, and draws on Triodos' 25 years of experience in the sector. In 2008, the fund grew by EUR 24 million, invested in 14 projects and realised a return of 2.9%.

AMPERE EQUITY FUND

Ampere Equity Fund was launched at the end of 2007 to institutional investors. Because of its long-term experience in renewable energy finance and in fund management in Europe, Triodos Bank was asked to provide independent management for the Ampere Equity Fund. The committed capital amounts to EUR 320 million, almost all of which must be invested. The Fund will mostly invest in on-shore and off-shore windpower projects, as well as biomass and solar power plants in Western Europe. Most of these projects will be realised by Econcern, an internationally operating company that is based in Utrecht, the Netherlands. The Fund was established to address the need for an appropriate source of finance for the Econcern portfolio, but can also invest in projects from other market players.

TRIODOS GREEN FUND

Triodos Green Fund is the largest Triodos investment fund for Dutch private investors and the oldest green investment fund in the Netherlands. The Fund benefits from the Dutch tax scheme for green investment. The Fund finances projects in the renewable energy, organic farming and habitat and landscape development sectors. Approximately half of the portfolio relates to the finance for windpower projects. The Fund is also increasingly providing finance for solar energy. At year-end 2008, 79% of the fund's assets were invested in projects recognised as climate friendly by the Dutch government. The Fund intends to use the income from repayments and a new inflow to

finance projects that contribute to the innovation and further growth of these sectors. In 2008, the fund experienced a limited, EUR 5 million decrease of the total net assets to EUR 461 million. The Fund achieved a return of 6.1%, excluding the 2.5% tax credit for green investment by private investors.

TRIODOS RENEWABLE ENERGY FOR DEVELOPMENT FUND

Triodos Renewable Energy for Development Fund finances regional funds and intermediaries in developing countries that provide funding to businesses and projects. The Fund facilitates renewable energy services and projects, including windpower and solar energy, hydro power and biomass. The Fund invested a total amount of EUR 1 million in 2008.

STICHTING TRIODOS CLIMATE CLEARING HOUSE

Stichting Triodos Climate Clearing House is an independent registration and trading platform for CO₂ credits from sustainable (FSC certified) forestry projects and energy efficiency projects in developing countries. The purchase of CO₂ credits generates additional income for organisations and private individuals that provide climate compensation. The money is used to plant and maintain biodiverse forests, or make small-scale solar energy, hydro electricity or biomass projects cost-effective. As an investor in the Klimaatneutraal Groep in the Netherlands and the Carbon Neutral Company in the United Kingdom and the United States, Triodos is also involved in the sale of climate compensation products. Private individuals and companies can make their activities climate neutral with the aid of the www.klimaatneutraal.nl and www.carbonneutral.com websites.

PROSPECTS FOR 2009

Despite the uncertainty in the financial markets, Triodos Investment Management expects that the renewable energy finance will remain a growth market. Triodos Renewables Europe Fund expects to grow by 65% in 2009. Ampere Equity Fund aims to invest over 30% of its committed capital (more than EUR 100 million) before the end of 2009. Triodos Green Fund expects that its net assets will remain at the present total of EUR 461 million. In 2009, the launch of a new Triodos-led fund for renewable energy in developing countries is planned.

EMERGING MARKETS

The Emerging Markets activities consist of the management of internationally operating funds that invest in emerging markets such as Latin America, Africa, Asia and Eastern Europe. These funds operate in microfinance and fair trade finance. The goal of these funds is to contribute towards the development of a sustainable financial sector in developing countries and to encourage the trade in certified fair trade and organic products. Both microfinance and fair trade finance are effective tools for fighting poverty in developing countries.

MICROFINANCE

Triodos Fair Share Fund, Stichting Triodos-Doen and Stichting Hivos Fonds are investment funds that finance banks and financial institutions in developing countries and Eastern Europe which focus on providing microfinance. Experience shows that improving access to financial services strengthens local economies. Triodos Fair Share Fund is open to private individuals and institutions that wish to invest in this sector. Microfinance institutions worldwide realised significant growth in 2008. Consequently, there is great demand for finance in the form of both loans and share capital. The three funds are now shareholders in 23 of the leading microfinance banks and institutions worldwide. Senior staff of Triodos Bank have a seat on the Supervisory Boards of these institutions, bringing in knowledge and expertise in field of sustainable banking. In 2008, the three funds financed 91 microfinance institutions, located in 38 countries, and grew by 29% to EUR 161 million (2007: EUR 125 million). Triodos Fair Share Fund in particular experienced strong growth, increasing its total net assets by 62%. In 2008, Triodos Fair Share Fund achieved a good return of 7.3%, excluding the 2.5% tax credit for private investors.

Encouraging the exchange of knowledge and experience among microfinance institutions worldwide is one of the key aims of the microfinance funds managed by the Bank. Triodos Investment Management organised an international workshop in September 2008 with representatives from a number of microfinance banks from Africa, Latin America and Asia that the microfinance funds have investments in. In 2008, the issues discussed at this workshop were International Expansion and Human Resource Management. Attention was also paid

to the recurring issues of Triple Bottom Line Banking, which focuses on people, planet and profit, and the 'Transparency and Sustainability in Finance' project. In this project, Triodos Bank assists the participating banks with the implementation of the Global Reporting Initiative (GRI) guidelines, which require that financial, social and environmental results are transparently presented.

Partly because of the large demand worldwide for finance for microfinance institutions, in 2008 the Bank prepared the launch of a fourth fund, the **Triodos Microfinance Fund**. This Fund will be open to institutional investors and private banking clients, both in the Netherlands and internationally, and will be launched in 2009.



Marilou van Golstein Brouwers:
'A reliable, transparent financial sector is essential for a healthy economy. The role of banks is to act as intermediaries between savers and borrowers. This core function is the reason why microfinance banks exist. Western banks should be inspired by their example.'

FAIR TRADE FINANCE

In 2008, **Triodos Sustainable Trade Fund** was launched. This fund finances cooperative and private farms in developing countries, producing certified organic and/or fair trade goods. The trade finance furnished consists of short-term loans and pre-financing. Finance provided by Triodos Sustainable Trade Fund ensures that the fair price is directly paid to the farmers. In 2008, finance extended by the fund amounted to almost EUR 10 million. In total, 13 loans were made to 23 cooperative and private farms located in 12 countries. The products involved include coffee, cotton, soya beans, mangos, sesame seed and cocoa. Triodos Sustainable Trade Fund receives most of its

funding from a credit facility provided by Triodos Bank. Stichting Hivos was the founding guarantor that enabled the launch of the fund in 2008. Stichting ICCO has now also granted a guarantee.

PROSPECTS FOR 2009

Triodos Fair Share Fund, Stichting Triodos-Doen and Stichting Hivos Triodos Fonds expect to grow by at least EUR 20 million in total in 2009. Triodos Microfinance Fund aims to start in the first quarter of 2009 with at least EUR 25 million and to grow to EUR 100 million at year-end 2009. Triodos Sustainable Trade Fund expects to grow by EUR 7 million.



Hans Schut: 'Investment in renewable energy is the natural solution to both the credit and the climate crisis.'

REAL ESTATE

The sustainable real estate activities include supervising the development of new sustainable real estate, as well as managing the Triodos Real Estate Fund.

Triodos Real Estate Fund could not entirely avoid the impact of the decline in the Dutch real estate market. Since access to finance for real estate transactions is increasingly restricted, property prices for offices are under pressure. The Fund has partly managed to avoid the impact of this, thanks to its long-term rental contracts with financially sound lessees and the absence of vacant premises. Nonetheless, at year-end 2008 the premises were on average valued at a lower price.

The return based on the stock exchange quotation was minus 2.5%. In contrast to the market, the Fund in 2008 increased its equity by EUR 8 million (24%) to EUR 40 million. The investment portfolio increased to EUR 78 million, thanks to four acquisitions totalling EUR 40 million and a sale worth EUR 2 million.

REAL ESTATE DEVELOPMENT

Potential lessees, as well as governments, construction companies, advisors, real estate agents and investors, have shown a great deal

of interest in Triodos Banks' sustainable project development. In 2008, sustainable real estate was the dominant trend in the real estate market. Triodos Real Estate Development experienced a dynamic start, thanks to the positioning of Triodos Bank in general, the fact that Triodos Real Estate Fund is well-known, and the awarded project for the development, in cooperation with real estate developer ovg Projectontwikkeling, of TNT's new offices. The rapidly growing portfolio is also evidence of this. At year-end 2008, Triodos Real Estate Development was preparing the development of 12 sustainable projects.

PROSPECTS FOR 2009

Triodos Investment Management expects that in 2009 the real estate market will remain under pressure at least until the summer, after which it may stabilise or slightly recover in the second half of the year. This will depend on the extent to which the recession deepens. We nonetheless expect strong growth in activities related to sustainable real estate development and the structuring and allocation of real estate investments. Despite market conditions, the Bank also expects a limited growth of the real estate fund.

SOCIALLY RESPONSIBLE INVESTMENT

Activities in sustainable investment, also known as Socially Responsible Investment (SRI), concern the management of internationally distributed investment funds that invest in listed companies globally. The investments involve buying shares and bonds of multinational companies that distinguish themselves by their good social and environmental policies and socially responsible management, and of rapidly growing, innovative companies whose products contribute to the fight against climate change, a clean earth, and a healthy lifestyle. The funds have two key objectives. Firstly, the funds aim to encourage companies to continually improve their sustainability. Secondly, they offer investors the opportunity to invest in companies whose products and management meet strict sustainability criteria, while aiming to achieve a competitive return on the stock exchange.

Triodos Added Values Equity Fund has been available in the Netherlands since 2000 and uses the same investment strategy as Triodos Values Equity Fund, which has been in

distribution in Belgium, Denmark, Luxembourg and Spain since 2007. Both funds invest in the shares of multinational companies worldwide. As a consequence of the rapidly falling stock market prices and the decline in confidence, the funds realised a disappointing return of minus 45.0% and minus 44.7% respectively. Mainly due to these losses, the total net assets of both funds decreased by 42.7% and 32.1% to EUR 102 million and EUR minus 9 million respectively.

Triodos Added Value Bond Fund has been available in the Netherlands since 2000 and uses the same investment strategy as Triodos Values Bond Fund, which has been in distribution in Belgium, Denmark, Luxembourg and Spain since 2007. Both funds globally invest in the bonds of multinational companies. As a consequence of the upheaval in the financial markets and the decline in confidence, the Funds were more negatively affected by the financial crisis than funds investing in Dutch government securities. Triodos Added Value Bond Fund and Triodos Values Bond Fund realised a return of 2.4% and 2.9% respectively. Despite the negative investment sentiment, the total net assets of both funds increased by 1.6% and 12.7% to EUR 109 million and EUR 10 million respectively.

Triodos Added Value Mix Fund has been available in the Netherlands for more than ten years. In 2008, the Fund maintained a defensive investment strategy, investing a relatively large percentage in bonds and liquidities and maintaining a relatively small position in shares. The bond fund realised a disappointing return of minus 18%. Due to this return, the total net assets decreased by 34% to EUR 50 million.

Triodos Values Pioneer Fund has been in distribution in Belgium, Denmark, Luxembourg, the Netherlands and Spain since 2007. In 2008, the fund was significantly impacted by the negative sentiment on the stock markets. The losses suffered by companies operating in the field of climate protection were larger than those suffered on average in the other fields the Fund invests in. Investments related to a healthy lifestyle and corporate social responsibility performed better. As a result, the return was minus 41.4% and the net total assets decreased by EUR 12 million (34%) to EUR 23 million.

The promotion of corporate social responsibility produced very positive results. In the financial sector, for example, we spoke with dozens of banks and insurers about the sector's involvement in the arms trade. As a result, a large number of banks hastened the drafting of a restrictive policy about this issue. In addition, Triodos Bank's long-term commitment to ending the purchase of metal from war zones has led to broad social debate about this issue. Through this, Triodos Bank has demonstrated that sustainable investment on the stock market is vitally important to the encouragement of sustainable corporate behaviour.



Diane Griffioen: 'In 2008, our investment funds attracted not only more of the Bank's customers, but also more institutional investors and clients of other banks.'

SUSTAINABLE INVESTMENT IN ARTS AND CULTURE

In the field of arts and culture, Triodos Bank offers its Dutch clients the Triodos Culture Fund. The fund was launched in 2006 and invests in projects recognised as cultural by the Dutch government because they aim to improve and preserve arts and culture. In this way, the fund helps make the sector less dependent on grants and helps to encourage cultural entrepreneurship. In 2008, Triodos Culture Fund significantly increased its total net assets by EUR 6 million to EUR 73 million. The Fund expanded its portfolio with a number of new initiatives. It realised a 7.4% return, excluding a 2.5% tax credit for private investors, which was mainly due to developments in the capital market interest rate.

Strong growth of the total net assets is expected for 2009. When selecting new investments in 2009, the Fund will continue to focus primarily on small-scale private projects that ensue from innovative cultural entrepreneurship.

PROSPECTS FOR 2009

It is expected that the consequences of the

financial crisis will become increasingly visible in the real economy. Market sentiment on the stock exchanges will depend on the severity of the present economic recession and its impact on corporate turnover and profit forecasts. The Bank expect that the stock market will, in due time, again focus on issues of structural growth, such as resolving the energy issue and tackling climate change. Both in terms of return and total net assets, the performance of investments funds investing in the shares of listed companies will on the whole develop in line with movements on the stock exchange. Triodos Investment Management therefore expects that the total net assets of the equity funds will show only limited fluctuation. The Bank's funds can benefit from their preference for shares in the renewable energy sector, on which competitive returns can be made.

Prospects for the bond funds are positive. The risk premiums for corporate bonds in which the funds invest have reached record heights. The total net assets are therefore expected to grow slightly.

PRIVATE EQUITY AND VENTURE CAPITAL

Triodos Ventures, a subsidiary of the independent entity Stichting Triodos Holding, has made a series of investments in affiliated banks in Europe. Additionally, Triodos Ventures invests in sustainable initiatives that envisage making a breakthrough in specific areas. At year-end 2008, the Fund's portfolio includes 30 projects. In 2008, Triodos Ventures focused on developing sustainable real estate and Triodos Real Estate Development was launched to develop sustainable housing concepts, together with our clients.

Triodos Venture Capital Fund was launched in 2001 with professional and institutional shareholders, for a planned period of ten years. At year-end 2008, the fund's portfolio consists of one project and the aim is to discontinue the fund in the coming years. Since 2005, Triodos Bank has also managed an alternative venture capital fund with a portfolio of 20 investments, particularly in the field of fair trade and organic products. In late 2008, the Fund was transferred to its private shareholders.

Triodos Innovation was launched at the beginning of 2005 and mainly focuses on investing in fair trade and organic food. After

consolations with the shareholders it was agreed that they will manage the Fund themselves. From 2009, the Fund will continue under the name High Tide Worldwide.

PROSPECTS FOR 2009

Preparations will be made in 2009 to establish a new sustainably operating venture capital fund.

GENERAL PROSPECTS FOR 2009

Triodos Investment Management's activities are expected to produce further growth in 2009. In general, the return on investment in 2009 will largely depend on the extent to which the economic recession deepens and on whether developments on the stock markets continue to affect the inflow of assets into the investment funds. Nonetheless, Triodos Investment Management expects an increase of both the number of funds and the total net assets. The continually increasing popularity of investments in sustainable products and services, supported by relatively good returns on most of the Bank's investment funds, will have a positive impact. The expectation is that the largest growth will be achieved in the investment funds that invest in projects and companies that are not listed on the stock market. The related services to institutional investors will probably increase faster than the inflow in investment funds for private investors.

Zeist, 25 February 2009

Triodos Fund Management bv Management

Marilou van Golstein Brouwers

Diane Griffioen

Bas Rüter

Hans Schut

Key figures Triodos Investment Management*

amounts in thousands of euros**

	2008	2007
Retail funds under management	1,072,364	1,151,059
Institutional funds under management	145,995	141,105
Total funds under management	1,218,359	1,292,164
Total income	14,936	12,526
Operating expenses	-11,456	-10,862
Operating result before taxation	3,480	1,664
Taxation on operating result	-888	-424
Net profit	2,592	1,240
<i>Number of co-workers at year-end</i>	<i>56</i>	<i>49</i>

* In anticipation of the merger in 2009 of Triodos Investment Management BV and Triodos Fund Management BV into Triodos Investment Management BV, the key figures of both entities are combined. The comparative figures have been adjusted.

** The figures in this statement may differ from those in the annual accounts of Triodos Investment Management BV and Triodos Fund Management BV, due to the processing of elimination items during the consolidation with Triodos Bank.

Statement of balance sheet totals

OF TRIODOS GROUP AND ASSETS UNDER MANAGEMENT BY TRIODOS BANK PRIVATE BANKING

amounts in millions of euros

	31.12.2008	31.12.2007
Triodos Bank NV	2,363	1,885
Triodos Cultuurfonds NV	74	68
Triodos Fair Share Fund	60	37
Triodos Groenfonds NV	471	493
Triodos Meerwaardefonds NV	261	362
Triodos Renewable Energy Fund Plc	45	48
Triodos Sicav I	41	56
Triodos Sicav II	25	19
Triodos Sustainable Trade Fund	7	—
Triodos Vastgoedfonds NV	88	68
Retail investment funds	1,072	1,151
Ampere Equity Fund	12	1
Stichting Triodos-Doen	58	47
Stichting Hivos-Triodos Fonds	45	39
Triodos Innovation Fund BV	—	30
Stichting Triodos Renewable Energy for Development Fund	5	5
Triodos Venture Capital Fund BV	2	4
Triodos Ventures BV	17	13
Other activities	7	2
Institutional investment funds	146	141
Total investment funds	1,218	1,292
Triodos Bank Private Banking (total assets under management)	157	134
Stichting Triodos Foundation	3	3
Total	3,741	3,314

This statement does not include any committed amounts. Overlaps may have occurred. Note that at the time this statement was prepared, the Annual Accounts of a number of institutions had not yet been approved.

To avoid ambiguities, balance sheet totals are included in this statement, except for Triodos Bank Private Banking, where assets are managed according to Triodos criteria.

Risk Management and Compliance

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. Its main departments are responsible for risk management, and senior management's involvement is embedded in the organisation. Aspects of risk management are monitored on a day-to-day basis by the Risk Management department. The head of this department reports directly to the Board of Management of Triodos Bank.

The Risk Management department's primary task is to identify risks and analyse them, prepare policies and coordinate the management of the operational, credit, market and liquidity risks facing Triodos Bank. Another major responsibility is to make sure that all the branches pursue a coherent risk policy, and to guarantee that professional knowledge in a number of relevant fields is properly managed. To support this role, the organisation started to set up a risk management organisation by appointing a risk co-ordinator at each of the Bank's branches in 2008.

The level of risk we are prepared to take and the proposed profile for each type of risk are documented and elaborated in the policies of all Triodos Bank's divisions. Policy issues and decisions about risk management are made by Triodos Bank's Board of Management on the advice of the responsible risk manager. The Board of Management has assigned an advisory responsibility for balance sheet management and related risks to the Assets and Liabilities Committee.

OPERATIONAL RISK

In the course of its normal business, Triodos Bank runs operational risks. These risks relate to losses the Bank could incur as a result of inadequate or failing internal processes, systems, human behaviour or external events. Triodos Bank tries to limit these risks as much as possible by making sure there are clear policies, reports and procedures in place for its own processes as well as by establishing

policies for assessing purchasing and outsourcing. Numerous control measures are embedded in IT systems and recorded in procedures and work instructions. Training, level of experience and involvement of the co-workers all support this. Nevertheless, the size of the organisation involves a limited dependency on certain key individuals. Triodos Bank has not outsourced any core products to third parties. Line management is fed information to identify operational risks and implement adequate measures after their effectiveness has been analysed and assessed through the incident management system.

Another tool is risk self-assessment for new projects, products and (any outsourcing of) processes, which systematically maps out risks and the contribution to Triodos Bank's substantial objective, such as screening for environmental criteria before purchasing, and including these in the implementation plan. A relevant structure was set up in 2008 for the Zeist and Bristol branches, including central head office departments, such as the IT department, to deal with business continuity issues, and continuity plans were drawn up and implemented. In 2009, a live test will be performed in addition to annual 'dry runs' for all teams. For calculating operational risks in accordance with Basel II, the Basic Indicator Approach is used.

CREDIT RISK

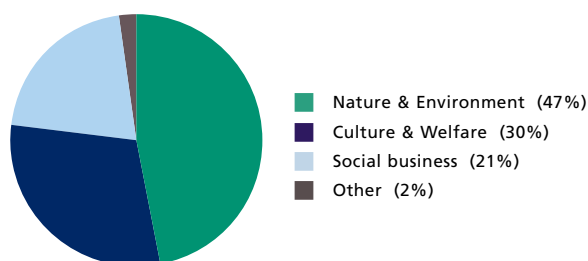
Credit risk relates primarily to a counterparty's potential inability to meet its obligations towards the Bank and the losses the Bank might incur as a result. It concerns both payment arrears and negative value changes due to a counter party's lower credit rating. Credit risk also includes concentration risk in the credit portfolio, which is the risk the Bank faces that a particular event may result in a company or a group of associates failing to meet their obligations towards the Bank. The risk relates to all of the Bank's assets: company loans, deposits with financial institutions and bonds.

Triodos Bank manages credit risk and concentration risk from two perspectives:

- at portfolio level in order to manage the concentration of risks at the following levels: per sector, per country or region
- at individual level per event or debtor

Corporate loans are extended to companies and projects in sectors that contribute to achieving Triodos Bank's mission. Given that this involves a small number of sectors, higher sector concentration is inherent to the loans portfolio. Concentration on the existing sector is acceptable because the Bank has considerable expertise in them and actively invests in increasing knowledge about them within the organisation. Risk is also reduced by making sufficient provisions as security against outstanding loans.

Lending by sector Triodos Bank 2008



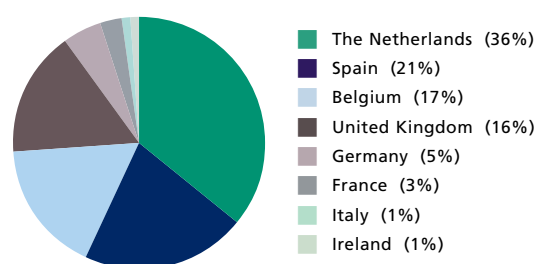
The main sectors are:

- Nature & Environment (47%, 2007: 40%). This sector includes renewable energy and environmental technology projects, and companies and projects from the organic food and farming industry.
- Culture & Welfare (30%, 2007: 35%). Loans are made to institutions active in education, care for the disabled, healthcare, artists (both individuals and groups) and cultural institutions.
- Social business (21%, 2007: 23%) Loans to craftspeople, innovative entrepreneurship and services with a clear social aim, including microfinance institutions in developing countries, fair trade with the South and development co-operation NGOs make up most of this sector.

For the local branches, limits are imposed and regular reports agreed to manage the risk concentration in these sectors. Limits are also considered and agreed on a case-by-case basis.

Lending decisions are made by local credit committees in each of the Bank's branches.

Summary of outstanding loans per country



Each local credit committee is authorised to make its own decisions within agreed parameters. Triodos Bank's Board of Management assesses credits that exceed these parameters. Credit details are recorded in the system and linked to a risk classification system. At regular intervals, the borrowers' creditworthiness and the economic value of the securities are both assessed and discussed by the relevant credit committee.

Investments with banks and in interest-bearing securities are aimed at recognised organisations in the financial markets on the basis of their credit rating by the credit department and a substantive assessment in the area of sustainability by Triodos Research. Triodos Bank's Board of Management decides the maximum counterparty limits for the short and medium-term on the basis of the advice provided to them. These limits are reassessed every quarter or more often should this be warranted by conditions on the market or at the counterparty, such as a reduced credit rating by a recognised external credit rating organisation.

In the regular assessments of loans and investments, 'wrong-way risk positions' (if there is a positive correlation between counterparty payment default and market risk factors) are part of the analysis and may lead to changes in policy with respect to the relevant parties.

In accordance with Basel II guidelines, Triodos Bank uses the credit ratings of Fitch and Moody's for the assessment of the relative risk for all asset items valued by a recognised credit rating institution. For all receivables, a policy has been established that guarantees an unambiguous and coherent application of these credit ratings. The Dutch central bank's (DNB) published standard classification is the foundation for Triodos Bank's classification into credit quality categories.

The policy for the valuation of securities is recorded in a credit manual and translated to work procedures at the Bank's different branches. Principal securities are mortgage registrations for corporate 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.

All corporate loans in the portfolio are individually assessed on a regular basis with the frequency depending on the debtor's quality, the degree of market exposure and the market in which the debtor operates. The credit committee of the branch concerned discusses and, if necessary, takes action with respect to any overdue payments from debtors, for example a debtor failing to settle a substantial liability with Triodos Bank for more than ninety days.

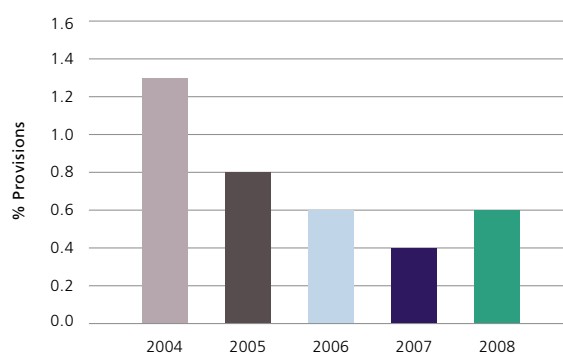
If there is any doubt regarding the continuity of the debtor's core operations and/or a debtor fails to settle contractually agreed interest and repayment instalments for a prolonged period, this debtor falls under the category of doubtful debtors and will be monitored intensively and constantly by an especially assigned co-worker. Provisions are taken for doubtful debtors for

the difference between the expected value of the securities and the total amount of the debtor's outstanding liability to the Bank.

Triodos Bank does not use securitisation for its own debts or the acquisition of loans and advances.

The quality of the credit portfolio is good. In 2008, additions to the provision for bad debts have been increased at all branches. Provisions as a percentage of the credit portfolio was 0.44% (2007: 0.09%). The 2008 percentage is equal to the average additions to the provision during the ten years.

Provisions as a percentage of outstanding loans



Bad debts and overdue receivables per sector

in millions of euros

	Bad debts*		Provision for bad debts		Overdue receivables**	
	2008	2007	2008	2007	2008	2007
Banks and financial intermediaries	3	—	3	—	—	—
Basic materials	—	—	—	—	2	—
Retail trade	1	1	—	1	—	—
Services	1	1	1	1	1	1
Healthcare and social services	1	—	—	—	1	3
Agriculture, livestock farming and fishery	4	3	1	1	7	1
Media	1	1	—	—	—	—
Utility companies	4	1	1	1	—	—
Tourism and leisure	3	—	—	—	7	3
Foodstuffs and drink	1	1	—	—	3	3
Other sectors	3	1	1	—	2	1
Total	22	9	7	4	23	12

* Bad debts deducted from provision for bad debts

** Overdue receivables excluding bad debts.

MARKET RISK

Market risk is the risk that a Bank's investment portfolio drops in value due to fluctuations in prices on the financial markets (interest rates, exchange rates or share prices).

This risk arises from trade on behalf of customers as well as own account trading. Triodos Bank does not assume trading-book position for own account trading. Currency positions are fully covered with the exception of those arising from strategic investments. Interest rate risk is the most important market risk connected to activities not taking place for trade purposes.

LIQUIDITY RISK

Liquidity risk refers to the risk that the Bank may be unable to release sufficient funds to fulfil its obligations to its customers at a particular point in time. Funds entrusted are attracted for the Bank's lending operations. The surplus is invested with banks or government bonds. Triodos Bank's policy is to have sufficient funds available so it can meet its obligations at all times. Triodos Bank is characterised by a high degree of liquidity, and is funded entirely by saving deposits from private and corporate customers. As a result, the Bank does not need to rely on the interbank money markets, and was not affected by the challenge these markets faced during the financial crisis in 2008. The Bank nevertheless prepared a Liquidity Contingency Plan in 2008. The plan outlines the measures

that can be taken in the case of a liquidity crisis.

The Bank's liquidity risk remained within the internally agreed policy norms throughout 2008.

STRATEGIC AND REPUTATION RISK

Triodos Bank has a clearly defined mission 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 the Bank. The Bank's reputation is a strategic pillar, as the confidence in Triodos is vital to its provision of services. Risk the Bank's reputation is limited as much as possible. This includes carefully choosing partners for collaboration and reporting all related activities as transparently as possible. In times of crisis, Triodos Bank aims is to provide timely and accurate information and to actively communicate on the issue.

INTEREST RATE RISK

The interest rate risk is the danger that the value of assets and liabilities is negatively affected by interest rate changes in the financial markets. This risk is inherent to the banking business. The interest rate risk mainly arises from the fact that there are differences in fixed-rate interest periods for assets and liabilities.

Bad debts and overdue receivables per country

in millions of euros

	Bad debts*		Provision for bad debts		Overdue receivables**	
	2008	2007	2008	2007	2008	2007
The Netherlands	11	5	4	2	4	3
Belgium	2	2	1	1	1	1
United Kingdom	1	2	1	1	5	1
Spain	5	—	—	—	13	7
Germany	3	—	1	—	—	—
Total	22	9	7	4	23	12

* Bad debts deducted from provision for bad debts

** Overdue receivables excluding bad debts

Every month, Triodos Bank's interest rate risk position is monitored and assessed by the Asset and Liability Committee. The interest rate risk is managed using a system of guidelines and limits and by performing various interest rate scenarios. Limits are agreed by Triodos Bank's Board of Management based on a proposal made by the Risk Management Department. Interest earnings at risk according to various interest rate scenarios and changes in the value of equity at risk capital are calculated in combination with a balance sheet simulation model. As at 31 December 2008, the value of these indicators below was:

With respect to current account and savings deposits without a fixed interest rate period, the following assumptions are made regarding the interest rate period:

- Savings deposits \geq EUR 50,000 and GBP savings deposits decrease in a straight line for one year
- Savings deposits $<$ EUR 50,000 decrease in a straight line over four years
- Euro current accounts credit balances with a interest rate percentage of $<$ 0.5% decrease in a straight line over a period of four years
- Other current account credits have an interest rate period of one month

A mixture of long and short-term market interest rates is used for the calculation of future interest rates for saving deposits. Future interest rates on credits on the current account are in line with short-term market rates. The aforementioned assumptions are based on qualitative grounds, a so-called expert opinion. To improve the substantiation of the assumption, a quantitative assessment of the interest rate risks of our saving accounts was started in

2008. The findings of this assessment, which is scheduled to be completed at the start of 2009, will be used to optimise the interest rate risk model. The Bank's interest rate risk remained within the internally agreed policy norms throughout 2008.

BASEL II

In June 2004, the Basel Committee on Banking Supervision published the final text of the new capital framework known as Basel II. Preparations for the implementation of this capital framework had been given attention over recent years. Triodos Bank converted to the Basel II framework on 1 January 2008 and since this date reports according to the requirements stipulated by Basel II. This is in line with the objective. Basel II has different approaches to the implementation of requirements regarding credit, market and operational risks. In view of its size and stage of development, Triodos Bank has opted to implement the less advanced methods in the first phase under Pillar I of Basel II. The Standard Approach for assigning capital and credit limits to counterparties for debts receivable is used to calculate credit risks. The Basic Indicator Approach is used to calculate operational risks. The options chosen by Triodos will not diminish its efforts to continue to improve and fine-tune its internal risk management system. As part of Pillar II of Basel II, and in accordance with its objectives for 2008, Triodos Bank implemented an internal capital policy. This capital policy was discussed with the supervisory body, which made a number of recommendations that were followed up within the organisation. In 2008, the supervisory body made no final judgment

Indicators Earnings at Risk and Economic Value of Equity at Risk at 31 December 2008

In millions

Indicator	Rising interest rate (+200 bp)	Decreasing interest rate (-200 bp)
Earnings at Risk 1 year (EUR)	0.6 (1%)	-0.3 (-1%)
Earnings at Risk 1 year (GBP)	0.5 (5%)	-3.3 (-35%)
Earnings at Risk 1 year (all currency)	1.1 (2%)	-3.7 (-7%)
Economic Value of Equity at Risk (EUR)	-26.4 (-13%)	32.0 (16%)
Economic Value of Equity at Risk (GBP)	-1.0 (-31%)	-0.4 (-13%)
Economic Value of Equity at Risk (all currency)	-23.4 (-11%)	35.9 (17%)

bp = basic points

on Triodos Bank's capital policy, partly because the Bank's capital position has stayed well within the targets.

Pillar III concerns the disclosure of solvency risks. These disclosures are applicable to banks and investment companies from the moment that they convert to the new regime. The purpose is to make data on solvency and the connected risk profile of the organisation available to stakeholders. In line with regulations, this data has been reassessed and adjusted where desirable or necessary. In addition, a start has been made with the preparation of policy lines related to the disclosure of information.

For 2008, the desired and required capital has been reported and calculated according to the capital regime of Basel II.

CAPITAL MANAGEMENT

The strategic objectives determine Triodos Bank's readiness to take risks. The readiness to take risks is one of the aspects in the capital planning process. It indicates the maximum risk that Triodos Bank considers acceptable to implement its business strategy in order to protect itself against events that could have an adverse effect on profitability, liability capital or the depository receipt price. Capital serves as the buffer to absorb the impact of losses that are inherent to the business. Risk is an important element of the capital framework. One of the yardsticks for expressing and quantifying risk-taking readiness is economic capital. It represents the internal demand for capital within the Bank. In addition, the Bank must also satisfy the capital requirements imposed by supervisory bodies. Risk-taking readiness and capital planning form the basis for the process of:

- Capital measurement: measuring the risks resulting in an estimate of the demand for capital.
- Capital allocation: allocating capital to the separate business units.
- Capital management: managing the supply of and demand for capital.

This enables Triodos Bank to quantify the total risk-taking readiness at group level, to then allocate this risk-taking readiness to the different business units and, as a result, consistently measure and manage the performance and the

risk levels for each business unit. The capital requirements from the first and second pillars of the Basel II Capital Accord are managed using this capital framework.

CAPITAL MEASUREMENT

The capital measured at Triodos Bank concerns both the internal demand for capital, for example economic capital in accordance with the results of Pillar II under Basel II, and the capital requirement in accordance with the results of Pillar I under Basel II. Economic capital is a risk standard that indicates how much capital the Bank wishes to have at its disposal to be able to cover unexpected operational risks. Economic capital is broadly determined by the following risks:

- Credit risk (counterparty risk and concentration risk)
- Interest rate risk (positions in the Bank book)
- Market risk (positions in the trade book)
- Operational risk
- Strategic and reputational risk

The internal management reports contain a monthly assessment of whether the available capital is sufficient to support current and future activities. In 2008, the available capital was always sufficient.

CAPITAL ALLOCATION

Triodos Bank considers capital to be a scarce resource. Capital allocation to the different business units of the Bank is decided centrally. Capital allocation is governed by the capital allocation policy. On the basis of this policy, capital is allocated to business units in proportion to the economic and required capital.

CAPITAL MANAGEMENT

The aim of capital management is to guarantee that sufficient capital is available to meet Triodos Bank's capital needs, given its underlying business strategy. The Asset and Liability Committee manages the capital within the Bank.

COMPLIANCE AND INTEGRITY

Triodos Bank has internal policy rules and procedures to guarantee that management complies with relevant laws and regulations regarding customers, corporate customers and business partners. The Bank's compliance

function contributes to managing and further developing relevant policy rules and procedures. In addition, the Legal and Compliance department independently monitors the extent to which the Bank complies with its rules and procedures. External aspects of the Legal and 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 the head office in Zeist. Compliance officers are present in every branch. The head of the Legal and Compliance department is directly accountable to Triodos Bank's Board of Management.

ACTIVITIES IN 2008

The internal rules for private investment transactions were updated in 2008. All co-workers have received instructions and have participated in information meetings. The policy for preventing money laundering and the financing of terrorism has been updated. The associated procedures have been further automated. Relevant co-workers have been advised and instructed accordingly.

COMPLIANCE

There were no significant incidents in 2008 concerning compliance and integrity. Triodos Bank was not involved in any legal proceedings or sanctions associated with non-compliance with legislation or regulations in terms of financial supervision, corruption, advertisements, competition, privacy or product liability.



Run by Luke Hasell (pictured) and Jim Twine on their two farms in Somerset, United Kingdom, The Story Group supply organic beef and lamb directly to customers through a meat box scheme. Finance from Triodos Bank UK provided the money they needed to help establish the business.

Corporate Governance

Triodos Bank is a European bank with branches in the Netherlands (Zeist), Belgium (Brussels), the UK (Bristol) and Spain (Madrid). In addition, a representative agency in Germany (Frankfurt). The head office is in 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 NV. In addition, it exercises the voting rights for the Triodos Bank NV shares. The SAAT Board of Management's voting decisions are guided by the Bank's ethical goals and mission, its business interests, and the interests of the depository receipt holders. Triodos Bank depository receipts are not listed on any stock exchange. Instead, it maintains an internal market.

DEPOSITORY RECEIPT HOLDERS

Depository receipt holders are entitled to vote at the Annual General Meeting of depository receipt holders. Each one is limited to a maximum of 1,000 votes. The Annual General Meeting of depository receipt holders appoints the members of SAAT's Board of Management, based on the recommendation of SAAT's Board of Management. These recommendations must be approved by Triodos Bank's Board of Management. No depository receipt holder may hold more than 7.5% of all depository receipts in issue.

SUPERVISORY BOARD TRIODOS BANK

Triodos Bank has a Supervisory Board, which monitors the Bank's business operations and advises and assists its Board of Management, to benefit its business interests. New members of it are appointed at the Annual General Meeting, using recommendations from the Supervisory Board.

Number of statement of depository receipts per holder

amounts in millions of euros

	Depository receipt holders		Issued capital	
	2008	2007	2008	2007
1 - 50	6,347	6,704	7.7	8.3
51 - 500	4,879	4,849	52.9	53.3
501 - 1,000	388	363	18.4	17.7
1,001 and more	183	168	125.2	120.9
Total	11,797	12,084	204.2	200.2

Number of depository receipts per country

	Depository receipts x 1,000		Depository receipt holders	
	2008	2007	2008	2007
The Netherlands	2,247	2,208	8,071	8,334
Belgium	553	533	2,357	2,358
United Kingdom	75	78	1,040	1,048
Spain	47	53	329	344
Total	2,922	2,872	11,797	12,084

TRIODOS BANK'S BOARD OF MANAGEMENT

Triodos Bank is run by the Board of Management under the Articles of Association, and is appointed by the Supervisory Board.

STICHTING TRIODOS HOLDING

Stichting Triodos Holding is legally separate but organisationally integrated with Triodos Bank NV. It is a 100% shareholder of Triodos Ventures BV, an investment fund for higher risk but strategically important new 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 are made up of members of Triodos Bank's Board of Management under the Articles of Association. Stichting Triodos

Holding has a Supervisory Board appointed on the recommendation of SAAT's Board of Management. The Board of Management must submit to the Supervisory Board to approve decisions specified in the Articles of Association.

STICHTING TRIODOS FOUNDATION

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

BUSINESS PRINCIPLES AND THE DUTCH CORPORATE GOVERNANCE CODE

Triodos Bank uses its business principles to help it carry out its mission. These business principles have been drawn up in consultation with SAAT's Supervisory Board and Board of Management. The Dutch Corporate Governance Code does not apply directly to Triodos Bank NV, as Triodos Bank's depository receipts are not listed on any regulated market. Nevertheless, Triodos Bank endorses the basic principles of the Corporate Governance Code and complies with it in a general sense. However, it has also made a deliberate decision to deviate from it on a number of specific points. The most important relates to voting rights on shares. To protect Triodos Bank's mission and objectives as much as possible, depository receipt holders are not allowed to exercise voting rights on the underlying shares, which are instead exercised by SAAT, the Foundation for the Administration of Triodos Bank Shares, as outlined above. In addition, a number of provisions of the Corporate Governance Code do not apply to Triodos Bank, as it does not have any share plans or option schemes. Triodos Bank's business principles can be found at www.triodos.com.

SUPERVISION

Triodos Bank is supervised by DNB (the Dutch Central Bank) and AFM (The Netherlands Authority for the Financial Markets), as well as by the regulatory authorities in Belgium, the UK and Spain in respect of local matters.

Statement of institutions with a participating interest of 5% or more

in percentage

	2008	2007
Delta Lloyd Levensverzekering NV	7.2	7.2
NAGRON Nationaal Grondbezit BV	6.8	6.9
Friesland Bank NV	5.8	5.7
Coöperatieve Centrale Raiffeisen-Boerenleenbank BA	5.3	5.2
PGGM Pensioenfonds Z&W	5.3	5.4
Beheersmaatschappij Breesaap	5.2	5.1
Stichting Pensioenfonds ABP	5.1	5.0

The above institutions are the largest (with a participating interest of 5% or more) of the total of 11 (2007: 14) institutions that each hold more than 10,000 depository receipts. Their total participating interest is 45,1% (2007: 49.0%).



The Creative Industries Building in Utrecht, the Netherlands, provides vital affordable working space for people working in the creative industries. The building is owned and run by Professionele Ateliervershuur Nederland (PAN), the Dutch foundation for professional workshop rentals, which has benefited from funding from Triodos Culture Fund.

Stakeholder dialogue

Triodos Bank maintains good relationships with all its stakeholders, including shareholders (holders of depository receipts), customers, staff, NGOs and government. Triodos Bank works closely together with organisations working for the environment, organic farming, renewable energy, arts and culture, education, human rights and development co-operation. Triodos Bank defines its stakeholders as all the people, groups and organisations with which it has a business or other relationship. The dialogue with all these stakeholders is an important source of inspiration and new ideas.

Triodos Bank identifies three discrete groups of stakeholders in particular:

CUSTOMERS, DEPOSITARY RECEIPT HOLDERS, CO-WORKERS AND SUPPLIERS
Dialogue with this group of stakeholders mainly involves weighing up economic interests. Each stakeholder - whether saver, investor, borrower, supplier or co-worker - has something to gain or to lose in their relationship with the Bank. The balance between long- and short-term interests and self and public interest forms the basis for dialogue with these stakeholders.

NGOS AND GOVERNMENT
Discussions with this group focus predominantly on the social context in which the Bank operates. These stakeholders do not have a financial interest, but do have clear social interest in the Bank's development.

ADVISORS AND INSPIRERS
People who contribute to the further development of the Bank's vision and mission. This group includes external advisors with innovative ideas who respond to requests or provide advice spontaneously, and inspirers with new visions and insights. These people are vitally important, particularly where the development of sustainability strategies is concerned.

Since its foundation, transparency has been one of Triodos Bank's major objectives. Triodos believes it is essential that depositors and investors know what happens to their investments and capital. Meetings take place throughout the year Triodos Bank's customers and

depository receipt holders as part of this commitment to transparency. These meetings offer room for discussions about the Bank's strategy and policy, and give stakeholders. They offer stakeholders the option of a critical approach to the Bank with respect to the pursued policy. In addition to the annual customer day, in 2008 we organised the first meetings specifically for Belgian and British holders of depository receipts in Belgium and the United Kingdom.

In 2008, the UK branch participated in the first ever National Ethical Investment Week. Travelling in a special coach, Triodos Bank savers and investors visited some of the companies the bank finances locally. In Belgium, Triodos Bank was involved in an international conference on marketing and authenticity. Triodos Bank's successful marketing activities served as an inspiring example.

Triodos believes it is essential that depositors and investors know what happens to their investments and capital.

In its written and online publications, Triodos Bank provides clear information about the sectors the Bank is active in. The quarterly Triodosnews newsletter, the annual report, the interim report and the websites inform stakeholders about specific projects and companies that the Bank finances and in which it invests. The newsletter is a key tool demonstrating the Bank's commitment to transparency. Customers in all the countries where the Bank operates particularly value it, particularly with respect to the useful and well-presented information and succinct reports. In 2009, the magazine will be revamped. The Bank's existing websites offer visitors three types of information: product information, details about the projects and companies that the Bank finances, and general information about Triodos Bank, including its mission, history, key figures and organisational structure. The websites are an increasingly important means of communications for the



Fundación Félix Rodríguez de la Fuente is a Spanish environmental organisation, established in 2004 to promote the ideas of visionary environmentalist Félix Rodríguez de la Fuente. Triodos Bank in Spain has offered a loan to the foundation for its RUNA project, which promotes joined-up thinking around rural development, biodiversity and entrepreneurship. Photo: (c) Jorge Sierra / Fundación Félix Rodríguez de la Fuente.

Bank and the number of visitors they attract is increasing every month.

Internal communication at Triodos Bank mainly takes place during the weekly staff meetings for all co-workers, which are organised at all the Bank's branches. Co-workers are encouraged to contribute to the policy-making process and to feel involved in all the Bank's activities. In 2008, a new strategy for the Bank for the coming three years was developed together with the co-workers by means of an interactive process.

Triodos Bank sponsors a number of carefully selected organisations and events in order to realise its mission by means other than its core business. In 2008, one of the events sponsored by Triodos Bank was the World Expo in Zaragoza, Spain, which focused on the issues of water and climate change.

Through the charitable foundations operating within the Triodos Bank Group, we support innovative initiatives in the field of organic farming, renewable energy and economic development in developing countries. In 2008 the foundations made donations totalling EUR 1.2 million (2007: EUR 0.9 million).

To encourage dialogue about its reporting, the Bank organises meetings with stakeholders to discuss the content of each annual report. Most stakeholders greatly appreciate the organisation and content of the Bank's reports. Some stakeholders felt that the information was too detailed, but, the integrated reports on the financial results, as well as on the environmental and social effects, are appreciated. In early 2009, a study group will be formed to review the organisation and content of the annual report. Triodos Bank particularly wishes to examine how the impact that the Bank has through its loans and investments can be communicated better and more clearly.

In 2008, Triodos Bank, along with more than 200 international institutional investors, once again signed the Carbon Disclosure Project Four (CDP 4) appeal, which calls on the 500 largest listed companies in the world to publicly disclose their CO₂ emissions. The aim of this appeal is to have companies reduce their emissions.

In 2008, Triodos Bank signed the Tällberg Foundation appeal, urging that the global climate change negotiations lead to a reduction in CO₂ emissions to 350 parts per million.

Triodos Bank is co-founder and a member of Social Venture Network Europe, European Social Investment Forum (Eurosif) and the International Association of Investors in the Social Economy (INAISE). In addition, Triodos Bank is a member of the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP) and the United Nations Environmental Programme Finance Initiative (UNEP FI).

In 2008, confidence in the financial sector plummeted as a result of the credit crisis. As described in this annual report, Triodos Bank has not been directly affected by this. Through letters to its customers and advertisements in national daily newspapers, the Bank shared its view of the crisis with all its stakeholders. The Bank received many positive responses to this pro-active communication. In the media, Triodos Bank was regularly featured as an example of how responsible banking was possible.

In 2009, Triodos Bank expects to actively contribute to the debate on the future social role to be played by banks. This will involve words and deeds, and sharing the Bank's knowledge of and experience with sustainable banking.

Key figures 2008 by branch and business unit

in thousands of euros

	Bank Netherlands	Bank Belgium	Bank United Kingdom
Funds entrusted	970,164	572,164	359,021
<i>Number of accounts</i>	<i>92,748</i>	<i>30,434</i>	<i>28,619</i>
Loans	525,495	259,206	216,855
<i>Number</i>	<i>6,880</i>	<i>1,103</i>	<i>733</i>
Balance sheet total	1,038,881	591,658	379,646
Funds under management	0	0	0
Total assets under management	1,038,881	591,658	379,646
Total income	22,848	8,914	15,271
Operating expenses	-17,359	-7,523	-9,774
Value adjustments to receivables	-1,562	66	-326
Value adjustments to participations	0	0	0
Operating result	3,927	1,457	5,171
Taxation on operating result	-1,001	-118	-1,489
Net profit	2,926	1,339	3,682
<i>Average number of co-workers on a full-time basis</i>	<i>86.0</i>	<i>44.7</i>	<i>76.1</i>
<i>Operating expenses/total income</i>	<i>76%</i>	<i>84%</i>	<i>64%</i>

* In anticipation of the merger in 2009 of Triodos Investment Management BV and Triodos Fund Management BV into Triodos Investment Management BV, the key figures of both entities are combined. The comparative figures of 2007 have been adjusted.

** Because elimination items of the total profit and loss account are recognised under 'other', there is no need to state the cost ratio.

Bank Spain	Total banking-activities	Investment Management*	Private Banking	Other	Total
175,330	2,076,679	0	0	0	2,076,679
17,716	169,517	0	0	0	169,517
268,565	1,270,121	0	0	0	1,270,121
665	9,381	0	0	0	9,381
295,484	2,305,669	0	0	57,371	2,363,040
0	0	1,218,359	156,581	3,171	1,378,111
<u>295,484</u>	<u>2,305,669</u>	<u>1,218,359</u>	<u>156,581</u>	<u>60,542</u>	<u>3,741,151</u>
7,210	54,243	14,936	1,565	2,993	73,737
-6,457	-41,113	-11,456	-1,631	-1,356	-55,556
-123	-1,945	0	0	-1,263	-3,208
0	0	0	0	-977	-977
630	11,185	3,480	-66	-603	13,996
-233	-2,841	-888	25	-152	-3,856
<u>397</u>	<u>8,344</u>	<u>2,592</u>	<u>-41</u>	<u>-755</u>	<u>10,140</u>
53.1	259.9	49.9	7.9	75.0	392.7
90%	76%	77%	104%	**	75%

Key figures 2007 by branch and business unit

in thousands of euros

	Bank Netherlands	Bank Belgium	Bank United Kingdom
Funds entrusted	678,648	414,698	414,355
<i>Number of accounts</i>	67,172	24,324	26,754
Loans	432,827	185,575	249,806
<i>Number</i>	4,003	1,096	675
Balance sheet total	805,038	431,125	432,979
Funds under management	0	0	0
Total assets under management	805,038	431,125	432,979
Total income	19,539	8,010	14,162
Operating expenses	-14,006	-6,250	-9,931
Value adjustments to receivables	399	165	62
Operating result	5,932	1,925	4,293
Taxation on operating result	-1,513	-378	-1,227
Net profit	4,419	1,547	3,066
<i>Average number of co-workers on a full-time basis</i>	73.6	37.2	69.1
<i>Operating expenses/total income</i>	72%	78%	70%

* In anticipation of the merger in 2009 of Triodos Investment Management BV and Triodos Fund Management BV into Triodos Investment Management BV, the key figures of both entities are combined.

** Because elimination items of the total profit and loss account are recognised under 'other', there is no need to state the cost ratio.

Bank Spain	Total banking-activities	Investment Management*	Private Banking	Other	Total
109,121	1,616,822	0	0	0	1,616,822
12,394	130,644	0	0	0	130,644
150,438	1,018,646	0	0	0	1,018,646
407	6,181	0	0	0	6,181
164,747	1,833,889	0	0	51,170	1,885,059
0	0	1,292,164	133,473	3,326	1,428,963
<u>164,747</u>	<u>1,833,889</u>	<u>1,292,164</u>	<u>133,473</u>	<u>54,496</u>	<u>3,314,022</u>
3,931	45,642	12,526	1,180	-135	59,213
-5,321	-35,508	-10,862	-1,385	2	-47,753
0	626	0	0	0	626
-1,390	10,760	1,664	-205	-133	12,086
398	-2,720	-424	53	-40	-3,131
<u>-992</u>	<u>8,040</u>	<u>1,240</u>	<u>-152</u>	<u>-173</u>	<u>8,955</u>
45.7	225.6	43.3	7.2	64.8	340.9
135%	78%	87%	117%	**	81%

Lending by sector in 2008

in thousands of euros

	amount	Total %	number	amount	Netherlands %	number
Nature & Environment						
Organic farming	62,187	4.9%	583	26,200	5.0%	304
Organic food	53,527	4.2%	500	24,184	4.6%	348
Renewable energy	390,435	30.7%	658	66,930	12.7%	163
Ecological development	65,839	5.2%	350	42,950	8.2%	199
Environmental technology	20,435	1.6%	114	5,016	1.0%	29
	<u>592,423</u>	<u>46.6%</u>	<u>2,205</u>	<u>165,280</u>	<u>31.5%</u>	<u>1,043</u>
Social business						
Retail trade - non-food	16,472	1.3%	122	5,127	1.0%	78
Production	8,370	0.7%	104	5,174	1.0%	73
Professional services	43,944	3.5%	240	14,249	2.7%	157
Leisure	56,787	4.4%	131	32,638	6.2%	88
Housing associations	49,389	3.9%	314	38,047	7.2%	252
Social projects	45,890	3.6%	185	1,018	0.2%	18
Fair trade	10,149	0.8%	52	6,244	1.2%	18
Development cooperation	34,451	2.7%	38	28,383	5.4%	16
	<u>265,452</u>	<u>20.9%</u>	<u>1,186</u>	<u>130,880</u>	<u>24.9%</u>	<u>700</u>
Culture & Welfare						
Education	63,050	5.0%	255	35,908	6.8%	104
Day nursery	22,479	1.8%	131	20,074	3.8%	116
Healthcare	198,374	15.6%	693	109,108	20.8%	479
Arts and culture	60,738	4.8%	713	36,513	6.9%	545
Philosophy of life	34,296	2.7%	154	5,092	1.0%	37
	<u>378,937</u>	<u>29.9%</u>	<u>1,946</u>	<u>206,695</u>	<u>39.3%</u>	<u>1,281</u>
Other (including private)	<u>33,309</u>	<u>2.6%</u>	<u>4,044</u>	<u>22,640</u>	<u>4.3%</u>	<u>3,856</u>
Total	<u><u>1,270,121</u></u>	<u><u>100.0%</u></u>	<u><u>9,381</u></u>	<u><u>525,495</u></u>	<u><u>100.0%</u></u>	<u><u>6,880</u></u>

Belgium			United Kingdom			Spain		
amount	%	number	amount	%	number	amount	%	number
2,601	1.0%	55	26,073	12.0%	194	7,313	2.7%	30
7,788	3.0%	49	7,961	3.7%	54	13,594	5.1%	49
134,478	51.9%	137	58,270	26.9%	36	130,757	48.7%	322
14,905	5.8%	104	3,878	1.8%	16	4,106	1.5%	31
11,762	4.5%	67	1,866	0.9%	14	1,791	0.7%	4
<u>171,534</u>	<u>66.2%</u>	<u>412</u>	<u>98,048</u>	<u>45.3%</u>	<u>314</u>	<u>157,561</u>	<u>58.7%</u>	<u>436</u>
1,625	0.6%	21	9,657	4.5%	22	63	0.0%	1
1,156	0.4%	11	673	0.3%	11	1,367	0.5%	9
3,831	1.5%	34	22,806	10.5%	31	3,058	1.1%	18
1,293	0.5%	15	3,140	1.4%	11	19,716	7.3%	17
2,858	1.1%	26	8,484	3.9%	36	—	0.0%	—
7,113	2.8%	82	9,722	4.5%	53	28,037	10.5%	32
1,774	0.7%	10	1,170	0.5%	18	961	0.4%	6
859	0.3%	16	—	0.0%	—	5,209	1.9%	6
<u>20,509</u>	<u>7.9%</u>	<u>215</u>	<u>55,652</u>	<u>25.6%</u>	<u>182</u>	<u>58,411</u>	<u>21.7%</u>	<u>89</u>
8,908	3.4%	92	9,704	4.5%	43	8,530	3.2%	16
1,712	0.7%	11	476	0.2%	3	217	0.1%	1
33,709	13.0%	112	23,066	10.6%	60	32,491	12.1%	42
11,944	4.6%	112	7,478	3.4%	37	4,803	1.8%	19
1,337	0.5%	12	21,591	10.0%	92	6,276	2.3%	13
<u>57,610</u>	<u>22.2%</u>	<u>339</u>	<u>62,315</u>	<u>28.7%</u>	<u>235</u>	<u>52,317</u>	<u>19.5%</u>	<u>91</u>
9,553	3.7%	137	840	0.4%	2	276	0.1%	49
<u>259,206</u>	<u>100.0%</u>	<u>1,103</u>	<u>216,855</u>	<u>100.0%</u>	<u>733</u>	<u>268,565</u>	<u>100.0%</u>	<u>665</u>

Lending by sector in 2007

in thousands of euros

	amount	Total %	number	amount	Netherlands %	number
Nature & Environment						
Organic farming	51,604	5.1	434	19,996	4.6	195
Organic food	50,588	5.0	421	19,861	4.6	267
Renewable energy	221,739	21.8	293	35,025	8.1	60
Ecological development	68,165	6.7	259	53,065	12.3	167
Environmental technology	12,480	1.2	92	4,499	1.0	22
	<u>404,576</u>	<u>39.8</u>	<u>1,499</u>	<u>132,446</u>	<u>30.6</u>	<u>711</u>
Social business						
Retail trade - non-food	14,614	1.4	113	3,447	0.8	67
Production	9,417	0.9	93	5,823	1.3	66
Professional services	41,010	4.0	195	14,018	3.2	108
Leisure	48,313	4.7	107	29,380	6.8	65
Housing associations	39,514	3.9	246	27,680	6.4	185
Social projects	43,778	4.3	178	1,436	0.3	16
Fair trade	9,134	0.9	49	5,657	1.3	11
Development cooperation	30,175	3.0	43	24,666	5.7	16
	<u>235,955</u>	<u>23.1</u>	<u>1,024</u>	<u>112,107</u>	<u>25.8</u>	<u>534</u>
Culture & Welfare						
Education	57,904	5.7	238	31,310	7.2	85
Day nursery	22,235	2.2	109	20,652	4.8	94
Healthcare	186,572	18.3	563	97,050	22.5	337
Arts and culture	50,128	4.9	520	27,639	6.4	350
Philosophy of life	39,034	3.8	147	5,345	1.2	27
	<u>355,873</u>	<u>34.9</u>	<u>1,577</u>	<u>181,996</u>	<u>42.1</u>	<u>893</u>
Other (including private)	<u>22,242</u>	<u>2.2</u>	<u>2,081</u>	<u>6,278</u>	<u>1.5</u>	<u>1,865</u>
Total	<u>1,018,646</u>	<u>100.0</u>	<u>6,181</u>	<u>432,827</u>	<u>100.0</u>	<u>4,003</u>

amount	Belgium		amount	United Kingdom		amount	Spain	
	%	number		%	number		%	number
3,024	1.6	65	25,440	10.2	160	3,144	2.1	14
6,895	3.7	47	9,241	3.7	55	14,591	9.7	52
81,142	43.6	119	75,564	30.2	31	30,008	20.0	83
8,459	4.6	59	5,099	2.0	16	1,542	1.0	17
3,288	1.8	49	2,460	1.0	13	2,233	1.5	8
<u>102,808</u>	<u>55.3</u>	<u>339</u>	<u>117,804</u>	<u>47.1</u>	<u>275</u>	<u>51,518</u>	<u>34.3</u>	<u>174</u>
1,739	0.9	25	9,356	3.7	19	72	0.0	2
1,275	0.7	12	983	0.4	8	1,336	0.9	7
1,990	1.1	33	21,673	8.7	29	3,329	2.2	25
1,335	0.7	16	2,813	1.1	9	14,785	9.8	17
2,532	1.4	26	9,302	3.7	35	—	0.0	—
7,547	4.1	88	9,404	3.8	50	25,391	16.9	24
1,331	0.7	12	1,383	0.6	18	763	0.5	8
856	0.5	21	—	0.0	—	4,653	3.1	6
<u>18,605</u>	<u>10.1</u>	<u>233</u>	<u>54,914</u>	<u>22.0</u>	<u>168</u>	<u>50,329</u>	<u>33.4</u>	<u>89</u>
8,077	4.4	94	10,948	4.4	40	7,569	5.0	19
722	0.4	10	634	0.3	3	227	0.2	2
35,049	18.9	115	26,591	10.6	60	27,882	18.6	51
11,169	6.0	125	6,593	2.6	28	4,727	3.1	17
1,264	0.7	14	26,119	10.5	96	6,306	4.2	10
<u>56,281</u>	<u>30.4</u>	<u>358</u>	<u>70,885</u>	<u>28.4</u>	<u>227</u>	<u>46,711</u>	<u>31.1</u>	<u>99</u>
7,881	4.2	166	6,203	2.5	5	1,880	1.2	45
<u>185,575</u>	<u>100.0</u>	<u>1,096</u>	<u>249,806</u>	<u>100.0</u>	<u>675</u>	<u>150,438</u>	<u>100.0</u>	<u>407</u>



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- ◀ The treasurer of one of the Small Enterprise Foundation's regional centres counts money from loan repayments. Two of our microfinance funds, Triodos Fair Share Fund and Triodos-Doen have invested in the South African microfinance institution.

Consolidated balance sheet as at 31 December 2008

before appropriation of profit
in thousands of euros

	31.12.2008	31.12.2007
ASSETS		
Cash	40,074	22,568
Government paper	—	—
Banks	687,399	472,952
Loans	1,270,121	1,018,646
Interest-bearing securities	269,214	291,743
Shares	3	3
Participating interests	3,020	841
Intangible fixed assets	13,160	12,004
Property and equipment	27,467	20,980
Other assets	5,109	1,615
Prepayments and accrued income	47,473	43,707
Total assets	2,363,040	1,885,059
LIABILITIES		
Banks	10,469	7,587
Funds entrusted	2,076,679	1,616,822
Other liabilities	8,804	4,003
Accruals and deferred income	33,893	27,601
Provisions	6,244	6,017
Subordinated liabilities	22,800	22,800
Liability capital	204,151	200,229
Total liabilities	2,363,040	1,885,059
Contingent liabilities	47,627	16,621
Irrevocable facilities	259,297	235,705
	306,924	252,326

Consolidated profit and loss account for 2008

in thousands of euros

	2008	2007
INCOME		
Interest income	101,373	81,301
Interest expense	-57,269	-43,591
<i>Interest</i>	<u>44,104</u>	<u>37,710</u>
Commission income	24,696	20,823
Commission expense	-535	-479
<i>Commission</i>	<u>24,161</u>	<u>20,344</u>
Result on financial transactions	4,138	401
Other income	1,334	758
<i>Other income</i>	<u>5,472</u>	<u>1,159</u>
Total income	<u>73,737</u>	<u>59,213</u>
EXPENSES		
Co-worker and other administrative expenses	51,472	44,404
Depreciation, amortisation and value adjustments of tangible and intangible fixed assets	4,084	3,349
Operating expenses	55,556	47,753
Value adjustments to receivables	3,208	-626
Value adjustments to participating interests	977	—
Total expenses	<u>59,741</u>	<u>47,127</u>
Operating result before taxation	13,996	12,086
Taxation on operating result	-3,856	-3,131
Net profit	<u>10,140</u>	<u>8,955</u>

Consolidated statement of changes in the liability capital for 2008

in thousands of euros

	2008	2007
Liability capital as at 31 December of previous financial year	200,229	124,117
Net profit	10,140	8,955
Revaluation of property and equipment	-244	-1
Exchange rate results from business operations abroad	-2,813	-519
Total result	7,083	8,435
Increase in equity	—	68,619
Payment of cash dividend	-2,163	-1,167
Reverted dividend	—	1
Purchases and re-issue of own depository receipts	-998	224
Movements in the liability capital in relation to shareholders	-3,161	67,677
Liability capital as at 31 December	204,151	200,229

Consolidated cashflow statement for 2008

in thousands of euros

	2008	2007
Cashflow from operating activities		
Net profit	10,140	8,955
Adjustments for:		
• depreciation, adjusted for depreciation charged on	3,618	3,362
• value adjustments to receivables	3,208	-626
• value adjustments to participating interests	977	—
• exchange rate differences on property and equipment	437	22
• movements in provisions	227	876
• other movements in accrued and deferred items	2,525	-2,634
	<hr/>	<hr/>
Cashflow from business operations	21,132	9,955
Movement in government paper	—	5,000
Movement in banks, deposits not on demand	-125,551	-87,310
Movement in loans	-254,683	-163,915
Movement in shares	—	2,299
Movement in banks, liabilities not on demand	2,882	6,442
Movement in funds entrusted	459,857	260,606
Other movements from operating activities	-1,734	-3,576
	<hr/>	<hr/>
<i>Cashflow from operating activities</i>	101,903	29,501
	<hr/>	<hr/>
Cashflow from investment activities		
Net investments in:		
• interest-bearing securities	22,529	-88,407
• participating interests	-2,901	—
• intangible fixed assets	-2,893	-2,434
• property and equipment	-9,075	-1,392
	<hr/>	<hr/>
<i>Cashflow from investment activities</i>	7,660	-92,233
	<hr/>	<hr/>
Cashflow from financing activities		
Increase in equity	—	68,619
Payment of cash dividend	-2,163	-1,167
Purchases of depository receipts for own shares	-998	224
	<hr/>	<hr/>
<i>Cashflow from financing activities</i>	-3,161	67,676
	<hr/>	<hr/>
Net cashflow	106,402	4,944
	<hr/>	<hr/>

Notes to the consolidated financial statements

in thousands of euros

GENERAL

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 twenty-eighth financial year of Triodos Bank NV.

CONSOLIDATION PRINCIPLES

The financial data for Triodos Bank NV and group companies have been fully consolidated. The financial data for joint ventures have been 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.

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

Statement 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, participating interest 100%, group company, fully consolidated;
- Triodos Assurantiën BV in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos Cultuurbank BV in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos Custody BV in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos Finanz GmbH in Frankfurt am Main, participating interest 100%, group company, fully consolidated;
- Triodos Fonds Management BV in Zeist, 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.

ACCOUNTING PRINCIPLES

GENERAL

Unless stated otherwise, assets are stated at nominal value, whereby in the case of receivables a provision for anticipated non-recovery is made.

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 'Results 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 balance sheet date. Income and expenses for activities in foreign business units outside the Eurozone will be converted at the exchange rate as at transaction date. Any exchange rate differences arising from this will be charged or credited directly to the liability capital.

BANKS AND LOANS

Receivables on banks and the loans are valued at the nominal value, after deduction of a provision for doubtful debts. The value adjustment for doubtful debts is determined per item, with the value of the security provided being taken into account.

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 written off across the remaining life of the securities. Realised changes in the value will be recognised in the profit and loss account.

SHARES

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

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 current value. In the case of a participating interest that is listed on an active stock exchange, the current 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 current value will be determined to the best of one's ability using all available data, including an annual report approved by an external auditor, interim financial information from the institution and any other relevant data provided by Triodos Bank. Unrealised changes in the value of participating interests where no significant influence can be exercised will be added or deducted respectively directly to or from the 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 depreciation. The depreciation 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 written off over a period of ten years. Goodwill paid by Triodos Fonds Management for the acquisition of management and research activities will be written off over ten years.

The development costs for the new banking system will be written off from the moment the system is used until 31 December 2013.

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.

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 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

The provisions consist of a pension provision for defined pension schemes. The valuation is carried out in accordance with the accounting principles for pensions. In addition, provisions are made for Major building maintenance and an Insurance provision.

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 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

Triodos Bank arranges risk cover for clients by means of derivatives. Valuation and determination of results for derivative financial instruments used to cover risks, i.e. hedging, is carried out using the same principles used for the underlying securities. Income and expenses arising from the financial instruments are charged or credited to the profit and loss account during the term of the contract.

INCOME AND EXPENSES

Income and expenses are attributed to the period to which they relate or to the period in which the service was provided.

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

PENSIONS

For defined pension schemes, the difference is calculated between the present value of the future pension rights and the fair value of the invested pension contributions as at the balance sheet date. A favourable difference is accounted for under the provisions. An unfavourable difference is accounted for under prepayments and accrued income, in so far as there is a right to reclaim the difference.

The value of the future pension rights is based on contractual agreements, economic assumptions (including in respect of wage and price inflation) and demographic assumptions (including likelihood of disability and dismissal, and career opportunities). The value of the invested contributions is based on realised investment results and expected future returns.

Actual results arising from changes in the above assumptions and expectations are accounted for in the result over the expected average remaining period of service for the active participants in the pension scheme, in so far as these results exceed the larger amount that is 10% of the present value of the future pension rights or 10% of the fair value of the invested pension contributions as at balance sheet date.

The pension expenses of defined pension schemes are calculated actuarially based on the movement in the present value of the future pension rights, the fair value of the invested pension contributions and the actuarial results.

The pension expenses of defined contribution schemes consist of the contributions owed for the financial year.

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.

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.

ASSETS

CASH

This item consists of the on demand deposits with central banks.

GOVERNMENT PAPER	2008	2007
Belgian treasury bonds	—	—
The movement in the government paper is as follows:		
Balance sheet value as at 1 January	—	5,000
Purchase	—	—
Sale	—	—
Repayments	—	-5,000
Balance sheet value as at 31 December	—	—

BANKS

	2008	2007
On demand deposits with banks	109,929	21,033
Deposits with banks	577,470	451,919
	<u>687,399</u>	<u>472,952</u>

The on demand deposits can be freely disposed of.

LOANS

	2008	2007
Loans	1,277,570	1,022,702
Provision for doubtful debts	-7,449	-4,056
	<u>1,270,121</u>	<u>1,018,646</u>

This relates to loans to the private sector, excluding those to banks and those securitised in bonds and other fixed-income securities.

Loans classified by remaining life:

	2008	2007
Payable on demand	71,318	56,186
1 to 3 months	47,193	31,333
3 months to 1 year	73,019	40,916
1 to 5 years	281,276	228,214
Longer than 5 years	804,764	666,053
	<u>1,277,570</u>	<u>1,022,702</u>

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

	2008	2007
Balance sheet value as at 1 January	4,056	4,833
Addition	5,603	899
Write-off	-149	-186
Release	-1,898	-1,427
Exchange rate differences	-163	-63
Balance sheet value as at 31 December	<u>7,449</u>	<u>4,056</u>

The provision does not relate to contingent liabilities and irrevocable facilities not reported on the balance sheet. EUR 0.5 million of the addition to the provision relates to interest that has been invoiced for but that has not been received (2007: EUR 0.1 million).

INTEREST-BEARING SECURITIES

	2008	2007
Dutch Government bonds	150,776	152,276
Belgian Government bonds	110,590	131,560
Spanish Government bonds	6,348	6,348
Other bonds	1,500	1,559
	<u>269,214</u>	<u>291,743</u>

Part of the value of securities is used as collateral for a possible debit balance, amounting to EUR 5.0 million at DNB (2007: EUR 5.0 million) at the Dutch Central Bank and EUR 11.6 million (2007: EUR 11.6 million) at the National Bank of Belgium. The security for drawn loans amounts to EUR 6.3 million (2007: EUR 6.3 million) at The Bank of Spain. The government bonds reported in this item are stock exchange listed. The other bonds are unlisted.

In connection with differences between the acquisition prices and redemption values, as at 31 December 2008 an amount of EUR 6.6 million (2007: EUR 9.0 million) has been included under Prepayments and accrued income and an amount of EUR 0.9 million (2007: EUR 1.0 million) has been included under Accruals and deferred income.

The movement in interest-bearing securities is as follows:

	2008	2007
Balance sheet value as at 1 January	291,743	203,336
Purchase	46,490	101,600
Repayments	-40,559	-13,193
Sale	-28,460	—
Balance sheet value as at 31 December	<u>269,214</u>	<u>291,743</u>

SHARES

	2008	2007
S.W.I.F.T. SCRL	3	3
Ampere Equity Fund BV	0	0
	<u>3</u>	<u>3</u>

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 movement in shares is as follows:

	2008	2007
Balance sheet value as at 1 January	3	2,302
Purchase	—	3
Sales	—	-2,302
Balance sheet value as at 31 December	<u>3</u>	<u>3</u>

PARTICIPATING INTERESTS

	2008	2007
Other participating interests	<u>3,020</u>	<u>841</u>

This relates to a participating interest in New Resource Bank, San Francisco and Merkur Bank, Copenhagen, where no significant influence can be exercised.

The movement in this item is as follows:

	2008	2007
Balance sheet value as at 1 January	841	940
Acquisitions	2,900	—
Revaluation	-949	—
Exchange rate results on foreign currencies	228	-99
Balance sheet value as at 31 December	<u>3,020</u>	<u>841</u>

INTANGIBLE FIXED ASSETS

	2008	2007
Goodwill paid	371	436
Development costs for information systems	9,213	7,790
Management contracts	3,576	3,778
	<u>13,160</u>	<u>12,004</u>

The goodwill paid relates to:

- goodwill that Triodos Fonds Management paid to Triodos Investment Management in 2004 to acquire research activities;
- goodwill that Triodos Bank paid to Triodos Investments España in 2004 and 2005 to buy off the rights to the future profit made by the branch in Spain.

The movement in goodwill paid is as follows:

	2008	2007
Purchase value as at 1 January	701	701
Cumulative amortisation as at 1 January	-265	-200
Balance sheet value as at 1 January	436	501
Amortisation	-65	-65
Balance sheet value as at 31 December	<u>371</u>	<u>436</u>

The development costs for information systems

The development costs for information systems indicate costs for the development of the Bank's new ICT system.

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

	2008	2007
Purchase value as at 1 January	10,717	8,283
Cumulative amortisation as at 1 January	<u>-2,927</u>	<u>-1,908</u>
Balance sheet value as at 1 January	7,790	6,375
Purchase	2,893	2,434
Amortisation	<u>-1,470</u>	<u>-1,019</u>
Balance sheet value as at 31 December	<u><u>9,213</u></u>	<u><u>7,790</u></u>

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:

	2008	2007
Purchase value as at 1 January	4,030	4,030
Cumulative amortisation as at 1 January	<u>-252</u>	<u>-50</u>
Balance sheet value as at 1 January	3,778	3,980
Amortisation	<u>-202</u>	<u>-202</u>
Balance sheet value as at 31 December	<u><u>3,576</u></u>	<u><u>3,778</u></u>

PROPERTY AND EQUIPMENT

	2008	2007
Property for own use	21,066	15,021
Equipment	<u>6,401</u>	<u>5,959</u>
	<u><u>27,467</u></u>	<u><u>20,980</u></u>

The movement in the property for own use as follows:

	2008	2007
Purchase value as at 1 January	15,826	15,642
Cumulative revaluation as at 1 January	231	231
Cumulative depreciation as at 1 January	<u>-1,036</u>	<u>-729</u>
Balance sheet value as at 1 January	15,021	15,144
Purchase	7,012	184
Depreciation	-301	-307
Revaluation	<u>-666</u>	<u>—</u>
Balance sheet value as at 31 December	<u><u>21,066</u></u>	<u><u>15,021</u></u>

The movement in equipment is as follows:

	2008	2007
Purchase value as at 1 January	11,722	11,570
Cumulative depreciation as at 1 January	<u>-5,763</u>	<u>-5,028</u>
Balance sheet value as at 1 January	5,959	6,542
Purchase	2,319	1,231
Sale	-256	-23
Depreciation	-1,580	-1,769
Exchange rate differences	<u>-41</u>	<u>-22</u>
Balance sheet value as at 31 December	<u><u>6,401</u></u>	<u><u>5,959</u></u>

OTHER ASSETS

This item consists of various receivable items.

PREPAYMENTS AND ACCRUED INCOME

This item includes sums still outstanding and not yet invoiced, advanced payments and various accrued and deferred items, including a deferred tax item amounting to EUR 3.6 million (2007: EUR 3.7 million). The deferred tax item mainly relates to the pension provision and to losses incurred by the Spanish branch still to be off-set.

LIABILITIES

BANKS

	2008	2007
Deposits with banks	<u>10,469</u>	<u>7,587</u>

This item concerns credits held by KfW, Germany and ICO, Spain, for interest-subsidised loans in the renewable energy sector.

FUNDS ENTRUSTED

	2008	2007
Savings accounts	1,634,782	1,261,813
Other funds entrusted	<u>441,897</u>	<u>355,009</u>
	<u>2,076,679</u>	<u>1,616,822</u>

OTHER LIABILITIES

This item consists of various amounts payable, including Dutch and foreign taxation and social security contributions totalling EUR 2.4 million (2007: EUR 2.6 million).

ACCRUALS AND DEFERRED INCOME

This item includes any receivables still to be invoiced, advance payments already received and various accruals and deferrals and deferred tax liability items in the amount of EUR 2.3 million (2007: EUR 1.8 million). The deferred tax item mainly relates to future profits of the Spanish branch that will be taxed in the Netherlands.

PROVISIONS

	2008	2007
Pension provision	6,047	5,828
Major maintenance	190	178
Insurance provision	<u>7</u>	<u>11</u>
	<u>6,244</u>	<u>6,017</u>

The movement of the provisions is as follows:

	2008	2007
Balance sheet value as at 1 January	6,017	5,141
Allocation	1,503	1,958
Withdrawal	-1,211	-862
Release	-65	-220
Balance sheet value as at 31 December	<u>6,244</u>	<u>6,017</u>

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

	2008	2007
Present value of pension rights	14,351	11,536
Fair value of invested contributions	-8,923	-7,215
Shortfall	5,428	4,321
Actuarial results not yet attributed	619	1,507
Balance sheet value as at 31 December	<u>6,047</u>	<u>5,828</u>

The most important actuarial principles for the pension provision are set out in the Notes to the pension expenses.

SUBORDINATED LIABILITIES

This relates to a 10-year bond loan as at 12 July 2006. The nominal interest rate is 5.625% and the issue price is 99.314%. The bonds are subordinated to all other liabilities. During the life of the bond loan, the Bank can purchase and cancel bonds, subject to the consent of the Dutch Central Bank. The fixed interest on the bond loan is converted to a quarterly variable interest rate by means of an interest rate contract.

The movement in subordinated liabilities is as follows:

	2008	2007
Balance sheet value as at 1 January	22,800	22,800
Withdrawal	—	—
Balance sheet value as at 31 December	<u>22,800</u>	<u>22,800</u>

LIABILITY CAPITAL

The liability capital 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.

SOLVENCY

The solvency is calculated according to new Basel II guidelines as applicable since the beginning of 2008. The comparative figures for 2007 have been adjusted accordingly.

	2008	2007
Own funds(a)	208,141	205,444
Capital requirements (b)	<u>127,835</u>	<u>97,659</u>
Surplus (a-b)	<u>80,306</u>	<u>107,785</u>
BIS ratio (a/b * 8%)	<u>13.0%</u>	<u>16.8%</u>

The own funds can be specified as follows:

	2008	2007
Liability capital	204,151	200,229
Minus: proposed dividend	-5,650	-5,581
Minus: intangible fixed assets	-13,160	-12,004
Plus: subordinated liabilities	<u>22,800</u>	<u>22,800</u>
	<u>208,141</u>	<u>205,444</u>

The capital requirements can be specified as follows:

	2008	2007
Capital requirement for credit risk	118,889	90,571
Capital requirement for market risk	—	—
Capital requirement for operational risk	<u>8,946</u>	<u>7,088</u>
	<u>127,835</u>	<u>97,659</u>

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

	2008	2007
Risk-weighted assets	1,341,752	1,011,422
Risk-weighted off-balance sheet items	135,880	117,551
Risk-weighted derivatives	8,490	3,164
	<u>1,486,122</u>	<u>1,132,137</u>
Capital requirement percentage	8%	8%
Capital requirement amount for credit risk	118,889	90,571

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.

	2008	2007
Bottom line of 2% of the actual own funds	4,163	4,109
Net open foreign currency position	3,988	1,028
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.

	2008	2007
Total income 2005	n/a	36,588
Total income 2006	45,964	45,964
Total income 2007	59,213	59,213
Total income 2008	73,737	n/a
Average income previous three years	59,638	47,255
Capital requirement percentage	15%	15%
Capital requirement amount for operational risk	8,946	7,088

SOLVENCY GUIDELINES

The Basel II guidelines for the determination of solvency are applicable since the beginning of 2008. A comparison between the results according to Basel II and Basel I guidelines at year-end 2007 is as follows.

	2007	2007
	<i>Basel II</i>	<i>Basel I</i>
Own funds(a)	205,444	205,444
Capital requirements (b)	97,659	92,342
Surplus (a-b)	107,785	113,102
BIS ratio (a/b * 8%)	16.8%	17.8%
Capital requirement for credit risk	90,571	92,260
Capital requirement for market risk	—	82
Capital requirement for operational risk	7,088	—
	97,659	92,342

The capital requirement for credit risk fell as a result of other risk weights. The most important changes for Triodos Bank are as follows:

- higher risk weights for claims on bankers; this relates to claims with an original life of more than three months to which either a lower or no external credit rating applies.
- lower risk weights for loans and advances to natural persons and small parties;
- lower risk weight for mortgages on residential property;
- higher risk weight for overdue receivables;

The capital requirement for market risk has become void due to the extension of the bottom line for the exchange rate risk.

The capital requirement for operational risk is new under Basel II guidelines.

OFF-BALANCE SHEET LIABILITIES AND RISKS

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.

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, there is a collective guarantee scheme by virtue of Article 84 of the 1992 Credit System (Supervision) Act.

Rental commitments

in thousands of euros

Location	Amount per annum	Residual term
Bunnik, The Netherlands	201	29 months
Zeist, The Netherlands	168	48 months
Brussels, Belgium	264	94 months
Bristol, United Kingdom	105	12 months
Bristol, United Kingdom	29	60 months
Barcelona, Spain	51	12 months
Madrid, Spain	52	9 months
Seville, Spain	78	12 months
Frankfurt, Germany	40	10 months

LEASE COMMITMENTS

Lease commitments have been entered into for 48 months with an annual charge of EUR 107,000 and for a remaining period of 36 months with an annual charge of EUR 19,000.

COMMITMENTS FOR SOFTWARE USE

The following commitments have been entered for software use:

- for a period of 48 months with an annual charge of EUR 114,000 and a reimbursement which varies according to the extent of registered volumes;
- for a period of 48 months with a one-off payment of EUR 120,000 in 2009 and a fixed annual payment of EUR 16,000.

OTHER COMMITMENTS

Commitments totalling EUR 100,000 have been entered for placing advertisements in 2009.

Triodos Bank entered a commitment totalling EUR 215,000 for purchasing a debit card process system.

In the context of preparatory work for the branch in Spain, Triodos Bank assigned a right to profits to Proyecto Trust SRL.

CREDIT RISK

The provision of facilities and lending creates the risk that the counterparty will not fulfil its obligations, leading to a financial loss for the Bank. The Bank's policy is geared towards limiting the credit risk by:

- gearing the lending business towards debtors who are active in sectors that the Bank is familiar with;
- establishing sufficient security to cover the outstanding loans;
- periodically evaluating the creditworthiness of the debtors and the market value of the security;
- gearing the investment of funds with banks and in interest-bearing securities towards using recognised counterparties in the financial markets with undisputed creditworthiness.

The solvency is calculated according to new Basel II guidelines as applicable since the beginning of 2008. The comparative figures for 2007 have been adjusted accordingly.

Risk-weighted value of assets, off-balance sheet items and derivatives

The following table provides an overview of the risk-weighted value of assets, off-balance sheet items and derivatives. The risk-weighted value forms the basis for the determination of the credit risk.

	2008	2008	2008	2008
<i>Distribution category</i>	<i>Unweighted value before risk shifts</i>	<i>Risk shifts</i>	<i>Unweighted value after risk shifts</i>	<i>Risk-weighted value</i>
Central banks and governments	329,773	15,637	345,410	—
Central and local governments	—	2,480	2,480	723
Public bodies	—	188	188	186
Banks and financial institutions	708,496	53,650	762,146	198,288
Companies	1,241,210	-60,650	1,180,560	1,042,030
Natural persons and small parties	120,394	-7,670	112,724	85,429
Covered by property	197,411	-2,044	195,367	77,991
Overdue items	27,875	-1,591	26,284	36,867
Items with increased risk	552	—	552	680
Other items	43,928	—	43,928	43,928
	<u>2,669,639</u>	<u>—</u>	<u>2,669,639</u>	<u>1,486,122</u>
Whereof:				
Assets	2,348,961	—	2,348,961	1,341,752
Off-balance sheet items	306,924	—	306,924	135,880
Derivatives	13,754	—	13,754	8,490
	<u>2,669,639</u>	<u>—</u>	<u>2,669,639</u>	<u>1,486,122</u>

	2007	2007	2007	2007
<i>Distribution category</i>	<i>Unweighted value before risk shifts</i>	<i>Risk shifts</i>	<i>Unweighted value after risk shifts</i>	<i>Risk-weighted value</i>
Central banks and governments	331,260	12,836	344,096	—
Central and local governments	—	2,176	2,176	435
Public bodies	—	210	210	210
Banks and financial institutions	483,438	50,326	533,764	120,792
Companies	1,015,270	-57,479	957,791	841,040
Natural persons and small parties	76,089	-5,808	70,281	46,479
Covered by property	172,990	-1,174	171,816	65,880
Overdue items	17,230	-1,087	16,143	21,523
Items with increased risk	837	—	837	1,053
Other items	34,725	—	34,725	34,725
	<u>2,131,839</u>	<u>—</u>	<u>2,131,839</u>	<u>1,132,137</u>
Whereof:				
Assets	1,872,067	—	1,872,067	1,011,422
Off-balance sheet items	252,326	—	252,326	117,551
Derivatives	7,446	—	7,446	3,164
	<u>2,131,839</u>	<u>—</u>	<u>2,131,839</u>	<u>1,132,137</u>

Note:

The unweighted value is a sum of:

- Assets excluding intangible assets and after deducting any share discount of bonds, that have been included under accruals and deferred income;
- Off-balance sheet items, consisting of contingent liabilities and irrevocable facilities;
- Derivatives, included 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.

Risk shifts relate to received securities (guarantees and security of funds entrusted). As a result, the original counterparty's credit risk shifts to the party of which the securities have been received. This leads to a decrease in Triodos Bank's credit risk.

Risk-weighted value is calculated by multiplying the unweighted value after a risk shift with the risk weight and a conversion factor. Basel II guidelines state the risk weights and conversion factors.

Risk weights depend on the distribution category and the credit standing of the counter party. The most important risk weights for Triodos Bank are as follows:

- Central banks and governments: 0%;
- Central and local governments: 0% for Dutch governments, 20% for foreign governments;
- Public bodies: 100%;
- Companies operating in the financial sector and financial institutions: 20% or 50%, depending on the original term to maturity of the claims;
- Companies: 100%;
- Natural persons and small parties: 75% or 100%;
- Covered by property: 35% or 100%, depending on the value and the type of property;
- Overdue items: 100% or 150%, depending on the duration of the backlog and the provisions formed for bad debts;
- Items with increased risk: 150%;
- Other items: 100%.

Conversion factors only apply to off-balance sheet items. The conversion factors for Triodos Bank are as follows:

- 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.

Distribution categories are defined in the Basel II guidelines. Other items include participating interests, property and equipment and other assets and prepayments and accrued income without counterparties.

Risk-weighted value per sector

The following table provides an overview of the credit risk per sector (including off-balance sheet items and derivatives).

Sector	2008		2007	
	<i>Risk-weighted value</i>	%	<i>Risk-weighted value</i>	%
Banks and financial intermediaries	273,310	18	155,891	14
Basic materials	6,791	1	6,497	1
Construction industry and infrastructure projects	616	—	917	—
Consumer products (non-food)	4,474	—	5,072	—
Retail trade	21,341	1	19,315	2
Services	142,916	10	131,798	11
Healthcare and social services	148,639	10	146,032	13
Agriculture, livestock farming and fishery	64,741	4	52,310	5
Media	5,838	—	5,803	1
Utility companies	409,477	28	222,474	19
Private clients	22,634	2	19,130	2
Tourism and leisure	65,343	4	53,563	5
Transportation and logistics	6,547	1	2,395	—
Real estate	70,450	5	61,714	5
Insurance companies and pension funds	501	—	250	—
Foodstuffs and drink	45,290	3	41,996	4
Other sectors	197,214	13	206,980	18
	<u>1,486,122</u>	<u>100</u>	<u>1,132,137</u>	<u>100</u>

Note:

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

Risk-weighted value per country

The following table provides an overview of the credit risk per country (including off-balance sheet items and derivatives).

Country	2008		2007	
	<i>Risk-weighted value</i>	%	<i>Risk-weighted value</i>	%
Belgium	297,523	20	193,103	17
Denmark	7,276	1	5,863	1
Germany	60,401	4	54,909	5
France	33,609	2	15,196	1
Ireland	9,966	1	8,231	1
Italy	7,549	1	—	—
Luxembourg	167	—	—	—
Netherlands	554,836	37	422,828	37
Spain	273,567	18	162,362	14
United Kingdom	239,025	16	268,327	24
United States	2,203	—	1,318	—
	<u>1,486,122</u>	<u>100</u>	<u>1,132,137</u>	<u>100</u>

Note:

Risk-weighted value is attributed to the country of the direct counterparty, prior to risk shifts.

LIQUIDITY RISK

The objective of the Bank's liquidity management activities is to ensure the availability of sufficient funds to meet all financial commitments. Funds entrusted are attracted for the Bank's lending operations. The surplus is invested with banks or in marketable government bonds. The Bank's policy in this respect is to have sufficient 'on demand' deposits with other banks and marketable government bonds to be able to settle its liabilities at all times.

Lives of the financial instruments

The following table sets out the remaining lives of the financial instruments held as at 31 December 2008. The amounts are weighted by the percentages for availability and eligibility used by the Dutch Central Bank. This is why the amounts reported differ from those stated on the balance sheet and only a limited amount has been recognised for funds entrusted. The derivatives are reported as the foreign currency amounts to be received and paid, converted at the year-end exchange rate.

	Payable on demand	<= 3 months	<= 1 year	<= 5 year	> 5 year	Total
Assets						
Cash	40,074	—	—	—	—	40,074
Banks	109,929	252,873	265,950	—	900	629,652
Loans	—	18,877	29,208	112,510	321,906	482,501
Interest-bearing securities	266,755	—	—	—	1,500	268,255
	<u>416,758</u>	<u>271,750</u>	<u>295,158</u>	<u>112,510</u>	<u>324,306</u>	<u>1,420,482</u>
Liabilities						
Banks	—	190	457	2,993	5,782	9,422
Funds entrusted	157,629	76,662	84,511	22,457	5,208	346,467
Other liabilities	1,763	—	—	—	—	1,763
Subordinated Liabilities	—	—	—	—	22,800	22,800
	<u>159,392</u>	<u>76,852</u>	<u>84,968</u>	<u>25,450</u>	<u>33,790</u>	<u>380,452</u>
Off-balance sheet items						
Contingent liabilities	2,604	—	—	—	—	2,604
Irrevocable facilities	25,930	—	—	—	—	25,930
	<u>28,534</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>28,534</u>
Derivatives						
Currency forward contracts (sale of foreign currencies)	—	3,669	8,614	59,220	3,188	74,691
Currency forward contracts (purchase of foreign currencies)	—	4,747	8,614	59,220	3,188	75,769
	<u>—</u>	<u>8,416</u>	<u>17,228</u>	<u>118,440</u>	<u>6,376</u>	<u>150,460</u>

INTEREST RATE RISK

Interest rate risk is part and parcel of the banking business. The Bank's policy is geared towards keeping this risk within the limits set internally and with the regulatory body.

Lives of the financial instruments

The following table sets out the remaining lives of the financial instruments based on an interest rate reset date of 31 December 2008. Non-interest-bearing amounts are not taken into account here, which may result in differences vis-à-vis the balance sheet figures.

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.

	Payable on demand	<= 3 months	<= 1 year	<= 5 year	> 5 year	Total
Assets						
Cash	40,074	—	—	—	—	40,074
Banks	118,229	272,670	296,500	—	—	687,399
Loans	417,594	85,332	186,407	302,697	278,091	1,270,121
Interest-bearing securities	—	220	19,915	210,889	43,910	274,934
	<u>575,897</u>	<u>358,222</u>	<u>502,822</u>	<u>513,586</u>	<u>322,001</u>	<u>2,272,528</u>
Liabilities						
Banks	119	1,074	737	2,764	5,775	10,469
Funds entrusted	1,767	510,878	949,486	579,050	17,648	2,058,829
Subordinated liabilities	—	22,800	—	—	—	22,800
	<u>1,886</u>	<u>534,752</u>	<u>950,223</u>	<u>581,814</u>	<u>23,423</u>	<u>2,092,098</u>
Off-balance sheet items						
Irrevocable facilities	<u>259,297</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>259,297</u>

FOREIGN EXCHANGE RISK

It is the Bank's policy to avoid taking positions in foreign currencies. In principle, the Loans and Funds entrusted items are coordinated with each other on an individual basis.

The following table shows the Bank's foreign currency position as at 31 December 2008.

	Debit	Credit	Net	Deri- vatives	Open position
GBP	359,488	358,612	876	—	876
USD	<u>3,364</u>	<u>252</u>	<u>3,112</u>	<u>1,073</u>	<u>2,039</u>
	<u>362,852</u>	<u>358,864</u>	<u>3,988</u>	<u>1,073</u>	

FAIR VALUES

The following table sets out the remaining lives of the financial instruments held as at 31 December 2008. The fair value of interest-bearing securities is the market value. If the interest and lending conditions are in line with the market at the end of the financial year, then the fair value for government paper, banks, loans and the portion of funds entrusted with fixed interest and life is set equal to the nominal value.

The fair value of the other items is assumed to be equal to the balance sheet value.

The fair value of the remaining assets and liabilities also includes the deferred tax item for the difference between the balance sheet value and fair value.

The premium and discount not yet written off for the interest-bearing securities has been included on the balance sheet value of the interest-bearing securities.

	2008 Balance sheet value	2008 Fair value	2007 Balance sheet value	2007 Fair value
Assets				
Cash	40,074	40,074	22,568	22,568
Banks	687,399	690,280	472,952	472,802
Loans	1,270,121	1,285,776	1,018,646	1,005,519
Interest-bearing securities	274,934	282,295	299,799	297,160
Shares	3	3	3	3
Participating interests	3,020	3,020	841	841
Other	86,571	81,461	69,263	72,878
	<u>2,362,122</u>	<u>2,382,909</u>	<u>1,884,072</u>	<u>1,871,771</u>
Liabilities				
Banks	10,469	10,469	7,587	7,587
Funds entrusted	2,076,679	2,082,536	1,616,822	1,615,084
Other	70,823	70,823	59,434	59,434
Liability capital	204,151	204,151	200,229	200,229
Revaluation	—	14,930	—	-10,563
	<u>2,362,122</u>	<u>2,382,909</u>	<u>1,884,072</u>	<u>1,871,771</u>
	Contract value	Fair value	Contract value	Fair value
Derivatives				
Currency forward contracts (sale of foreign currencies)	89,361	91,608	50,398	46,962
Currency forward contracts (purchase of foreign currencies)	88,120	90,535	49,268	45,943
	<u>177,481</u>	<u>182,143</u>	<u>99,666</u>	<u>92,905</u>

The estimated fair values provided by financial institutions are not comparable on an individual basis, due to the major differences in valuation methods and the many estimated values. The lack of an objective method of valuation means that estimated fair values are highly subjective in respect of the assumed lives and interest rates used. This is why readers should be wary of using the information in this part of the Notes to compare the fair values of different financial institutions with one another.

INCOME

INTEREST INCOME	2008	2007
Loans	63,457	51,582
Banks	27,093	19,979
Government paper and interest-bearing securities	10,790	9,659
Other investments	33	81
	<u>101,373</u>	<u>81,301</u>

This includes revenues derived from financial loans and related transactions, as well as related commissions, which by their nature are similar to interest payments.

INTEREST EXPENSE	2008	2007
Funds entrusted	55,400	42,098
Subordinated liabilities	1,464	1,281
Banks	71	47
Other	334	165
	<u>57,269</u>	<u>43,591</u>

COMMISSION INCOME	2008	2007
Guarantee commission	248	327
Share register	2,594	2,762
Administrative expenses charged on	2,265	1,799
Payment transactions	684	414
Lending	1,057	844
Insurance brokerage	502	458
Asset Management	1,642	1,488
Management fees	15,620	12,478
Research fees	38	100
Capital issues for third parties	7	111
Other commission income	39	42
	<u>24,696</u>	<u>20,823</u>

COMMISSION EXPENSE

	2008	2007
Commission to agents	282	265
Asset Management	169	150
Other commission expense	<u>84</u>	<u>64</u>
	<u>535</u>	<u>479</u>

RESULT ON FINANCIAL TRANSACTIONS

	2008	2007
Exchange results for foreign currency transactions	4,080	384
Transaction results on currency forward contracts	<u>58</u>	<u>17</u>
	<u>4,138</u>	<u>401</u>

OTHER INCOME

This relates to fees for other services performed and book profits from the sale of assets.

EXPENSES

Co-worker and other administrative expenses

	2008	2007
Co-worker costs:		
• salary expenses	21,752	18,458
• pension expenses	2,574	2,659
• social security expenses	2,750	2,262
• temporary co-workers	4,354	3,499
• other staff costs	2,511	1,837
• capitalised co-worker costs	-2,326	-1,405
	<u>31,615</u>	<u>27,310</u>
Other administrative expenses		
• office costs	2,633	2,294
• IT costs	2,167	2,198
• external administration costs	1,467	762
• travel and lodging expenses	1,550	1,228
• fees for advice and auditor	1,867	1,670
• advertising charges	5,014	4,666
• accommodation expenses	2,544	2,041
• other costs	2,615	2,235
	<u>19,857</u>	<u>17,094</u>
	<u>51,472</u>	<u>44,404</u>
Average number of co-workers on a full-time basis	<u>392,7</u>	<u>340,9</u>

To increase transparency, capitalised co-worker costs that were incurred on behalf of projects have no longer been netted with temporary co-worker costs. The 2007 amount has been adjusted for purposes of comparison.

PENSION EXPENSES

	2008	2007
Pension expenses, defined contribution schemes	1,268	1,002
Pension expenses, defined pension schemes	<u>1,306</u>	<u>1,657</u>
	<u>2,574</u>	<u>2,659</u>

The pension expenses for defined contribution schemes are based on the contributions owed for the financial year. The pension expenses for defined pension schemes are based on the change in the pension rights granted.

Breakdown of the pension expenses for defined pension schemes:

	2008	2007
Increase in present value of pension rights granted	1,169	1,511
Interest expense	622	470
Expected revenues from fund investments	-373	-310
Other expenses	61	64
Actuarial results allocated to the financial year	-79	—
	<u>1,400</u>	<u>1,735</u>
Charged on to related parties	-94	-78
	<u>1,306</u>	<u>1,657</u>

The most important actuarial principles for the defined pension schemes are:

	2008	2007
Actuarial interest rate	5.90%	5.40%
Price inflation (index-linking of franchise)	2.25%	2.00%
Wage inflation (also index-linking of active items)	2.75%	2.50%
Index-linking of inactive items	2.25%	2.00%
Investment return	5.90%	4.95%

PENSION SCHEME PER COUNTRY

Triodos Bank's pension scheme in the Netherlands is a combination of a defined pension scheme and a defined contribution scheme. For the part of the gross annual salary up to EUR 45,017, a defined 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 45,017, a defined contribution schemes applies; the commitment to the participating co-workers consists of the paying the outstanding contribution.

In the Netherlands, related parties' co-workers participate in the pension scheme, too. The total pension commitment and the resulting expenses are reported with Notes in the consolidated Annual Accounts of Triodos Bank NV. Part of the expenses are charged on to 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 4%. 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 10% of the salary. The employer's contribution amounts to 3% or 10% of the salary. 80% 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%. 67% of the co-workers in Germany participate in the pension scheme.

REMUNERATION PAID TO THE BOARD OF MANAGEMENT

The remuneration paid to the Board of Management under the Articles of Association is as follows:

	2008	2007
Salary expenses and reimbursement of expenses	410	378
Pension expenses	108	99
Social expenses	18	13
	<u>536</u>	<u>490</u>

The salary expenses and reimbursement of expenses of the Board of Management under the Articles of Association may be broken down as follows:

	2008	2007
Pierre Aeby	182	169
Peter Blom	228	209
	<u>410</u>	<u>378</u>

REMUNERATION PAID TO THE SUPERVISORY BOARD

The remuneration paid to the Supervisory Board is as follows:

amounts in euro

	2008 Remuneration	2008 Fees	2008 Travelling time	2008 Total	2007 Total
Tineke Bahlmann	8,000	2,000	—	10,000	9,875
Adriaan Bekman	—	—	—	—	2,438
Marjatta van Boeschoten	8,000	—	5,250	13,250	13,938
Maurits de Brauw	—	—	—	—	3,563
Marcos Eguiguren	5,000	—	4,500	9,500	—
Marius Frank	8,000	1,500	—	9,500	8,375
Mathieu van den Hoogenband	8,000	—	2,375	10,375	8,500
Jan Lamers	8,000	2,000	1,250	11,250	12,688
Margot Scheltema	8,000	3,000	—	11,000	9,250
Hans Voortman	12,000	1,500	—	13,500	12,750
	<u>65,000</u>	<u>10,000</u>	<u>13,375</u>	<u>88,375</u>	<u>81,377</u>

The fees paid to Supervisory Board members were not changed in 2008.

The following fees apply:

- EUR 8,000 per annum for an ordinary member;
- EUR 12,000 per annum for the chairperson;
- EUR 2,000 per annum for an ordinary member of the Audit Committee and EUR 3,000 per annum for its chairperson;
- EUR 1,500 per annum for members of the Nomination and Compensation Committee;
- EUR 125 per hour (to a maximum of EUR 10,000 per annum) as compensation for travelling time for those Supervisory Board members who live abroad. The fee amounts to EUR 500 per session (with a maximum of 14 sessions per annum).

Mr. Eguiguren has been a member of the Supervisory Board since 16 May 2008, and Mr. Hoogenband has been a member of the Supervisory Board since 11 May 2007. Mr. Bekman and Mr. de Brauw retired from their positions as members of the Supervisory Board as at 11 May 2007.

Ms. Bahlmann, Mr. Lamers and Ms. Scheltema are the members of the Audit Committee. Mr. Frank 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):

	2008 Remuneration	2008 Travelling time	2008 Total	2007 Total
Jan van Apeldoorn	2,500	—	2,500	2,500
Luis Espiga	2,500	2,000	4,500	3,563
Philip Martyn	—	—	—	—
Chris Maryns-van Autreve	2,500	2,000	4,500	5,000
Jan Nijenhof	4,000	—	4,000	4,000
Max Rutgers van Rozenburg	2,500	—	2,500	2,500
	<u>14,000</u>	<u>4,000</u>	<u>18,000</u>	<u>17,563</u>

The fees paid to members of the SAAT Board of Trustee were not changed in 2008.

The following fees apply:

- EUR 2,500 per annum for an ordinary member;
- EUR 4,000 per annum for the chairperson;
- EUR 500 per meeting (with a maximum of 6 meetings per annum) as compensation for travelling time for those Board members who live abroad.

Mr. Martyn has waived his fee for the years 2007 and 2008.

REMUNERATION POLICY

The salary system employed by Triodos Bank is based on the principle that the income is generated by the joint efforts of all co-workers. Salaries are set based on:

- a system of job evaluation that is itself based on the tasks and difficulty of the position concerned;
- restrictions on the difference between the lowest and highest final salaries at Triodos Bank.

The salaries paid to the Board of Management under the Articles of Association and the other board members are set by the Supervisory Board's Nomination and Compensation Committee. The basic principles of the

Triodos Bank salary system are taken into account, whereby such a salary is offered that sufficient members of qualified management personnel can be attracted and retained.

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 Depository Receipt Holders. This remuneration takes no account of salary competitiveness.

No loans, advances or guarantees have been granted to members of the Board of Management, 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 Board of Management, Supervisory Board members or members of SAAT's Board of Trustees.

DEPRECIATION, AMORTISATION AND VALUE ADJUSTMENTS OF INTANGIBLE AND TANGIBLE FIXED ASSETS

	2008	2007
Amortisation of intangible fixed assets	1,737	1,286
Depreciation of property and equipment	1,924	2,063
Changes in the value of property	423	—
	<u>4,084</u>	<u>3,349</u>

Depreciation has been reduced by the part that is charged on to related parties.

VALUE ADJUSTMENTS TO RECEIVABLES

This item consists of expenses associated with write-downs on loans and other receivables. In 2008, there is an expense item of EUR 3.2 million (2007: income of EUR 0.6 million).

TAXATION ON OPERATING RESULT

	2008	2007
Taxation to be paid	2,312	2,635
Deferred taxation	511	354
Taxation on direct movements in the liability capital	1,033	142
	<u>3,856</u>	<u>3,131</u>

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

	2008	2007
Result before taxation	13,996	12,086
Statutory tax rate	25.5%	25.5%
Statutory tax amount	3,569	3,082
Difference arising from other tax rates abroad, exemptions and non-deductible items	222	-23
Restatement of deferred taxation items as the result of amended tax rates	65	72
Effective tax amount	3,856	3,131
Effective tax rate	27,5%	25,9%

In 2008, the effective tax rate is higher than the statutory tax rate. The main reason for this is that value adjustments of participating interests are exempted from taxation.

FISCAL ENTITY

Triodos Bank, as a parent company, forms a tax entity for turnover tax and corporate income tax purposes with Triodos Assurantiën, Triodos Fonds Management, Triodos Investment Management, Kantoor Buitenzorg and Kantoor Nieuweroord as subsidiaries. As at 1 January 2009, Triodos Cultuurbank has joint this tax entity. The method chosen for the setting-off of taxation between Triodos Bank and the 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 tax entity.

RELATED PARTIES

Triodos Bank has links with the following legal entities:

- Triodos Bank provides services to Sustainalytics, Analistas Internacionales and Sostenibilidad (AIS), Scoris, Triodos Real Estate Development and 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 Green Fund at a competitive guarantee commission.
- Triodos Bank, Triodos Fonds Management 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 Assurantiën brokers insurances for Sustainalytics and Triodos Sustainable Real Estate Fund and receives commission for this from insurance companies.
- Triodos Bank receives compensation from Triodos Green Fund for lower interest rates on loans that were acquired from Triodos Green Fund.

- Triodos Fonds Management obtains information for research into sustainability from Sustainalytics, Analistas Internacionales and Sostenibilidad (AIS) and Scoris at competitive rates.
- Triodos Bank rents an office building owned by Triodos Sustainable Real Estate Fund at a competitive lease.
- Triodos Bank receives advice in the area of accommodation from Triodos Real Estate Development 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 Green Fund at a competitive management fee.

Company balance sheet as at 31 December 2008

before appropriation of profit
in thousands of euros

	31.12.2008	31.12.2007
ASSETS		
Cash	40,074	22,568
Banks	682,662	468,506
Loans	1,270,121	1,018,646
Interest-bearing securities	269,214	291,743
Shares	3	3
Participating interests	26,275	17,058
Intangible fixed assets	9,520	8,146
Property and equipment	11,595	3,277
Other assets	20,010	17,203
Prepayments and accrued income	44,186	40,096
Total assets	2,373,660	1,887,246
LIABILITIES		
Banks	10,469	7,587
Funds entrusted	2,088,578	1,620,688
Other liabilities	8,438	3,321
Accruals and deferred income	32,040	25,971
Provisions	7,184	6,650
	2,146,709	1,664,217
Subordinated liabilities	22,800	22,800
Capital	146,075	143,580
Share premium reserve	25,071	27,566
Revaluation reserve	28	268
Statutory reserve	5,906	7,285
Other reserves	16,931	12,575
Unappropriated profit	10,140	8,955
Liability capital	204,151	200,229
Total liabilities	2,373,660	1,887,246
Contingent liabilities	47,627	16,621
Irrevocable facilities	259,297	235,705
	306,924	252,326

Company profit and loss account for 2008

in thousands of euros

	2008	2007
Result on participating interests after taxation	976	825
Other result after taxation	<u>9,164</u>	<u>8,130</u>
Net profit	<u><u>10,140</u></u>	<u><u>8,955</u></u>

Notes to the company's financial statements

in thousands of euros

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

BANKS

	2008	2007
On demand deposits with banks	109,192	20,986
Deposits with banks	573,470	447,520
	<u>682,662</u>	<u>468,506</u>

The on demand deposits can be freely disposed of.

SHARES

	2008	2007
S.W.I.F.T. SCRL	3	3
	<u>3</u>	<u>3</u>

The movement in shares is as follows:

	2008	2007
Balance sheet value as at 1 January	3	2,002
Purchase	—	3
Sales	—	-2,002
	<u>3</u>	<u>3</u>

PARTICIPATING INTERESTS		
	2008	2007
Participating interests in group companies	22,879	15,951
Other participating interests	3,396	1,107
	<u>26,275</u>	<u>17,058</u>

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:

	2008	2007
Balance sheet value as at 1 January	17,058	20,992
Acquisitions	1,000	—
Incorporations	125	—
Capital increases	7,775	—
Result on participating interests	1,953	825
Transfer to provision for negative liability capital of participating interests	315	140
Dividend paid	-1,230	-4,800
Value adjustments	-721	-99
Balance sheet value as at 31 December	<u>26,275</u>	<u>17,058</u>

INTANGIBLE FIXED ASSETS		
	2008	2007
Goodwill paid	338	397
Development costs for information systems	9,182	7,749
	<u>9,520</u>	<u>8,146</u>

Goodwill paid

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

The movement in goodwill paid is as follows:

	2008	2007
Purchase value as at 1 January	588	588
Cumulative depreciation as at 1 January	<u>-191</u>	<u>-132</u>
Balance sheet value as at 1 January	397	456
Depreciation	<u>-59</u>	<u>-59</u>
Balance sheet value as at 31 December	<u><u>338</u></u>	<u><u>397</u></u>

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:

	2008	2007
Purchase value as at 1 January	10,666	8,242
Cumulative depreciation as at 1 January	<u>-2,917</u>	<u>-1,908</u>
Balance sheet value as at 1 January	7,749	6,334
Purchase	2,893	2,424
Depreciation	<u>-1,460</u>	<u>-1,009</u>
Balance sheet value as at 31 December	<u><u>9,182</u></u>	<u><u>7,749</u></u>

PROPERTY AND EQUIPMENT

	2008	2007
Property for own use	7,462	—
Equipment	<u>4,133</u>	<u>3,277</u>
	<u><u>11,595</u></u>	<u><u>3,277</u></u>

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

	2008	2007
Balance sheet value as at 1 January	—	—
Purchase	7,480	—
Depreciation	<u>-18</u>	<u>—</u>
Balance sheet value as at 31 December	<u><u>7,462</u></u>	<u><u>—</u></u>

The movement in equipment is as follows:

	2008	2007
Purchase value as at 1 January	7,603	7,551
Cumulative depreciation as at 1 January	<u>-4,326</u>	<u>-4,005</u>
Balance sheet value as at 1 January	3,277	3,546
Purchase	2,345	1,130
Sale	-256	-23
Depreciation	-1,192	-1,354
Exchange rate differences	<u>-41</u>	<u>-22</u>
Balance sheet value as at 31 December	<u><u>4,133</u></u>	<u><u>3,277</u></u>

LIABILITIES

FUNDS ENTRUSTED

	2008	2007
Savings accounts	1,634,782	1,261,814
Other funds entrusted	<u>453,796</u>	<u>358,874</u>
	<u><u>2,088,578</u></u>	<u><u>1,620,688</u></u>

The Other funds entrusted item includes an amount of EUR 11.9 million (2007: EUR 3.9 million) for deposits from consolidated participating interests.

PROVISIONS

	2008	2007
Pension provision	6,047	5,828
Provision for negative liability capital of participating interests	<u>1,137</u>	<u>822</u>
	<u><u>7,184</u></u>	<u><u>6,650</u></u>

For a breakdown of the balance sheet value of the Pension provision as at 31 December, please refer to the Notes to the consolidated balance sheet.

The movement of the provisions is as follows:

	2008	2007
Balance sheet value as at 1 January	6,650	5,637
Allocation	1,715	2,359
Withdrawal	<u>-1,181</u>	<u>-1,346</u>
Balance sheet value as at 31 December	<u><u>7,184</u></u>	<u><u>6,650</u></u>

CAPITAL

The authorised capital totals EUR 375 million and is divided into 7.5 million shares, each with a nominal value of EUR 50. At year-end, there were 2,921,508 shares (2007: 2,871,596 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 2,921,508 depository receipts (2007: 2,871,596 depository receipts), each of EUR 50.

The movement in capital is as follows:

	2008	2007
Balance sheet value as at 1 January	143,580	91,054
Increase in equity	—	50,955
Stock dividend	<u>2,495</u>	<u>1,571</u>
Balance sheet value as at 31 December	<u><u>146,075</u></u>	<u><u>143,580</u></u>

The movement in the number of shares is as follows:

	2008	2007
Number of shares as at 1 January	2,871,596	1,821,083
Increase in equity	—	1,019,090
Stock dividend	<u>49,912</u>	<u>31,423</u>
Number of shares as at 31 December	<u><u>2,921,508</u></u>	<u><u>2,871,596</u></u>

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.

The movement in the share premium reserve is as follows:

	2008	2007
Balance sheet value as at 1 January	27,566	11,473
Share capital increase	—	17,664
Stock dividend	-2,495	-1,571
	<u>25,071</u>	<u>27,566</u>
Balance sheet value as at 31 December	<u>25,071</u>	<u>27,566</u>

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. After the transfer of land and buildings to subsidiary Kantoor Buitenzorg, these value adjustments are included under the balance sheet item Participating interests.

The movement in the revaluation reserve is as follows:

	2008	2007
Balance sheet value as at 1 January	268	266
Unrealised revaluation of participating interests	28	—
Deferred tax item in connection with the revaluation of property for own use	-1	-1
Realised revaluation of property for own use	3	3
Release due to downward revaluation of property in own use	-270	—
	<u>28</u>	<u>268</u>
Balance sheet value as at 31 December	<u>28</u>	<u>268</u>

STATUTORY RESERVE

	2008	2007
Development costs	9,182	7,748
Conversion differences	-3,276	-463
	<u>5,906</u>	<u>7,285</u>

Development costs

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

	2008	2007
Balance sheet value as at 1 January	7,748	6,334
Transfer of other reserve	1,434	1,414
Balance sheet value as at 31 December	9,182	7,748

Conversion differences

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

	2008	2007
Balance sheet value as at 1 January	-463	56
Exchange results on business operations abroad	-4,074	-562
Exchange results on participating interests	228	-99
Corporate income tax on exchange results	1,033	142
Balance sheet value as at 31 December	-3,276	-463

OTHER RESERVES

The movement in the other reserves is as follows:

	2008	2007
Balance sheet value as at 1 January	12,575	8,795
Profit appropriation for previous financial year, addition to the other reserves	3,385	2,879
Dividend not distributed in cash	3,406	2,093
Transfer to statutory reserve for development costs	-1,434	-1,414
Realised revaluation of property for own use	-3	-3
Purchasing of own depository receipts	-998	224
Reverted dividend	—	1
Balance sheet value as at 31 December	16,931	12,575

At year-end 2008, Triodos Bank had purchased 23,676 own depository receipts (2007: 9,638).

UNAPPROPRIATED PROFIT

The movement in unappropriated profit is as follows:

	2008	2007
Balance sheet value as at 1 January	8,955	6,139
Profit appropriation for previous financial year, addition to the other reserves	-3,385	-2,879
Profit appropriation for previous financial year, dividend	-5,570	-3,260
	0	0
Result for financial year	10,140	8,955
Balance sheet value as at 31 December	10,140	8,955

AUDITOR'S FEES

The table below specifies the fees of the KPMG audit firm that were charged in the financial year. The column Other KPMG network specifies the fees that were invoiced by KPMG units with the exception of KPMG Accountants NV.

2008

	KPMG Accountants NV	Other KPMG network	Total KPMG network
Audit of the financial statements	333	—	333
Other audit engagements	12	—	12
Tax-related advisory services	—	28	28
Other non-audit services	41	97	138
Total	386	125	511

2007

	KPMG Accountants NV	Other KPMG network	Total KPMG network
Audit of the financial statements	266	—	266
Other audit engagements	—	—	—
Tax-related advisory services	—	8	8
Other non-audit services	13	42	55
Total	279	50	329

Zeist, 25 February 2009

Supervisory Board

Tineke Bahlmann
Marjatta van Boeschoten
Marcos Eguiguren
Marius Frank
Mathieu van den Hoogenband
Jan Lamers
Margot Scheltema
Hans Voortman, chair

Board of Management

Pierre Aeby
Peter Blom, chair

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 Board of Management 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 15 May 2009 are entitled to the final dividend for the financial year 2008. 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 2008, 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	10.140
Addition to the other reserves	-4.490
	<hr/>
Dividend (EUR 1.95 per depository receipt)	5.650
	<hr/> <hr/>

BRANCHES

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

Auditor's report

REPORT ON THE FINANCIAL STATEMENTS

We have audited the 2008 financial statements of Triodos Bank NV, Zeist, which are included on pages 71 to 118 of this report, which comprise the consolidated and company balance sheet as at 31 December 2008, the consolidated and company profit and loss account for 2008 and the notes.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity'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 entity'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 2008, and of its result for 2008 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under Section 2:393(5)(f) of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391(4) of the Netherlands Civil Code.

Amstelveen, 25 February 2009

KPMG ACCOUNTANTS NV
D. Korf RA



De Naaberhoeve therapeutic farm in the Netherlands gives people with a learning disability a chance to work towards independent living. The working organic and biodynamic farm provides a setting where co-workers can gain experience of taking care of the animals, producing dairy products and selling goods in the farm shop. This company is part of the Triodos Green Fund's portfolio.

Report by the SAAT Board of Management

THE STICHTING ADMINISTRATIEKANTOOR AANDELEN TRIODOS BANK (FOUNDATION FOR THE ADMINISTRATION OF TRIODOS BANK SHARES)

The Foundation for the Administration of Triodos Bank Shares (SAAT) has all Triodos Bank NV's shares under its management. It issues depository receipts to private individuals and institutions who want to participate in the Bank's equity. The depository receipts for shares are registered and non-exchangeable.

This structure was chosen to protect the Triodos Bank's individual identity and mission. Events in financial markets internationally have demonstrated how important this protective structure is. The credit crisis has demonstrated the value and prudence of Triodos' sustainable approach to banking – lending only to ethical organisations working in the real economy. It presents an extra opportunity to review Triodos Bank's mission and objectives. In addition, the Board takes a step back when assessing the developments in the market to ensure balanced decision making.

Voting rights are exercised by SAAT's Board of Management at the Triodos Bank Annual General Meeting. The Board is guided by the ethical objectives of the Bank as contained in the Articles of Association and formulated in the mission statement. The Board is independent, so members of Triodos Bank's Board of Management and Supervisory Board are not allowed to serve on the SAAT Board of Management. The directors are annually appointed by, and report to, the General Assembly of Depository Receipt Holders. The Bank's role is also discussed during the meeting.

The Board met three times during 2008, and also took part in meetings with the Supervisory Board and Triodos senior management to discuss the Bank's social role. The meetings were also attended by the members of the Supervisory Board, the Board of Management and the Bank's senior management. During the meetings, the general state of affairs within Triodos Bank was discussed. Particular attention was focused on the way in which the Bank implements its ethical mandate: encouraging real awareness of money matters as a means to achieve social renewal. A number of issues

which required attention in 2008, including sustainable shareholdership, developments concerning bio-fuels and food production, and the possible affect of the credit crisis on Triodos Bank.

To gain insight into how the Bank handles such issues in practice, the SAAT Board consults Triodos Bank's Board of Management and visits customer open days. In the context of these visits, Chairman Jan Nijenhof met with the managing directors of the branches in Belgium and the UK. Mr Nijenhof, along with board member Max Rutgers van Rozenburg, spoke with the senior management of the Dutch branch at a separate meeting.

In the Board's opinion, reinforcing the support of depository receipt holders is increasingly important for the Bank further development. This will only be possible if the depository receipt holders continue to feel involved in and connected to the Bank. Dialogue between Triodos Bank's Supervisory Board, The Board and the depository receipt holders took place 2008, enjoying considerable success and momentum. This is partly expressed by a different design of the meeting of depository receipt holders, where Peter Blom, CEO of Triodos Bank, explained developments within the Bank. A presentation was given by a number of board members during the Dutch open day in Amersfoort, followed by a lively discussion on the structure of the Bank and the role of SAAT.

A meeting for the depository receipt holders was organised during the open day in Belgium. An extensive Q&A session took place following the presentation. In addition, Belgian board member Chris Maryns-van Autreve took part in the discussion. There was a general exchange of thoughts and ideas during the UK open day at a branch in Bristol, where questions from the depository receipt holders were answered.

Media coverage and public discussions featuring Triodos Bank and its co-workers act as an important source of information for the Board. Members of the Board from Belgium, the UK and

Spain are specifically requested to maintain close contact with the local branches and their clients.

The Board concludes that Triodos Bank once again succeeded in effectively carrying out its mission in 2008, thanks to a major effort from the Bank's growing co-worker group. The Board sees the coming period as an important challenge for Triodos Bank, with further growth of the Bank in general and of the issued capital in particular. Healthy management will be essential to achieve this. Turbulent economic times require a strong focus by the Board, an increased effort from the Board of Management of Triodos Bank, and naturally from the Bank's co-workers too.

The Board wants to ensure its composition matches the Bank's needs as it develops. If necessary, the Board will be extended or its structure changed. In addition, the Board wants a more even balance between men and women co-workers. The importance of this has been highlighted by the General Meeting of Depository Receipt Holders on a number of occasions. In this context, SAAT will submit proposals during the Meeting of Depository Receipt Holders.

Zeist, 25 February 2009

On behalf of the Board,
Jan Nijenhof, Chair

Foundation for the Administration of Triodos Bank Shares (SAAT)

Statement of the shares taken in trust and the issued depository receipts of Triodos Bank NV as at 31 December 2008.

in thousands of euros

	31.12.2008	31.12.2007
Triodos Bank NV shares taken in trust, having a nominal value of EUR 50 each	<u>146.075</u>	<u>143.580</u>
Issued depository receipts of Triodos Bank NV, having a nominal value of EUR 50 each	<u>146.075</u>	<u>143.580</u>

Zeist, 25 February 2009

Board of Trustees

Jan van Apeldoorn

Luis Espiga

Philip Martyn

Chris Maryns-van Autreve

Jan Nijenhof, Chair

Max Rutgers van Rozenburg

AUDITOR'S REPORT

INTRODUCTION

We have audited the above statement that shows the position as at 31 December 2008 in respect of the shares placed in trust and the depository receipts of Triodos Bank NV shares issued by the 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 auditing standards generally accepted in the Netherlands 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 2008.

Amstelveen, 25 February 2009

KPMG ACCOUNTANTS NV

D. Korf RA

Triodos Bank Supervisory Board



MS. J.P. BAHLMANN (1950)

Tineke Bahlmann is Chair of the Commissariaat voor de Media (since 1 April 2009). In addition, she is Associate Professor of Business Economics at Utrecht University, Member of the Supervisory Board of Nedap NV, Member of the Supervisory Board of Deloitte, Member of the Boards of Canisius Wilhelmina Ziekenhuis, Toneelgroep Amsterdam, De Baak Management Centre VNO-NCW and SIOO and Director of MVO Nederland. Margot Scheltema was first appointed in 2004 and her present term of appointment expires in 2012. She is of Dutch nationality and owns no Triodos Bank depository receipts.



MS. M.E. VAN BOESCHOTEN (1946)

Marjatta van Boeschoten is the Principal of Phoenix Consultancy. Marjatta van Boeschoten was first appointed in 2001 and her present term of appointment expires in 2009. She is of British nationality and owns one Triodos Bank depository receipt.



MR. M. EGUIGUREN HUERTA (1959)

Marcos Eguiguren is General Manager of Grupo Inmark. He also lectures on business economics at the University of Catalonia. Marcos Eguiguren was first appointed in 2008 and his present term of appointment expires in 2012. He is of Spanish nationality and owns 194 Triodos Bank depository receipts.



MR. M.M. FRANK (1947)

Marius Frank is an independent board advisor and executive coach. He is also a Member of the Supervisory Board of Centrum Maliebaan (Stichting Verslavingszorg Utrecht). Marius Frank was first appointed in 2005 and his present term of appointment expires in 2009. He is of Dutch nationality and owns no Triodos Bank depository receipts.



MR. M.J.M VAN DEN HOOGENBAND (1944)

Mathieu van den Hoogenband is the former Managing Director of the Weleda Group and is, as advisor, a Member of the Board of Weleda AG in Arlesheim, Switzerland. He is also a Member of the Supervisory Board of Eosta BV and a Member of Kuratorium Stiftung Waldorfschule Uhlandshöhe. Mathieu van den Hoogenband was first appointed in 2007 and his present term of appointment expires in 2011. He is of Dutch nationality and owns 815 Triodos Bank depository receipts.



MR. J. LAMERS (1948)

Jan Lamers is a former Representative Director of Uitgeversbedrijf Tijd. He is also Chairman of CultuurNet Vlaanderen, Delegated Director of Wereldmediahuis Vzw, Chairman of Huize Sterrewijzer vzw, Director of Ethical Properties Europe NV and Director of I-Propeller NV. Jan Lamers was first appointed in 2002 and his present term of appointment expires in 2010. He is of Belgian nationality and owns no Triodos Bank depository receipts.



MS. M.A. SCHELTEMA (1954)

Margot Scheltema was Financial Director of Shell Nederland BV until the end of 2008. She is also Member of the Supervisory Board and Financial Committee of the Rijksmuseum, Chairwoman of the Board of Governors of the Postgraduate Controller Programme at the VU University Amsterdam, Member of the Supervisory Board of Advies Plan Nederland, Member of the AFM External Reporting Committee and is a government supervisor at Fortis ASR. Margot Scheltema was first appointed in 2006 and her present term of appointment expires in 2010. She is of Dutch nationality and owns no Triodos Bank depository receipts.



MR. H. VOORTMAN (1944), CHAIR

Hans Voortman is the former Managing Director of World Wildlife Fund Netherlands and the former Company Director of MeesPierson. He is also the Chairman of the Supervisory Board of Ark Natuurontwikkeling, Member of the Boards of Pan Parks and Blijdorp Thandiza Fonds. Hans Voortman was first appointed in 2001 and his present term of appointment expires in 2009. He is of Dutch nationality and owns no Triodos Bank depository receipts.

Triodos Bank Board of Management



MR. P. AEBY (1956)

Pierre Aeby is Director under the articles of association of Triodos Bank NV (CFO) and Member of the Executive Board Triodos Bank NV. He is also Director of Stichting Triodos Holding, Director of Triodos Ventures BV, Member of the Supervisory Board Triodos Meerwaardefonds NV, Director of Stichting Hivos Triodos Fonds, Director of Stichting Triodos Doen, Director of Stichting Triodos Fair Trade Fund, Director of Stichting Triodos Fonds Vzw, Member of the Management Board of Triodos SICAV I and Member of the Management Board of Triodos SICAV II. Pierre Aeby has been Director under the articles of association since 2000. He is of Belgian nationality and owns 21 Triodos Bank depository receipts.



MR. M. JONGENEEL (1973)

Michael Jongeneel (COO) is a Member of the Executive Board of Triodos Bank NV. He is also Director of Stichting Triodos Beleggersgiro. Michael Jongeneel joined Triodos Bank in May 2007. He is of Dutch nationality and owns one Triodos Bank depository receipt.



MR. P. BLOM (1956)

Peter Blom is Director under the articles of association of Triodos Bank NV (CEO) and Chairman of the Executive Board Triodos Bank NV. He is also Director of Stichting Triodos Holding, Director of Triodos Ventures BV, Member of the Supervisory Board of Triodos Venture Capital Fonds BV, Director of the Board of Stichting Triodos Climate Clearing House, Member of the Supervisory Board of Triodos Groenfonds BV, Member of the Supervisory Board of Triodos Vastgoedfonds BV, Member of the Supervisory Board of Triodos Cultuurfonds BV, Director of Stichting Hivos Triodos Fonds, Director of Stichting Triodos Doen, Member of the Supervisory Board of Triodos MeesPierson BV, Chairman of Stichting Triodos Foundation, Member of the Supervisory Board of Rhea Holding BV, Director of Stichting Face and Director of Stichting Natuur College. Peter Blom has been Director under the articles of association since 1989. He is of Dutch nationality and owns one Triodos Bank depository receipt.

Board of SAAT



MR. J.C. VAN APELDOORN (1946)

Jan van Apeldoorn is a lawyer based in Amsterdam and is also Deputy Justice of the Court of Appeal in The Hague. He is also a Member of the Board of Toezicht Stichting Triodos Holding. Jan van Apeldoorn was first appointed in 2001 and his present term of appointment expires in 2010. He is of Dutch nationality and owns no Triodos Bank depository receipts.



MR. C.P. MARTYN (1948)

Philip Martyn is the former General Counsel and Company Secretary of the London branch of Sumitomo Mitsui Banking Corporation. Philip Martyn was first appointed in 2003 and his present term of appointment expires in 2009. He is of British nationality and owns no Triodos Bank depository receipts.



MR. L.A. ESPIGA (1950)

Luis Espiga is the Director of Triform & Associates and Consultant with Organisation, Development and Human Resources in Spain. He is also Member of the Board of the Rudolf Steiner Foundation Spain. Luis Espiga was first appointed in 2007 and his present term of appointment expires in 2010. He is of Spanish nationality and owns 44 Triodos Bank depository receipts.



MR. J.T.M. NIJENHOF (1945), CHAIR

Jan Nijenhof is Coordinating Vice President of the District Court of Haarlem. He is also Member of the Appeals Tribunal for Higher Education, lecturer for vocational training at The Netherlands Bar and Member of the Board of Stichting Triodos Holding. Jan Nijenhof was first appointed in 2005 and his present term of appointment expires in 2011. He is of Dutch nationality and owns no Triodos Bank depository receipts.



MS. C. MARYNS-VAN AUTREVE (1948)

Chris Maryns is General Manager of VZW Mercurius, Weleda NV in Belgium and BD-tuinbouwbedrijf CV De Wassende Maan in Belgium. She is also a Member of the Supervisory Board of Weleda NV in the Netherlands. Chris Maryns was first appointed in 1995 and her present term of appointment expires in 2009. She is of Belgian nationality and owns 98 Triodos Bank depository receipts.



MR. L.M. RUTGERS VAN ROZENBURG (1947)

Max Rutgers van Rozenburg is Managing Director of Human Engineering BV; a consultancy firm for interim management. He is also Chairman of the Board of the Stichting PassieProjecten, Member of the Antroposofische Vereniging Nederland and Member of the Board of Stichting Triodos Holding. Max Rutgers van Rozenburg was first appointed in 1998 and his present term of appointment expires in 2010. He is of Dutch nationality and owns no Triodos Bank depository receipts.



Co-worker report

This report provides details of Triodos Bank's social policy and of our co-worker policy in particular. The Bank's social policy is based on our belief that an organisation can only develop in a positive sense if its co-workers have the room and opportunity for professional and personal development. Key aspects of this vision are authenticity, cooperation, entrepreneurship and a professional, commercial attitude.

Personnel policy differs across the countries where Triodos Bank is active. This is due to differences in the individual offices' stage of development, size, culture and legislation. This report covers social policy applying to the whole Bank.

The co-worker report concerns all those employed by Triodos Bank, including co-workers within the non-consolidated business units, such as SRI Research. Co-workers of the joint venture Triodos MeesPierson are not included.

ORGANISATION AND POLICY

In 2008, it was decided to merge Triodos Fund Management and Triodos Investment Management with the aim of achieving a better division between fund management activities and supporting functions, such as sales, legal, product management and financial control. For

Triodos Bank, co-workers' identification with the Bank's mission and the way in which they disseminate the Bank's values in their daily work is vitally important. This manifests itself in the weekly Monday morning meetings and during the induction process for new co-workers. This also plays a very important role in the development of Human Resources (HR) policy.

The Triodos Banking Seminar, with 21 participants, was organised for the first time in 2008. The focus during this seminar was on experiencing the Bank's values. The majority of the participants were relatively young and on average has worked at Triodos for three years.

A three-year strategy was jointly formulated in 2008. Co-workers made a significant contribution to this new three-year plan with the aid of the Theory U change methodology.

The annual middle management retreat was transformed into the Co-worker Conference with participation from 91 of the Bank's co-workers. This Co-worker Conference, which was held in the Netherlands, examined what the newly formulated three-year strategy means for the co-workers. Young co-workers in particular were invited to both the strategy workshop and the Co-worker Conference to contribute their vision and ensure their involvement in the organisation. The young generation of

Distribution of co-workers across the five countries

	Number of co-workers		In ftes	
	2008	2007	2008	2007
The Netherlands	263	220	228	195
Belgium	53	44	48	41
United Kingdom	88	77	83	72
Spain	61	49	60	48
Germany	10	7	9	7
Total	475	397	428	363

- ◀ Triodos Fair Share Fund became a shareholder in Kashf Microfinance Bank in Pakistan in 2008. The Bank works primarily with women, helping them to achieve economic and social independence.

co-workers are very important for Triodos Bank, providing a fresh look at the organisation and broader social trends. Because of this, activities are organised by Young Triodos (for co-workers approximately 30) and they are actively involved in issues facing the Bank.

CO-WORKERS

The total number of co-workers rose by 20% from 397 to 475 in 2008. The male/female ratio remained virtually unchanged. In 2008, Triodos Bank employed 245 women (52%) and 230 men (48%). The share of women in management positions fell slightly to 29% (2007: 33%). Triodos Bank strives to appoint more women in management positions.

There was a substantial increase in the number of part-time co-workers, both men and women, at Triodos Bank, particularly in the Netherlands. In 2008, 43% of the co-workers were in part-time employment. The corresponding rate for the entire organisation is 32%. The average working week fell slightly to 34.9 hours (2007: 35.4). The average age (38.5 years) has remained the same with a slight shift between the age categories.

There was a slight increase in the number of temporary co-workers. Within the ICT department, the proportion of temporary co-workers was reduced to 42%. The decrease is less than expected because a number of vacancies were not filled. Recruiting new co-workers was important across all branches. In the Netherlands, labour market communication received a new impetus with, for example, a recruitment evening in May 2008 that was attended by more than 100 people.

Compared with previous years, Triodos Bank Belgium grew strongly. A co-worker satisfaction survey was conducted at the Belgian office with strong points emerging being job satisfaction in general, the working atmosphere and confidence in the future of Triodos Bank. Points for attention are the internal communication and the increasing workload.

In the United Kingdom, two new management team members were appointed. The HR department was strengthened with special attention being given to the supervision of managers by means of performance reviews.

Number of temporary co-workers in ftes

based on 1,550 working hours per fte, per year

	2008	2007
The Netherlands	39.1	36.5
Belgium	2.0	1.0
United Kingdom	1.0	1.1
Spain	—	—
Germany	0.6	1.1

Triodos Bank's age ranges

	2008		2007	
	number	%	number	%
Age				
15 - 25 year	32	7	21	5
25 - 35 year	159	34	149	37
35 - 45 year	166	35	123	31
45 - 55 year	88	18	78	20
55+	30	6	26	7
Total	475	100	397	100

The introduction and reception of new co-workers has also been improved.

Growth has continued within the Spanish office with a second regional office being opened in Andalusia. With the reaching of the financial break-even point, the organisation works on another demands being made on the way that the HR department works. Existing principles have been adjusted to the new situation.

CO-WORKER TURNOVER

Despite the strong growth, the average number of years service remained virtually the same at 3.9 years (2007: 4.0 years). Turnover fell from 18% to 14%. The turnover was considerably lower than in previous years, especially at offices in the Netherlands and Spain. The average length of employment for co-workers leaving the Bank has risen from 2.2 to 2.5 years. Particularly the number of co-workers leaving the Bank in their first year decreased sharply, from 23 to 17 co-workers. The extra attention

paid to the induction and supervision of new co-workers has certainly contributed to this. On top of this, the internal promotion of vacancies has been heavily stimulated since 2008. In the Netherlands and the United Kingdom, this has led to a number of internal appointments.

Training expenses per co-worker

amounts in euros

	2008	2007
The Netherlands	1,725	1,191
Belgium	332	759
United Kingdom	895	1,653
Spain	601	809
Germany	138	1,199
Average	1,240	1,189

DEVELOPMENT, TRAINING AND EDUCATION

Where Triodos Academy was associated in particular with management development training, it has been decided to give Triodos Academy more substance as a framework for co-worker training and development. Within Triodos Academy various training modules and courses are organised with both an international and local orientation. A number of modules are provided by the Institute for Social Banking, which organises a Summer School and a Masters in Social Banking, for example.

Training costs have increased slightly, although there are major differences between countries. Increasingly, co-workers in the Netherlands themselves have taken the initiative to take part in training. The HR departments have initiated a number of projects covering team-leader training, a number of professional training courses, commercial workshops and language training courses. In Belgium, relevant (free) training courses are mainly organised by Febelfin, the confederation for the Belgian financial sector.

ABSENCE

The rate of absence due to sickness rose to 2.4% in 2008 compared to 1.9% in 2007. Triodos Bank sees this as a fluctuation from which no

conclusions can be drawn. Similarly, in 2008 absence is mainly related to short-term illnesses with only a few cases of long-term absence. Triodos Bank continues to closely follow the rate of absence and is constantly looking for improvements in the process. In the United Kingdom, for example, 'back to work' interviews have been introduced for co-workers who return to work after a longer period of sickness or frequent absence. This interview is between manager and co-worker in order to improve integration and identify possible sticking points about the work in good time.

EMPLOYMENT TERMS AND CONDITIONS

Triodos Bank attaches considerable value to good and appropriate remuneration for all co-workers. Differences in remuneration between co-workers, in terms of local markets and also internationally, is carefully monitored. As a result of Triodos Bank's strong growth and success, the differences have increased slightly, but are still very low compared to other banks. The ratio between the highest and lowest salary in the Netherlands in 2008 is 1:7.7 (2007: 1:7.3). This ratio is lower in other countries on account of the smaller size of the offices and due to the fact that the Triodos Bank Management Board is based at the head office in the Netherlands. Within Triodos Bank Spain, the package of employee benefits has been improved strongly. In 2008, an international benchmark into the employment terms and conditions was initiated, the results of which are expected at the beginning of 2009.

WORKS COUNCIL

Co-worker councils have been established in the Netherlands and Spain. In the Netherlands, the council has five members, two of whom were appointed in January 2008 following the elections at the end of 2007. The Works Council is consulted on a number of policy proposals and amended schemes, including the proposed sale of the Dutch insurance activities. The Council is delighted with the Bank's growth, which has continued in 2008. This growth demands a great deal from the organisation and its co-workers, particularly on departments facing additional pressure because of it. The Council has asked for more attention to be paid to co-worker turnover, the diversity policy and training and development paths.

The Works Council in Spain was set up in 2005 and has three members. In 2008, regular consultations were held with the HR department and the Management Board.

At the moment, the Bank's management does not think that a Works Council is needed in the Belgium and United Kingdom offices.

PROSPECTS FOR 2009

Growth in the number of co-workers in 2009 will be maintained at the level of 2008 (20%). The Spanish office in particular will grow substantially, while the United Kingdom office will see more moderate growth of approximately 10%. Recruitment activities for the whole of Triodos Bank will also be intensively continued in 2009. This means a lot of pressure on the HR teams, requiring an active approach. Workshops will be held in the Netherlands to assist managers develop their interview techniques.

With Triodos Academy as the umbrella, the attention given to co-workers' development and training will be further intensified. Triodos Bank aims to stimulate co-workers to continuously develop, so that in the future the organisation is assured a team of excellent and committed co-workers at all levels. The growth may lead to changes in the organisation and the way it works. The HR department's contribution will be to supervise such changes in such a way that they remain in line with the Bank's values.

Triodos Bank considers it important for co-workers to feel connected with one another and the organisation. The Bank strengthens this bond by organising a range of extra-curriculum events, combined with activities which help co-workers to better understand the Bank's vision, culture and values.

In the Netherlands, extra attention will be paid to co-workers who have been employed for more than eight years. The co-worker satisfaction survey that was originally planned for 2008 in the Netherlands will be conducted in 2009.

At Triodos Bank Belgium, extra attention will be paid to internal communication in 2009. The spotlight will also be on reducing co-worker turnover by, for example, improving the recruitment and selection process. The aim of

this is to select those people who are expected to stay with Triodos Bank for at least three years.

In the United Kingdom, attention will mainly be directed towards reducing turnover and developing leadership within the Bank.

In Triodos Bank Spain, support will be provided for the co-workers of the newly opened regional offices and internal transfers and promotions will be stimulated.

In June 2009, forty co-workers will attend a follow-up to the 2008 strategy session dealing with the theme of mutual cooperation. In Belgium, the Co-worker Conference, with one hundred participants, will be organised in September 2009.

Social key figures*

	2008	2007	2006	2005
Number of co-workers at year-end	475	397	349	301
Average number of ftes** during the year	401	346	298	258
Number of ftes** at year-end	428	363	316	272
Absenteeism	2.4%	1.9%	2.4%	3.1%

* The co-worker report concerns all those employed by Triodos Bank, including co-workers within the non-consolidated business units, such as SRI Research. Co-workers of the joint venture Triodos MeesPierson are not included.

** Fte stands for full-time equivalents and is the number of co-workers calculated on a full-time basis per week. (For Triodos Bank in the Netherlands this is 40 hours, Triodos Bank Belgium 37 hours, Triodos Bank United Kingdom 37,5 hours, Triodos Bank Spain 37 hours and for the representative office in Germany 40 hours).



Environmental report

This report explains Triodos Bank's internal environmental policy, environmental management strategy and environmental performance during 2008. Environmental considerations are a key aspect of Triodos Bank's activities. The Bank uses an Environmental Management System (EMS) to reduce the adverse environmental impact of all of Triodos' activities. The Bank's EMS has been implemented and has satisfied the criteria of the ISO 14001 environmental management certificate since January 2000. The internal auditor and the external auditor SGS alternate in annually auditing the Bank's performance against the ISO standard. The ISO 14001 recertification in July 2006 covers all the Bank's branches.

Under the EMS, Triodos Bank has appointed a central environmental co-ordinator and local environmental co-ordinators in each branch. The local environmental co-ordinators inform and update all co-workers about their branch's environmental performance and progress at least twice a year.

ACHIEVEMENT OF GOALS FOR 2008

A mobility study group was formed in 2008, which has drafted a new approach to sustainable transport. At the Dutch branch this has resulted in a new scheme to select company cars on the basis of their CO₂ emission levels. This scheme can also be applied internationally, thanks to the decision to define absolute criteria in the form of maximum CO₂ emission. In 2008 the goal of further reducing paper usage was not met. This is in part a consequence of the growth in the Bank's activities and customer numbers. Despite the Bank's efforts to encourage the use of public transport to commute between home and work, this remained at the same level, and continues to be a point of attention.

During 2008 there were several video conferencing trials at the Dutch, UK and Spanish branches. These trials were evaluated and the result was positive. On the basis of this result, we will conduct more extensive research.

In 2008, the effectiveness and efficiency of the current environmental management system and ISO certification was examined. On the basis of the evaluation and the comparative figures it was decided that the relevance of the environmental impact measured by the environmental management system will again be examined in 2009.

In 2008 EcoOffice 2.0, which is used to determine the Bank's environmental impact, was evaluated. The use of EcoOffice 2.0 will end at the end of 2009, with a new measuring system implemented from 2010.

ENERGY CONSUMPTION

In 2008, gas consumption per co-worker increased by almost 21% and electricity consumption rose by 4% per co-worker. Most of this increase can be explained by the expansion of office space in Belgium and the Netherlands. Compared to 2007, gas consumption per cubic metre (m³) decreased by 12%. Electricity consumption per square metre (m²) decreased by 2%. Electricity consumption in the United Kingdom decreased as a consequence of a new policy aimed at ensuring a more conscious use of electronic equipment.

The offices in the Netherlands and in the UK buy electricity from 'green' suppliers. In 2008, green electricity consumption was 1,142,932 kWh, or 85% of Triodos Bank's total electricity consumption. Green electricity is not yet an option in Spain, because at present there are no providers. The total consumption of electricity produced from conventional sources is 196,475 kWh or around 15% of the total.

- ◀ Triodos Renewables' Technical Manager, Scott Ridley, at the UK clean energy company's wind farm at Caton, Lancashire. In 2008 a successful share issue raised GBP 10 million, which will be used to more than double the amount of green electricity the company produces in the next two to three years.

TRAVEL

BUSINESS TRAVEL

The number of air kilometres per fte increased by almost 12% in 2008. The Triodos Investment Management business unit, with its main field of operation in developing countries, was responsible for 66% of the flights.

COMMUTING

The total commuting distance travelled for each co-worker in 2008 remained at the same level as in 2007. Travel by car increased by 5%. The Bank's policy is to encourage co-workers to travel to and from work by using the most environmentally-friendly option. In 2008, this policy resulted in a 1% rise per fte in travel by bike and on foot. For its company cars, Triodos Bank only buys hybrid cars or the most fuel-efficient models, in order to keep CO₂ emissions to a minimum. The hybrid cars emit just 104 grams of CO₂ per kilometre, saving an average 58 g/km per car.

CLIMATE NEUTRAL OPERATIONS

Triodos Bank offsets 100% of its CO₂ emissions. The Bank's environmental policy is designed to reduce greenhouse gas emissions in three distinct steps. The Bank aims to take as many energy-saving measures as possible. Any essential energy consumption is sourced from renewable supplies, where possible. Finally, the remaining CO₂ emissions are compensated by buying CO₂ credits from the Climate Neutral Group. Triodos calculates its greenhouse gas emissions using the method detailed in the Greenhouse Gas Protocol, an initiative of the World Business Council for Sustainable Development and the World Resources Institute. For 2008, CO₂ emissions will be compensated by sustainable forestry projects (50%) and emission reduction projects (50%) certified by The Gold Standard. As far as possible, Triodos Bank avoids the use of volatile organic materials and other materials that could damage the ozone layer.

Emission of CO₂ (equivalents)

in thousands of kg

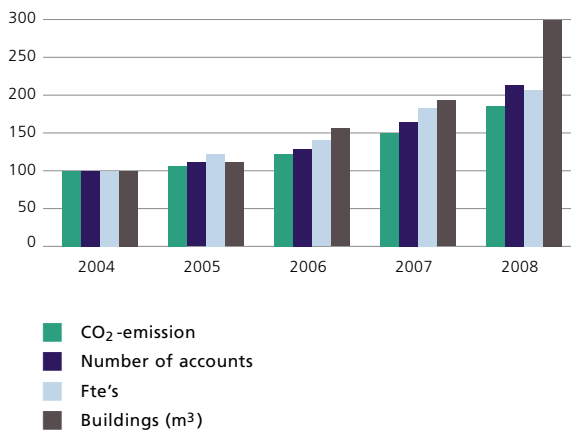
	2008	2007	2006*	2005	2004
Scope 1: Direct emission					
Gas consumption (heating)	118	86	90	56	62
Business travel by car	200	177**	119	94	98
Electricity	62	60	—	—	—
Scope 2: Indirect emission (electricity)					
Green electricity	—	—	—	—	—
Scope 3: Indirect emission (other)					
Flights: North - South	399	241	234	265	255
Flights: Other	217	247	160	151	169
Business travel by public transport	21	19	11	7	6
Commuting by car	462	365**	319	294	240
Commuting by public transport	159	140**	133	44	46
Paper usage	140	119**	97	102	81
Total	1,778	1,454**	1,163	1,013	957
Minus: Compensation for CO ₂ credits	(1,778)	(1,454)	(1,163)	(1,013)	(957)
CO₂ balance (neutral)	0	0	0	0	0
CO₂ compensation costs per tonne (EUR)	12.50***	10	10	10	10

* In 2006, the Greenhouse Gas Protocol adjusted the factors it uses to calculate the CO₂ emissions. The data for 2006 are based on the new factors. The figures for preceding years are based on the old calculation factors. 2002 is the base year for the Greenhouse Gas Protocol.

** This figure is a correction on the 2007 annual report.

*** According to The Gold Standard, 50% of the CO₂ emissions was compensated by emission reduction projects, representing a value of EUR 15 per tonne of CO₂. The other 50% is accounted for by sustainable forestry projects representing a value of EUR 10 per tonne of CO₂.

CO₂-emission in percentage



PAPER USAGE

Where possible, we use recycled paper and environmentally safe ink. In 2008, almost 7% more paper was consumed per co-worker than in 2007. This rise is mainly due to the growth in new customers during the year and the increase in monthly bank statements produced as a result.

Triodos Bank encourages its customers to contact the Bank in an environmentally-friendly way (by telephone, e-mail or the internet) whenever possible.

BIODIVERSITY

Triodos Bank does not have holdings or manage ground in regions with high biodiversity. The Bank recognises that, through the potential indirect impact of its investments and loans, it could present threats to the world's biodiversity. For this reason, the Bank has established new lending criteria. This means that companies operating in sectors with a high risk of negative effects on biodiversity, are expected to implement a policy to establish these risks and management programmes to reduce their impact.

WASTE

The quantity of waste is constantly monitored and is derived from received invoices and internal audits. Waste paper (36.6 tonnes), glass (14.8 tonnes) and vegetable, fruit and garden waste (5.4 tonnes) are collected for recycling. In the United Kingdom, the vegetable, fruit and garden waste is composted for use in the Bank's garden. The total quantity of waste per fte increased by 5% in 2008.

WATER

In 2008, water usage per co-worker rose by 28% to 6.9 m³. This was mainly due to Bank's purchase of the new building in Madrid, Spain in mid-2008. The head office in the Netherlands uses groundwater to heat and cool the building, and rainwater is used to flush the toilets.

BUILDINGS' INFRASTRUCTURE

Triodos Bank considers it important that the buildings from which it operates provide a proper focus on people and the environment. This applies to all of the Bank's branches. The materials and products used must pass strict environmental tests. The total floor area occupied by the Bank increased by 20% in 2008.

OUTSOURCING OR PROCUREMENT

When there is a need for decisions on outsourcing services or procuring materials, external suppliers are assessed according to social and environmental criteria. The assessment is made according to the Bank's sustainability criteria and best environmental practice. All the Bank's suppliers, from caterers to building maintenance services, are asked to provide information on their sustainability policy and developments in this respect, as well as on labour conditions, whether they possess the necessary permits, and whether they use environmentally friendly resources and production processes. If possible, the Bank engages suppliers that are located in the direct vicinity of the respective office. If necessary, the Bank requires a tailor-made approach to sustainability, including a more sustainable use of raw materials and sourcing products from local suppliers. Ultimately, the most environmentally-friendly option often outweighs the cheapest option. Energy-efficient criteria are used to inform decisions about buying office equipment such as computers and printers. When buying consumer goods and paper products, attention is paid to their sustainable production and environmental impact. Triodos Bank tries to encourage its suppliers to address social and environmental aspects in a more conscious and sustainable manner.



Wolter & Dros have completely refurbished this office building in Groningen, the Netherlands, to make it as energy efficient as possible. The building now has an A+ energy rating and meets all that Triodos Real Estate Fund demands of a sustainable building.

COMPLIANCE

In 2008, there were no environmental incidents or violations of environmental legislation or regulations to report.

ENVIRONMENTAL PRODUCTS AND SERVICES

As part of the lending process, potential borrowers are also assessed according to environmental and social contribution criteria in line with the values upheld by Triodos Bank. In the case of investment funds, the Bank conducts its own sustainability analyses. These form one of the criteria for inclusion in the investment portfolio. Criteria for exclusion include environmental damage, threats to biodiversity, violations of environmental legislation and nuclear energy.

ENVIRONMENTAL PROGRAMME FOR 2009

The most important goals for the environmental management programme for 2009 are:

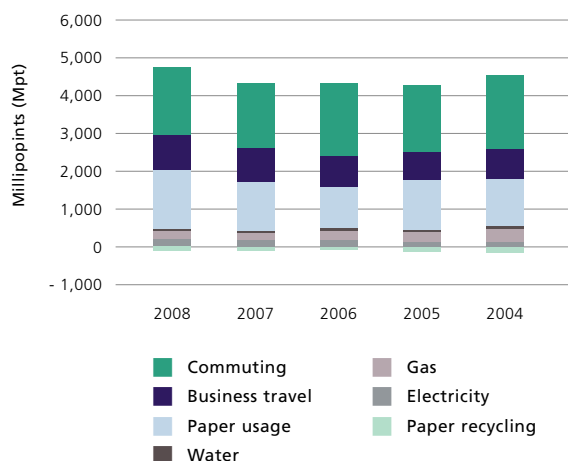
- Maintaining the focus on reducing paper usage.
- Making the environmental management system more efficient by developing a central data collection system and restricting internal reporting to twice a year. In 2009, half-yearly reports will be issued, so that the reporting is in line with the Bank's reporting structure.
- Replacing the EcoOffice system with a new method for measuring the environmental impact.
- Conducting research into the possibilities for video conferencing.
- Reporting on the basis of more suitable qualitative indicators, such as the calculation of energy consumption per square metre as well as per fte.
- Establishing the policy concerning the criteria for CO₂ compensation and climate change.

BASIS OF NOTES AND ENVIRONMENTAL KEY FIGURES

The environmental key figures show the total figure for the four branches and the representative office in Germany, expressed per fte.

In 2008, the Bank's temporary co-workers were included in the calculation of the environmental figures for the first time. This provides a more realistic picture of the organisation's actual environmental impact. The co-workers engaged by Triodos MeesPierson are not

Environmental impact (Eco-indicator Mpt/fte)



Triodos Bank uses the EcoOffice 2.0 method developed by PRNA Environmental Consultancy to measure the environmental impact of its activities. This method, which the Bank has used since 1996, is based on the international standard for life-cycle analysis (LCA) developed by SETAC (Society of Environmental Toxicology and Chemistry).

included in this calculation because they do not use Triodos Bank's buildings. The co-workers engaged by Triodos Real Estate use Triodos Bank's facilities and are therefore included in the figures for 2008.

The energy figures show the electricity and gas consumption per fte. The figures are derived from invoices and meter readings. The head office in Zeist and the branch in Madrid do not use gas.

Business travel data shows the number of kilometres per fte travelled by co-workers by plane, car - whether in a private car based on distance declarations or in a company car using mileage readings and public transport.

Travel by plane and public transport is calculated on the basis of ticket data. In 2008, an adjustment was made to the flight kilometres for 2007 as a result of improved checking of the data collection system. Commuting distances are shown per fte and are based on the distance between home and work, as well as on data from a co-worker questionnaire detailing the means of transport used. A car-pooler is defined as a co-worker who shares a car with another co-worker for commuting purposes.

Paper usage is calculated using procurement invoices and by calculating the weight of the different types of paper used in each office.

Water usage is calculated from water suppliers' invoices and meter readings.

The quantity of waste is calculated from invoices and from information from waste processing companies and from in-house weighing. Paper waste and glass are recycled. Vegetable, fruit and garden waste is composted. Business waste consists mainly of household refuse from the offices. The business waste in Germany is recycled.

TRIODOS BANK'S STATEMENT OF ENVIRONMENTAL POLICY

Environmental considerations are an integral part of all of Triodos Bank's activities, and wherever possible, Triodos Bank actively supports sustainable development. Final responsibility for the environmental policy rests with the Board of Management. Its implementation is delegated to the organisation itself and is in principle the responsibility of each co-worker.

The key elements of Triodos Bank's environmental policy are:

- To focus its lending policy on activities that aim to deliver sustainable development.
- To reduce and/or eliminate the environmental impact of its own activities, by reducing paper usage, using energy and natural resources economically and efficiently, and reducing emission and waste levels.
- To comply with all relevant statutory provisions and with all associated rules and agreements.
- To fully inform and train co-workers, to ensure that Triodos Bank's environmental policy can be implemented effectively.
- To endeavour to have an open dialogue with all of Triodos Bank's stakeholders, including in respect of environmental issues, and to report the environmental policy results in the Annual Report, together with targets for future years, and to report the environmental policy results in the Annual Report, together with targets for future years.
- That Triodos Bank's environmental management system (EMS) is accredited with ISO 14001 certification and will be regularly tested and audited on that basis.

Triodos Bank's statement of environmental policy was revised most recently in 2005 by the Board of Management.

Environmental key figures

Absolute quantities/ftes*

	2008	2007	2006	2005	2004
Energy consumption					
Electricity in kWh/fte	3,075	2,961	2,965	2,305	2,139
Gas in m ³ /fte	101	83	113	124	166
Business travel					
By aircraft in km/fte	6,329	5,651	5,984	5,556	6,347
By car in km/fte	2,416	2,597	2,130	1,926	2,403
By public transport in km/fte	808	824	607	530	572
Commuting					
By car in km/fte	5,458	5,201	5,708	6,006	5,991
By carpool in km/fte	131	203	431	442	418
By public transport in km/fte	3,642	3,796	4,529	3,450	4,357
By bike or on foot in km/fte	619	612	901	815	997
Paper usage					
In kg/fte	334	313	344	413	399
Waste					
Paper recycling in kg/fte	84	76	69	86	74
Other waste in kg/fte	52	50	61	30	37
Glass waste in kg/fte	34	37	—	—	—
Food and garden waste in kg/fte	12	11	—	—	—
Water					
Water in m ³ /fte	7	5	7	8	7
Co-workers **					
Ftes	393	346	294	258	210
External, temporary co-workers	43	40	—	—	—
Buildings					
Surface area in m ²	15,040	12,546	10,125	7,124	6,262
Volume in m ³	55,596	35,836	29,058	20,654	18,584

* Ftes: average number of full time co-workers during the year.

** In 2008, the Bank's external and temporary co-workers were included in the calculation of the environmental figures for the first time. The figures for 2007 have been recalculated to enable comparison.

Verifiers' declaration

Triodos Bank NV asked sgs Nederland bv Systems & Services Certification to verify the environmental and social data used in the Annual Report 2008 on the Bank's activities in Barcelona, Bristol, Brussels, Edinburgh, London, Madrid and Zeist. Figures have been verified regarding consumption of paper, water and energy, volume of waste, business transport, commuting, calculation of environmental impact and CO₂ balance, the number of employees, the number of women in management positions and absenteeism.

VERIFICATION

sgs Nederland bv Systems & Services Certification examined Triodos Bank's environmental and co-workers records. By means of random checks and interviews with the environmental managers and administrators sgs Nederland bv Systems & Services Certification reviewed how the offices in The Netherlands, Belgium, United Kingdom, Spain and Germany obtained the data in question (including method of registration and calculation) and the accuracy of the figures themselves.

OPINION

The verification confirms that the data in the Annual Report 2008 matches the data in the Environmental Management System. Furthermore, the verification showed no indications suggestive of inaccuracies in the Annual Report with respect to the information provided on consumption of paper and water, volume of waste, business transport and commuting, calculation of CO₂ balance, number of employees, number of women in management positions, and absenteeism.

Spijkensse, 25 February 2009

sgs Nederland bv Systems & Services Certification

About this report

The 2008 Annual Report is an integrated sustainability report covering the activities of Triodos Bank NV in the Netherlands, Belgium, the UK and Spain, as well as an agency in Germany. The report covers the period from 1 January to 31 December 2008.

Triodos Bank's previous sustainability report was published in April 2008 and covered the 2007 calendar year. The reporting in the 2008 financial year is based on the same principles as the 2007 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 sustainability reporting guidelines 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 verified by SGS International Certification Services EESV. This Annual Report contains a number of changes compared to the 2007 Annual Report. The most important of these concerns the merger of the Triodos Fund Management and Triodos Investment Management business units with the associated figures. The comparative figures for 2007 have been adjusted accordingly.

GLOBAL REPORTING INITIATIVE

Triodos Bank used the Global Reporting Initiative's third generation (GRI 3) guidelines (as published in October 2006) for the first time in the preparation of the 2008 Annual Report. For the fourth time, we used the GRI Financial Services Sector Supplements Environmental Performance and Social Performance, published in November 2002 and March 2005 respectively. Triodos Bank uses these guidelines to try and ensure a high degree of comparability between its report and those of other companies that use the GRI guidelines. For more information about GRI, please refer to www.globalreporting.org.

GRI CONTENT INDEX

The overview on the following pages lists the GRI indicators, together with references to the place in the report where this information can be found. Reference is made either to a page or a section in the report or to the Triodos Bank website. Some places are marked with 'NA', indicating that Triodos Bank does not regard this item as not applicable for 2008. The relevance of each item is reviewed annually.

GRI Content Index

Triodos Bank prepared this annual report according to GRI G3 guidelines. The Bank's ambition is to do this at A+ level. This has been checked and confirmed by the GRI.



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Triodos Bank does not receive government funding
- EC5 Standard entry-level wage NA
All branches pay salaries above the minimum wage; Triodos Bank does not have any branches in developing countries
- EC6 Locally-based suppliers 137-139
- EC7 Local hiring NA
Triodos Bank only recruits in countries in which it has branches
- EC8 Infrastructure investments NA
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	<i>Triodos Bank's branches are exclusively located in urban environments</i>		HUMAN RIGHTS		
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	<i>In view of the nature of Triodos Bank's activities</i>			<i>Triodos Bank has no activities in high risk areas</i>	
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LA3	Benefits, only for full-time co-workers	NA			
	<i>Terms and conditions of employment are the same for all co-workers in line with national legislation</i>				

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	<i>All of Triodos Bank's activities are sustainable</i>	
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	<i>Triodos Bank applies the same salary scales for men and women</i>	
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	<i>Triodos Assurantiën functions as an insurance broker</i>	
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	<i>Triodos Assurantiën functions as an insurance broker</i>	

Key

NA	Not Applicable
TBP	Triodos Business Principles (www.triodos.com/mission/businessprinciples)
Criteria	www.triodos.com/research&dialogue/criteria (investment criteria) www.triodos.com/whowefinance/funds (lending criteria)

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An overview of our history

1968 A study group, consisting of Adriaan Deking Dura (an economist), Dieter Brüll (a professor in tax law), Lex Bos (an management consultant) and Rudolf Mees (a banker) form a study group to see how money can be managed sustainably.

1971 Triodos Foundation is established to use gifts and loans to support innovative projects and companies.

1980 Triodos Bank NV is established with EUR 540,000 in start-up share capital and a full banking licence from the Dutch Central Bank. It starts operating in the Netherlands.

1990 Triodos Bank launches the first green fund in Europe, Biogroend Beleggingsfonds. The Wind Fund and Green Investment Fund follow later.

1993 Triodos Bank opens a branch in Belgium.

1994 Triodos Bank launches two foundations: Stichting Triodos-Doen opens for business in cooperation with Stichting DOEN, and Stichting Hivos-Triodos Fonds begins in cooperation with Hivos. Both funds invest in developing countries and are among the first in the world to invest in microfinance.

1995 Triodos Bank opens a branch in the United Kingdom.



1997 The Triodos Added Value Fund is launched, with Delta Lloyd Asset Management, and listed on the Amsterdam stock exchange.

1998 Triodos Bank merges its three green funds to form the Triodos Green Fund. This listed fund drives the success of the Groenregeling, a Dutch tax scheme for green projects.

2000 In the Netherlands, the Triodos Added Value Fund allows investors to choose between Equity, Bond and Mixed Funds.

2002 The Triodos Fair Share Fund is established in the Netherlands offering private individuals and institutions the chance to invest in microfinance institutions in developing countries.

2004 Triodos Bank opens a branch in Spain. Triodos launches the Sustainable Real Estate Fund, the first real estate fund to invest exclusively in sustainable buildings.

2006 Triodos Bank opens its international headquarters in the Netherlands.



Triodos launches its first Luxembourg based investment fund, Triodos Renewables Europe Fund, to invest in European renewable energy projects. In the Netherlands, Triodos Culture Fund starts operating.

2007 Triodos Bank launches the Triodos Values Pioneer Fund. This fund is part of a second Luxembourg fund and incorporates Triodos Values Equity Fund and Triodos Values Bond Fund. Triodos Sustainable Real Estate Fund is listed on Euronext Fund Service, and Triodos Real Estate Development is launched in the Netherlands.

2008 Triodos Bank launches the Triodos Values Pioneer Fund. This fund provides trade finance to certified organic and fair trade producers in developing countries and emerging markets.