Triodos Bank EU Taxonomy reporting methodology 2021

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1. Introduction

This document is supplementary to the text in the annual report and provides a more elaborate explanation of the methodology used by Triodos Bank to report on the EU Taxonomy.

The 2021 annual report provides the following information in Chapter 1.3.7 – Taxonomy reporting:
- What is the EU Taxonomy?
- What does Triodos Bank need to disclose?
- Scoping considerations: why most of our sustainable lending portfolio falls outside the EU Taxonomy scope
- Triodos Bank N.V. 2021 Taxonomy-eligibility figures
- Compliance with the Taxonomy regulation: How the Taxonomy fits into Triodos Bank

Appendix VII contains the full Taxonomy disclosures based on the Delegated Act Annex VI. The appendix further explains how the template has been applied and assumptions and limitations that are relevant for the first year that we report on the EU Taxonomy.

The remainder of this document is structured as follows. This chapter gives further background on the EU Taxonomy (and hence has overlap with the disclosure in the annual report). The next chapters provide information on definitions used, the scope of the EU Taxonomy and, on a high level, the EU Taxonomy reporting process within Triodos Bank.

The methodology for the EU Taxonomy reporting has been created by Group Finance in close collaboration with Group Legal and in support by various external parties. The qualitative and quantitative disclosures on the EU Taxonomy are externally audited, and limited assurance is provided on the Taxonomy-related disclosures. The full methodology document has been condensed in order to make it easier to understand for an external reader, while still providing a solid basis on which to gain insight into our EU Taxonomy reporting process.

1.1 Background of the EU Taxonomy and the Sustainable Finance Action Plan

The Taxonomy Regulation and the Delegated Regulation both form part of the EU action plan on sustainable finance (the Sustainable Finance Action Plan, “SFAP”), a package of interlocking regulatory initiatives at the EU level which aims to strengthen sustainable finance and sustainable growth. This mainly consists of the SFDR (Sustainable Finance Disclosure Regulation) and the EU Taxonomy. In addition to the disclosure requirement of Article 8(1) Taxonomy Regulation, various other sustainability-related disclosures are prescribed throughout the Taxonomy Regulation and the other legislative initiatives of the SFAP. The focus of this document is on the application of the EU Taxonomy.

The EU Taxonomy is a classification system created by the EU to identify which economic activities are green and which are not. The goal is to stimulate sustainable investment and to provide companies, investors, and policy makers with tools to define which economic activities can be considered as environmentally sustainable.

This should create transparency and security for investors, mitigate greenwashing and provide guidance to companies how to be climate friendly. Additionally, the EU Taxonomy should accelerate the investments that support the transition towards a low-carbon economy[1].

Currently, within the EU Taxonomy six environmental objectives have been set:
1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Pollution prevention and control
5. Protection and restoration of biodiversity and ecosystems
6. Transition to a circular economy

An economic activity is seen as Taxonomy-eligible if it has been included in the Taxonomy Delegated Acts and thus if there is an indication that it could contribute to one or more of the environmental objectives. According to the EC FAQ released in December 2021[2] and Article 8(4) of the Disclosures Delegated Act, eligibility-related disclosures of financial undertakings shall be based on actual information, provided by the financial or non-financial undertaking,. In the case where an underlying undertaking has not yet disclosed its Taxonomy eligibility, a financial undertaking may choose to estimate the proportion of eligibility of economic activities. Such estimated values may only be reported on a **voluntary** basis and must not form part of the **mandatory** disclosures. This[3] can be assessed based on the industry code of the economic activity. Although the legal texts from the Delegated Acts are considered to be binding above the FAQ, the guidance below has led to the decision to split the reporting into a mandatory and a voluntary disclosure.

One step further than Taxonomy-eligible is when an activity is Taxonomy-aligned, meaning the economic activity:
1. Contributes substantially to one or more of the environmental objectives
2. Does no significant harm to any of the other environmental objectives
3. Complies with minimum social safeguards
4. Complies with the technical screening criteria defined by the EU

Within the Taxonomy regulation currently only the specific technical screening criteria for two environmental objectives are included: climate change mitigation and adaptation[4]. In the coming year, the screening criteria will be extended for the remaining environmental objectives. Additionally, the Taxonomy might be expanded to also define criteria for social objectives,as well as activities that significantly harm environmental objectives[5].

[1] See https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en
[2] https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-Taxonomy-article-8-report-eligible-activities-assets-faq_en.pdf
[3] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE)
[4] https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en
[5] Call for feedback on the draft reports by the Platform on Sustainable Finance on a social Taxonomy and on an extended Taxonomy to support economic transition | European Commission (europa.eu)

2. Definitions

2.1 Abbreviations

Abbreviations	Meaning
AIFs	Alternative Investment Funds
AuM	Assets under Management
CCO	Chief Commercial Officer
EB	Executive Board
EC	European Commission
DA	Delegated Act
DNSH	Do No Significant Harm
EDW	Enterprise Data Warehouse
GAR	Green Asset Ratio
NFRD	Non-Financial Reporting Directive
SFAP	Sustainable Finance Action Plan
SFDR	Sustainable Finance Disclosure Regulation
T-IM	Triodos Investment Management
TGIC	Triodos Group Impact Committee
TSC	Technical Screening Criteria
TRMC	Triodos Regenerative Money Centre
UCITSs	Undertakings for the Collective Investment in Transferable Securities

2.2 Definitions

Term	Definition
Credit institution	Triodos Bank is a credit institution as defined in article 1:1 of the Act on Financial Supervision (Wft).
Do No Significant Harm (DNSH)	Criteria under which the other environmental objectives are not harmed by an economic activity that substantially contributes to one of the environmental objectives identified by the Taxonomy.
Environmental Objectives	The six environmental objectives identified by the Taxonomy Regulation, to which environmentally sustainable activities can contribute. These objectives include climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems.
EU Taxonomy	The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities[1]
NACE	The Statistical classification of economic activities in the European Community, abbreviated as NACE, is the classification of economic activities in the European Union (EU); the term NACE is derived from the French Nomenclature statistique des activités économiques dans la Communauté européenne. Various NACE versions have been developed since 1970[2].
Taxonomy-aligned	Economic activities that contribute substantially to one or more environmental objective in line with the technical screening criteria established in the Delegated Acts, do no significantly harm (DNSH) to the other objectives, and are carried out in compliance with the minimum safeguards or Art. 18 of Taxonomy Regulation.
Taxonomy-eligible	Sector or economic activity that could substantially contribute to one or more environmental objective.
Technical Screening Criteria	Detailed provisions laid down in Delegated Acts identifying when an eligible activity substantially contributes to one or more environmental objective.
Triodos Bank Group	'Triodos Bank Group' means the economic and organisational unity, under central control, constituted by a primary group consisting of Triodos Bank N.V. and all legal entities in which Triodos Bank N.V. owns more than 50% of the economic rights, and a secondary group consisting of all legal entities in which the primary group has effective management control, as well as the Triodos Investment funds incorporated in the Netherlands and Luxembourg.

[1] https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-Taxonomy-sustainable-activities_en

[2] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE)

3. Scope

This methodology applies to Triodos Bank Group. Triodos Bank is subject to the non-financial disclosure requirements of Directive 2013/34/EU (the “Accounting Directive”), as amended by Directive 2014/95/EU (the Non-Financial Disclosure Directive, “NFRD”). As such, Triodos Bank falls within scope of the disclosure requirement of Article 8(1) Taxonomy Regulation.

Triodos Bank qualifies as a credit institution for purposes of identifying the applicable requirements and methodologies for determining the Taxonomy disclosure, as set out by the Delegated Regulation. The disclosure requirement applies at the level of “prudential consolidation”, i.e. based on the prudential consolidated financial statements that are disclosed in the context of supervisory financial reporting (FinRep). The disclosures pursuant to Article 8(1) Taxonomy Regulation should therefore also consider the activities performed by or through the consolidated subsidiaries of Triodos Bank. Any non-banking activities or services that are performed within Triodos Bank Group should also be addressed based on the requirements and methodologies provided for credit institutions. Specifically, the portfolio management activities and asset management activities that are performed by the private banking and investment management divisions of Triodos Bank do not warrant additional qualifications as an “asset manager” or “investment firm”.

The Taxonomy aims to provide information to market participants about the extent to which an undertaking contributes to activities that are environmentally sustainable. This is done through a reporting obligation that requires non-financial and financial undertakings to report on several KPIs. For non-financial undertakings these are the turnover, capex and opex deriving from Taxonomy-aligned activities. For financial institutions and, particularly relevant for Triodos Bank, credit institutions, the relevant KPI is the Green Asset Ratio (GAR), basically identifying the ratio of Taxonomy-aligned exposures over total exposures. Other KPIs that credit institutions must disclose include off-balance sheet exposures such as a similar ratio for Financial Guarantees and Asset under Management, a KPI on Fees and Commissions deriving from Taxonomy-aligned activities, and a KPI covering the trading book portfolio, if present.

The disclosure requirement of Article 8(1) Taxonomy Regulation is gradually becoming applicable starting from 1 January 2022. t. The requirement to disclose on Taxonomy-eligibility and the qualitative disclosures will start to apply on 1 January 2022 and with respect to financial year 2021. For credit institutions, the requirement to disclose Taxonomy-alignment and the KPIs will only enter into effect on 1 January 2024 and with respect to financial year 2023. The rationale for this deferred application is that credit institutions can only start to disclose information on Taxonomy-alignment after such information has been disclosed by their (non-financial) counterparties[1]. Furthermore, the applicability of the requirement to disclose the F&C and Trading KPIs will remain deferred until 1 January 2026[2].

The 2021 Taxonomy eligibility assessment includes our business loans, Treasury positions, mortgage loans and (specialised lending to) municipalities on our balance sheet. Over 2021 most of our Taxonomy-eligible assets are in mortgages and in the renewable energy, sustainable property, and

[1] Articles 10(2), 10(3) and 10(4) Delegated Regulation. For non-financial undertakings, the requirement to disclose information on Taxonomy-alignment enters into effect on 1 January 2023 with respect to financial year 2022, providing a phase-in period for credit institutions to collect Taxonomy-alignment data of their counterparties.

[2] Article 10(4) Delegated Regulation.

social housing sectors. Exposures of Triodos Bank UK are to be considered if they are subsidiaries of an EU based group. Triodos Investment Management activities are seen as 'Assets under management' which is not included in the mandatory reporting for FY2021. Additionally, while Triodos Investment Management is active in Europe, the global activities outside the EU fall out of scope for Taxonomy eligibility. Other asset management activities within Triodos Bank including private banking and activities of TRMC also remain out of scope as these do not meet the UCITS/AIF qualification. In the future these activities will be relevant for the EU Taxonomy KPI on Fees and Commissions, which will become applicable as per 2026.

Reporting covers only certain exposures. Exposures towards central governments, central banks and supranational issuers are always excluded from both the numerator and the denominator of the GAR. As a common rule, exposures towards undertakings not subject to an obligation to report under the NFRD and, consequently, also on Taxonomy alignment, are excluded from the numerator unless these undertakings have decided to voluntarily report. In other words, Triodos Bank does not have to assess the extent of Taxonomy alignment of such exposures for its mandatory disclosure obligations.

By 1 June 2024 the European Commission will review the exclusion of certain exposure categories. These are (i) exposures to central governments and central banks; and (ii) exposures to undertakings that are not subject to a requirement to disclose non-financial information pursuant to the NFRD/CSRD (i.e., SMEs and larger undertakings not meeting the size criteria set out in Paragraph 3.1). In case of a positive review by the European Commission, these exposure categories may be brought into the scope of the disclosure requirements.

4. EU Taxonomy reporting process

This chapter sets out the EU Taxonomy reporting process including data requirements, sources, flow of data, considerations in the quantitative reporting and assumptions and limitations in the EU Taxonomy disclosure in the annual report.

4.1 Data requirements

4.1.1 NFRD obligatory counterparties

The Non-Financial Reporting Directive (NFRD)[1] is relevant to determine the scope of exposures that must be taken into account for the Article 8(1) Taxonomy Regulation disclosure requirement. Exposures to undertakings that are not subject to the NFRD remain out of scope for the mandatory Taxonomy disclosure. The NFRD applies to a category of large undertakings that are established in the EU and meet certain minimum size criteria. As a result of these thresholds, exposures to small and medium size enterprises ("SMEs") and exposures to most non-listed large undertakings remain out of scope of the disclosure requirement of Article 8(1) Taxonomy Regulation. The NFRD threshold is not relevant for exposures to counterparties that are not undertakings (e.g. households and local governments).

In order to determine the applicability of the Taxonomy Regulation disclosure requirement, it must be assessed whether an undertaking is subject to the NFRD disclosure requirements as laid down by Articles 19a(1) and 29a(1) of the Accounting Directive. Especially in the first year of Taxonomy reporting, where counterparties have not yet published their NFRD reports, this is a complex assessment involving several compounded size criteria that are provided throughout the Accounting Directive.

The NFRD applies to "large undertakings" that also qualify as "public interest entities". Where an undertaking is a consolidated subsidiary of a group company, the NFRD criteria must be met at the consolidated level. When a subsidiary meets the NFRD thresholds on an individual level, it can be assumed that the parent company also meets the NFRD criteria.

The specific application of the NFRD directive differs per EU Member State. In general, undertakings that are subject to the non-financial disclosure requirements of the NFRD must meet the following three cumulative requirements (at the consolidated level)[2]:

1. ≥500 employees; and
2. Balance sheet total ≥ EUR 20.000.000 **and/or** net turnover ≥EUR 40.000.000; and
3. Being a "public interest entity" ("PIE"), which is any one of the following types of entities:
   a. EU entities with a listing on an EU regulated market;
   b. EU credit institutions;
   c. EU insurance undertakings; and
   d. EU entities that have been designated as a public interest entity by a Member State.

The most important deviations concern Belgium (different size thresholds) and Spain (requirements ii. and iii are combined). In Spain this means that an entity with 500 FTE and BS of 20M is already considered NFRD obligatory without needing to be

[1] Non-financial statements include various disclosures on environmental, social and governance related matters. As such, the non-financial statement (including the Taxonomy disclosures) forms part of the management report which, in turn, forms part of the annual reports published by undertakings that are subject to such disclosure requirements. The scope is expected to be expanded significantly in 2024, following the entry into force of the Corporate Sustainability Reporting Directive ("CSRD"). The CSRD will both extend the scope to more companies that require to report on non-financial information and enforce more standardisation in how companies report on non-financial information.

[2] These requirements are laid down by Articles 2(1), 3(4), 19a and 29a of the Accounting Directive. Although the focus is on the consolidated level, the criteria may also already be met at the individual level.

a PIE, or an entity that is a PIE and has a turnover of 40M is also considered NFRD obligatory.

As mentioned, the identification of NFRD-obligatory counterparties is a complex assessment as the exact criteria differ per EU state and there is no public database or repository of NFRD-obligatory companies. The February 2022 FAQ suggests to limit the scope to the EU NFRD requirements, without including smaller undertakings whose compliance with the NFRD has been determined by national measures transposing the NFRD. We have performed an analysis on the basis of national implementation, which may be broader than the EU requirements.

Identifying Public Interest Entities (PIEs)
Different methods exist to identify PIEs. For the first criterium of being an EU entity with a listing on an EU regulated market (debt or equity), The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, maintains lists of entities listed on EU regulated markets. Lists also exist for listed debt securities (bonds), however these are registered at debt security level and are not per se directly linked to the entity that has issued the debt security. For the second and third criteria of being an EU credit institution or insurance undertaking, it is possible to identify counterparties through ECB and supervisors lists of licensed EU Banks and insurers. The fourth criterium is the most complex as no total list is available per Member State. Designated entities are added and removed over time and methodologies differ per country. The most complex analysis is for TBNL and TBBE as specific types of organisations are mentioned such as grid operators or central clearing parties.

An alternative for identifying PIEs is the so-called 'auditor approach'. Only auditors with a license for public interest entities are allowed to provide assurance services to PIEs. In the Netherlands and Belgium, the audit landscape is fairly compounded where only a limited number of auditors are licensed to audit PIEs. These auditors are obliged to publicly disclose in their transparency report which PIEs they audit. These lists can be used for the Netherlands and Belgium to do a relatively simple check on whether a counterparty is a public interest entity. For other countries the check is less reliable as the audit landscape is more fragmented

It has also occurred that counterparties meet the size criteria on an entity level, but the organizational structure is complex and/or little information is provided by the counterparty. In these situations, a best effort has been considered and the relation manager has been asked to confirm whether the counterparty does not have listed debt or equity and is not a licensed bank or insurer.

Additional considerations on ownership structures
For undertakings owned by governments or public authorities, the government is not considered the ultimate parent for the purpose of Taxonomy reporting. In the example of a Dutch grid operator owned by the Dutch government, the unit of analysis is considered the grid operator, regardless of whether ownership lies 100% with the Dutch government. The economic activities and NACE code(s) to be assessed are those of the grid operator, as well as the turnover/capex/opex data that will be employed in the following years of reporting.

4.1.2 Economic activity and NACE codes for voluntary reporting

Following the Art 8 FAQ, in the voluntary disclosures, credit institutions are invited to report about exposures towards clients that do not (yet) publish non-financial reports on the basis of the NFRD. These include almost all NFRD counterparties in the first reporting year and, generally, SMEs not covered by the Taxonomy disclosures obligations. For the voluntary reporting the economic activity of a counterparty can be established using the NACE code. The Delegated Regulation and the reporting template require credit institutions to provide a breakdown of financed activities where the use of proceeds is known (including, but not limited to project finance, object finance and other types of specialised lending) and financed activities where the use of finance is not known (general lending, and equity)[1]. A level 4 NACE code should be assigned to a specific financed activity in such cases where the use of

[1] Delegated Regulation, Annex V, No. 1.2.1.1.1.1. The relevant columns in the reporting template are classified as "specialised lending".

proceeds is known, and a level 4 NACE code should be assigned to the financed undertaking itself in such cases where the use of proceeds is not known. Where more NACE codes can be associated to an undertaking and its products or services, additional tools exist that allow to estimate the extent of turnover deriving from each activity.

NACE codes can be used in the voluntary disclosure to estimate whether economic activities of counterparties are Taxonomy-eligible. A list of NACE codes and relating sector information was created by analysing the Taxonomy Delegated Acts (Annex I and II) and the EU Taxonomy Compass[2] that, while not being formally an EU legal act, provides authoritative guidance on the Taxonomy and its use. The Taxonomy Compass contained omissions compared to the Delegated Act, in which the Delegated Act is considered to be leading. Subsequently the completed overview was 'unpivoted' to create one NACE code per row in the list in order to properly search by NACE code. Where possible the counterparty NACE code is mapped on level 4. If either level 4 is not available for the counterparty or the NACE code list for eligibility does not contain a level 4 code, the level 2 NACE code is mapped to the eligible NACE code list. When there is a match between the counterparty NACE code and the Taxonomy NACE code list we assume 100% eligibility of the exposure.

There may be exposures towards subsidiaries which are part of a group publishing consolidated (non) financial statements under Art 29a of the NFDR, i.e. 'large groups' as defined by Art. 3(7) of Directive 2013/34 on annual financial statements, consolidated financial statements and related reports. In this case, and especially for general purpose loans, the applicable NACE codes are those of the subsidiary or other undertaking towards which the exposures are directed, and not that of the ultimate parent, or of the group. This is because the relevant NACE codes are those of the economic activity that is being financed, that must be assessed with respect to the bank's direct counterparty.

The assessment of groups and the identification of the correct NACE codes at the level of the subsidiary also matters for exposures of Triodos Bank UK. While large UK-based undertakings are out of scope, as they do not have to report under the NFRD, UK subsidiaries of EU-based groups (i.e. with a parent company established in an EU country) are under NFRD obligations and will have to be included in our Taxonomy report.

Currently the use of proceeds is not recorded in sufficient detail in order to accurately identify situations of specialized lending and match these to the EU Taxonomy. With a view to future reporting, it is important that Triodos Bank will start collecting relevant information required concerning NACE codes, NFRD compliance, eligibility, and Taxonomy alignment for new counterparties in the loan origination process and other suitable ways .

We recognise several limitations on using NACE codes as an estimation of Taxonomy eligibility. Nonetheless we will use NACE codes as a rough assessment of eligibility of the portfolio. In the future we hope to both increase our NACE code data quality and use direct client input to determine Taxonomy eligibility. We will also explore the possibilities to use information derived from our impact metrics in the Taxonomy eligibility and Alignment assessment.

1. The data quality of NACE codes. Validation reports from third parties have concluded that improvements are necessary in the data quality of the NACE code. These reports recommend to make more use of NACE codes (beyond formal requirements) as an increased weight and usage of NACE codes is observed in the banking industry, for instance in relation to ESG regulatory reporting requirements that will increase over the next few years. Currently a substantial amount of NACE codes for customers are mapped from the Triodos Bank Internal Sector code. When the NACE code of a counterparty is not available, the internal Triodos Bank Sector Code used in Triton is mapped to a NACE code. While NACE codes are an important element in the first stage of our phased in approach, following Art. 8(4) of the Delegated Act and FAQ 20 of the February FAQ, we plan to use more direct client information to determine

[2] https://ec.europa.eu/sustainable-finance-Taxonomy/tool/index_en.htm

Taxonomy eligibility in 2022, which decreases the urgency for NACE data quality.

2. The relation between NACE codes in the TSC and the actual description of economic activities in the TSC. According to the EU Taxonomy FAQ all descriptions of economic activities included in Annexes I and II to the Climate Delegated Act provide that the economic activities in the respective category can correspond to one or more specific NACE codes. Only the specific activity description in the Climate Delegated Act sets out the exact scope of the activities included in the Act, meaning that while the NACE classification can be supportive, the Technical Screening Criteria are directive. While recognizing that an accurate description of economic activities is more exact than using a company NACE code, Triodos Bank has used the NACE code as a first proxy in this first year of voluntary reporting. We expect to increase the use of direct client Taxonomy information for the next year of reporting.

3. By relying only on the NACE codes and not on the activity description, there is a risk of capturing more activities than actually eligible by matching on both level 4 NACE codes and level 2 NACE codes. We see this as a shortcoming in general in this first year of a phased-in approach in implementing the EU Taxonomy. Although the TSC refer to multiple level 4 NACE codes (within C25 for example), multiple activities in the TSC refer to C25 level 2, such as Manufacture of renewable energy technologies and Manufacture of equipment for the production and use of hydrogen. We agree that a level 4 activity provides a better description and indeed the descriptions are directive, however the NACE code, also on a level 2, is currently our best proxy to estimate eligibility for activities in this first year of reporting. Therefore if the TSC contain a reference (or multiple in this case) to a level 2 NACE code such as C25, and Triodos Bank has a level 4 NACE code that does not fit any level 4 NACE codes in the TSC but it does fit the level 2 NACE (for example C25.9.9), we see this activity as eligible. We believe our minimum standards and lending criteria should prevent situations where we could potentially finance harmful activities.

4. There is an assumption that 100% of the turnover of a company is eligible, while that company may in fact also generate revenues from activities, products and services that are classified under another NACE code. By the same token, there is a risk of failing to capture turnover associated to eligible activities from companies whose main economic activity falls under a non-eligible NACE code.

4.1.3 Other information used

Eligibility analysis for voluntary disclosure
The EU Taxonomy voluntary disclosure relies on the use of counterparty NACE codes to determine eligibility. For a selected subgroup of NFRD-obligatory non-financial counterparties that are not eligible based on NACE code we have performed additional analysis on the nature of these client activities. These were not eligible and had either NACE code D35, D35.1.1 or D35.1. Looking at the Triodos Bank internal (Risk) sector code, the majority of these clients are in either wind or solar renewable energy. Additionally, a check within the impact metrics reporting revealed that the majority of these clients generate renewable energy. Based on the above, we believe we may conclude that the majority of these activities align with the description of activities as provided in CCM TSC:

- (Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology) and
- (Construction or operation of electricity generation facilities that produce electricity from wind power

Therefore a list has been added to the Taxonomy reporting template that indicates which clients' activities can be considered as Taxonomy-eligible based on this manual analysis.

4.2 Process and data flow

FinRep

The main source for the quantitative information on the EU Taxonomy is FinRep. FinRep is a requirement of the EBA for credit institutions to provide periodic reports to supervisory bodies containing granular income statement and balance sheet data. As stated in the scoping section, the EU Taxonomy disclosure requirement applies at the level of "prudential consolidation", i.e. on the basis of the prudential consolidated financial statements that are disclosed in the context of supervisory financial reporting (FinRep).

Triodos Bank leverages Abacus[3] as a software solution for her regulatory reporting. This is also the environment in which the information for EU Taxonomy reporting is collected. Currently there is no specific module present in Abacus for EU Taxonomy filings. Therefore, the current reporting is a manual exercise to gather information from multiple FinRep forms.

The steps to match counterparty NACE codes to Taxonomy-eligible activities for our voluntary disclosure are described below:
1. Extract the counterparty NACE code from FinRep which ranges from level 2 (D35 for example) up to level 4 (D35.1.1)
2. Exact match lookup on both level 2 and level 4. For example, D.35.11 is a match on level 4.
3. If either level 4 or level 2 is eligible, we mark the position as eligible
4. As such, we have situation for example that NACE D.35.11 (level 4) is eligible and the D.35 (level 2) is not eligible (no exact match on D.35 in the CCA/CCM list). In this case, as we have a match on the level 4, we see the position as eligible.[4]
5. Another example: (L68.2.0) for a counterparty is L.68.20 for level 4 and L.68 on level 2. It is not a match with CCA or CCM on level 4 (L.68.20), but on level 2 (L.68), there is a match with CCA or CCM and therefore we see this position as eligible.

To ensure consistency with FinRep the quantitative reporting template is reconciled with FinRep. FinRep itself is reconciled with the Annual Report financial statements by Group Finance. Within Abacus different reporting forms exist to provide regulatory bodies with financial reporting information.

The source for the quantitative reporting template comprises four segments within Triodos Bank: Business Banking, Retail Banking, Triodos Investment Management and Triodos Treasury positions. All these segments are linked to the Triodos Enterprise Data Warehouse (EDW). The EDW contains a datamart for Abacus, which provides input to the Abacus solution for FinRep.

Retail Banking

Exposures to Retail Banking counterparties are exposures to households and for the largest part comprise mortgage loans. The main source for mortgage loans are the core banking systems and the Stater administration (only used by TBNL and TBBE).

Business Banking

The majority of the exposures are to counterparties within the Business Banking segment. Financial information of business banking clients is stored in Triton, the Triodos Bank core banking system used by TBNL, TBBE and TBUK. TBDE uses Agree (related to the core banking system from Fiducia) and TBES uses ITECBAN (related to the core banking system of INDRA).

Triodos Bank has a phased-in approach to determine which counterparties are NFRD-obligatory until a central database comes into place (expected after CSRD is in effect). For the majority of the counterparties a consistent procedure is used. See chapter 4.1 for more information.

Local governments – specialized lending
A special category within the EU Taxonomy is the local governments – Specialised Lending. For more interpretation on how this was applied in the reporting template, see chapter 4.4.1.

Triodos Bank has performed an analysis within the business banking portfolio as to what extent

[3] https://www.regnology.net/en/our-solutions/banks-other-financial-institutions/abacus-banking-regulatory-reporting/
[4] We will not go beyond matching of level 2 NACE codes if this is not available within the EU Taxonomy. So for example, L68 (real estate activities), is only provided on a level 2 within the TSC. Meaning that if we have a match on level 2 or level 4, we see the counterparty as eligible. Even if we have more information on a level 4 (L6820), the Taxonomy in that case does not give us more information to determine eligibility beyond the level 2 through use of NACE codes. The other way around, if we do not have more information on an activity beyond level 2, but a level 4 is needed to be eligible, we do not report a position as being eligible as there is no exact match on the level 2. So for example, where we only have NACE code D35 available, we do not see positions as eligible because within D35 you need a level 4 NACE code, for example D3511, to be eligible.

specialised lending to local governments occurs. Some credit agreements to local governments mention specific used of proceeds. A manual analysis has been performed on these exposures to map the financing goals against specialised lending in the form of either 'public housing' or 'other local government financing'[1]. Where the credit agreement gave enough evidence, the exposure was considered as Taxonomy-eligible. Additional input from TBNL was requested on loans with indication of specialised lending, but not enough evidence to link to real estate.

Treasury positions

The scope of the EU Taxonomy reporting includes Treasury positions of Triodos Bank, for example cash and cash-related assets that are kept at other banks to maintain liquidity. These positions are also related to counterparties that may be subject to NFRD disclosure obligations.

Group Treasury has invested in Green and Sustainable Bonds, which is a specific exposure category where a use of proceeds is determined. The Delegated Act provides insufficient guidance on green bonds but does refer to specialised lending only to undertakings or for local governments (municipalities). The latest FAQ issued in February 2022[2] question 31 does mention that financial undertakings shall include in the numerator of the eligibility disclosure the Taxonomy-eligible proceeds of environmentally sustainable bonds and debt securities issued by undertakings whose purpose is to finance specific identified activities. Therefore, we have made the decision to include green bonds in the reporting template separately. In question 32 reference is made to Article 7(1) to exclude exposures to central governments, central banks and supranational issuers from the calculation of the numerator and denominator of KPIs of financial undertakings. Based on these references, only green bonds from financial undertakings, non-financial undertakings and local governments are included as part of the mandatory disclosures. Also considering Annex V 1.2.1.1. under (2)(c)(1)(a)[3], although this section refers to green bonds issued by non-financial undertakings, it states that credit institutions shall consider total gross carrying amounts to exposures to Green Bonds. Both EU and Non-EU exposures are included based on the guidance provided in the latest FAQ (February 2022) and as the eligibility information is obtained from Green Bond issuance reports.

Triodos Bank positions

An analysis was performed on-and off-balance sheet positions within Business Banking and Treasury towards Triodos Bank counterparties. Exposures to Triodos Bank counterparties (for example Stichting Hivos-Triodos Fonds or Legal Owner Triodos Funds B.V.) are either not considered as NFRD or Taxonomy-eligible or are eliminated in the consolidation. Positions related to seed capital for T-IM are valued according to the equity method and hence are not considered for the EU Taxonomy (falling under Other assets, and therefore the denominator).

Triodos Investment Management

The off-balance sheet positions in Assets Under Management are reflected by activities for UCTISs and AIFs within T-IM (Triodos Investment Management, excluding positions for Private

[1] This type of input is in line with the information that can be used according to the Delegated Act annex V, section 1.2.1.4. which indicates that 'For the financing of other activities and assets than public housing, credit institutions shall consider the gross carrying amount of the project finance exposures to the public authority to the extent and proportion that the project funded finances a Taxonomy-aligned economic activity. The assessment of whether that requirement has been complied with shall be based on information provided by the public authority on the project or activities to which the proceeds will be applied. The credit agreement meets the criterium of 'information provided by the public authority'. For Public Housing the Delegated Act also allows to use estimates: 'this GAR shall be estimated and disclosed by the credit institution as a proportion of loans to municipalities financing public housing compliant with the technical screening criteria in accordance with Section 7.7 of Annex I to Climate Delegated Act compared to total loans to municipalities financing public housing.'

[2] https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-Taxonomy-article-8-report-eligible-activities-assets-faq-part-2_en.pdf

[3] "Credit institutions shall consider the total gross carrying amount of exposures to environmentally sustainable bonds issued in accordance with Union legislation. Current bond issuances qualified as green bonds by issuers whose use of proceeds have to be invested in Taxonomy-eligible economic activities shall be assessed depending on the level of Taxonomy-alignment of economic activities in accordance with Regulation (EU) 2020/852 or of projects funded, based on specific information provided by the issuer for an issuance. Credit institutions shall provide transparency on the kind of economic activity that is being funded."

Banking and Hivos Triodos Fonds). Frontinvest (FIA) is the T-IM financial administration system and the main source of fund data. Involved in the process are T-IM Product management (Fund data reporters), and the TIM IPD&E Analyst team.

AuM is not to be included in the mandatory EU Taxonomy disclosures. This was a discussion point where our auditor is of the opinion that assets under management are not specifically mentioned in the Delegated Act article 10. As voluntary disclosures are encouraged by the EC, we have decided to disclose the AUM eligibility on a voluntary basis. Triodos Investment Management may report their Total AUM of all holdings and a further breakdown of the holdings to report the percentage of these holdings that are subject to NFRD disclosure obligations and are Taxonomy-eligible. The approach to green debt instruments differs from the on-balance sheet disclosures with regards to green debt. Within Bloomberg currently only a label is available which identifies debt securities classified as green. A verification system to indicate whether a green bond aligns with the EU Taxonomy is not yet in place. Therefore, green debt is treated as regular debt securities where non-EU exposures are not considered in the covered part.

As AIF funds invest mostly in non-listed companies, only a small number of holdings were identified as NFRD obligatory. The UCITS funds invest mostly in listed companies, for which most data is readily available. No field within Bloomberg exists to determine whether an investee is NFRD obligatory. A manual check is performed by using ultimate parent, consolidated FTEs, consolidated revenue and consolidated total assets derived from Bloomberg. Counterparty location is determined using fund information. Using this information, a check is performed on whether the counterparty meets the different NFRD criteria per country[4].

Eligibility information is derived from Bloomberg which provides on an investee level the percentage of turnover that is Taxonomy-eligible. According to the Bloomberg methodology, Financial and non-financial companies under the scope of the NFRD will need to disclose, in their annual accounts, any turnover, capital, and operational expenditure associated with EU Taxonomy-aligned activities. In their disclosures they will detail the percent and value of substantial contribution an activity makes to each of the six environmental objectives. Within Bloomberg the following fields are used to determine eligibility.

- EU Taxonomy Estimated SC Percent Revenue
- EU Taxonomy SC Percent Revenue

No information on Taxonomy eligibility was obtained via Bloomberg from T-IM clients for the mandatory disclosure. The estimated substantial contribution is estimated by applying a sector-based model of testing publicly available information about companies applying the EU Taxonomy and the relevant technical screening criteria (TSC). This field can be used to determine Taxonomy eligibility for the voluntary disclosure.

4.3 Qualitative reporting

The qualitative disclosure of the EU Taxonomy is covered in the annual report under the Executive Board report – Impact and Financial Results, including an appendix with the full EU Taxonomy disclosure. The content of the disclosure is shown in the introduction of this document and meets the qualitative disclosure obligations for FY2021 as set out in the Delegated Act annex XI.

4.4 Quantitative reporting

Art. 5 of the Art. 8 Delegated Act requires credit institutions to present the information concerning Taxonomy reporting by using the templates in Annex VI. The template should thus be employed in its entirety in reporting Taxonomy-alignment. For eligibility reporting, the Art. 8 FAQ clarifies that the use of the templates for eligibility disclosures is not required, but it is recommended in preparation for the alignment disclosures.

Flow, Fees and Commission, and Trading KPIs are not relevant until 2023 and 2026 respectively. Sectoral information for GAR also does not seem relevant for 2022 as the template in tab number 2 does not provide for a separate column to indicate eligibility, different from i.e., the KPI for Asset under

[4] Specific legal insight in the NFRD requirements is available per country where Triodos Bank is active in. If the counterparty is outside one of these countries, general EU NFRD requirements are used.

Management. For the Annual Report 2021, the decision has been made to focus on the first sheet within Annex VI, in line with the Guidance received under the FAQ. The eligibility percentages for off-balance sheet items referred to in tab number 5 (% (compared to total eligible off-balance sheet assets)) will be reported, but not in the specified template format.

4.4.1 EU Taxonomy reporting template

The final reporting template in Annex VI has only been published on the EU Official Journal in December 2021. This version has not corrected well-known mistakes present in the previous draft. Also, in December 2021 the EC has provided a non-binding FAQ containing further guidance on the EU Taxonomy disclosures. Although the legal texts from the Delegated Acts are considered to be binding above the FAQ, the FAQ has led to the decision to split the reporting into a mandatory and a voluntary disclosure. To comply with our reporting obligations despite these delays, Triodos Bank has applied professional judgment in understanding the reporting template and adjusting both reports in the spirit of the Taxonomy and to retrofit the template to what Triodos Bank can realistically report on.

There has been much debate between banks on how to interpret the reporting requirements, which may lead to differences between banks in applying the EU Taxonomy. One of our core values is transparency, hence we want to be open about our Taxonomy figures. But we do need proper and consistent guidance from the regulatory bodies on how to apply the Taxonomy.

Interpretation template
The exact adjustments to the template are included in Annex 1. Reporting template adjustments. The text below provides a high-level description of how Triodos Bank interprets and applies the template from Annex VI. Triodos Bank has decided that the NFRD criterium is also important for financial institutions and therefore has added this split to the template.

Gross carrying amount: amounts are stated in gross carrying amounts, except for the AuM positions as these are generally valued at net asset value. Gross carrying amount is the amortised cost of a financial asset before adjusting for any loss allowance. The AuM will differ from the AuM reported by the Financial Reporting team as these report the AuM on a TNA (total net asset value) basis, meaning a balance sheet value on a fund level that may include other balance sheet items besides investments (loans, other assets, etc.).

Green Bonds. In line with the FAQ (February 2022), we have taken the decision to report green bonds separately. We include green bonds in the nominator only for Financial Corporations, Non-Financial Corporations and to local governments. Green Bonds to sovereigns other than local governments are excluded from the covered assets and reported under exposures to sovereigns. For both mandatory and voluntary reporting, both EU and Non-EU exposures are included based on the guidance provided in the latest FAQ (February 2022) and as the eligibility information is obtained from Green Bond issuance reports.

Financial corporations: it is under discussion whether all financial corporations can be seen as eligible, as these are also organisations that fund other (eligible) banks and would disclose an eligibility ratio. For this reporting year, no financial corporations have been reported as Taxonomy-eligible.

Households. We consider the total of household exposures collateralised by residential property and house renovation loans to households in the template and will not report them separately as all of these loans are considered eligible. Also, within Abacus it is not yet possible to separately create an overview of house renovation loans within the household counterparties.

Local governments. Annex V of the Delegated Act and template provide insufficient guidance on how to treat specialised lending to local governments. Paragraph 1.2.1.4. in Annex V mentions a GAR for loans and advances financing public housing and other specialised lending to public authorities. As the word 'other' is specifically mentioned, this section should only and exclusively relate to specialized lending for local government financing. However, and in deviation from the ordinary meaning of 'public authority', the FAQ has narrowed down the scope of 'local governments', as including governments that are not central governments, state or regional government, social security funds and international organisations. Public housing financing is therefore understood with reference to municipalities only, and 'other local government' or 'public authority' financing as including loans granted to local governments (as defined above) with the aim of funding any assets other than the acquisition of their place of residence of households in the municipality.

The Annex VI template also misses rows to specifically identify the financing for public housing by local governments and other forms of specialised lending. These are added to the template and included from the Business Banking portfolio based on the manual analysis referred to in chapter 4.2. Collateral obtained by taking possession: residential and commercial immovable properties: this line seems to be at an incorrect place in the template. It refers to a category entirely different than local governments. This mistake and the one above, have both been amended in the ITS for ESG pillar 3 disclosures, that have been aligned to GAR disclosures.

Sovereigns are considered all government parties, so local, regional governments, provinces and states. Specialised lending to local governments is isolated within the template from the regular lending positions. Cash positions at central banks are in line with CRR considered as exposures to central banks.

Assets under management. If bank loans to Triodos Investment Management can be considered as on-demand interbank loans, these assets are to be excluded from the numerator of the GAR (see Art. 1.1.2 of Annex V).

EU vs. Non-EU. Under Art. 7(6) a split is required between undertakings established in the EU or outside the EU. This distinction has been determined in Abacus based on the "Risk Country". When the counterparty exposure is not in an EU Member State, the exposure has been considered as 'non-EU country counterparties not subject to NFRD disclosure obligations'. In the template a split has been added for non-EU counterparties between credit institutions, other financial corporations and non-financial corporations.

The NFRD applies to EEA countries (including Norway, Iceland and Lichtenstein) and the Taxonomy applies to the EEA countries. However, the Taxonomy is not immediately binding on EEA countries that are not in the EU. As with any EU legal act applying also to EEA countries it must be approved by the EEA Council and included in the EEA Treaty. While the NFDR has already been approved, the Taxonomy (including its Delegated Act) has not. This means that EEA undertakings do not yet have an obligation to report under the Taxonomy. As we must base our disclosures on the Taxonomy reporting of our counterparties, those in EEA countries do not have an obligation to report on Taxonomy alignment. Hence no data would be Taxonomy related data is expected to be available for these counterparties. Reference in the Art. 8 Delegated Act is also made to 'undertakings *established* in the Union'.

Taxonomy-Eligibility. Consistent with the FAQ guidance, eligibility has been determined on the basis of a mandatory set of disclosures and a voluntary one. For the mandatory part, Taxonomy-eligibility-related disclosures of financial undertakings shall be based on actual information provided by a financial or non-financial undertaking, In the case where an underlying undertaking has not yet disclosed its Taxonomy eligibility, a financial undertaking may choose to estimate the proportion of eligibility of economic activities. Hence, for the mandatory disclosure only the following exposures are considered for eligibility, as they do not depend on NFRD reports:

- Household loans collateralised by residential immovable property.
- Specialised lending to local governments
- Collateral obtained by taking possession: residential and commercial immovable properties

Both the household loans and repossessed collaterals are considered to be eligible for CCM as there is little doubt that the activity falls under Section 7.7 of the Climate Delegated Act (Acquisition and ownership of buildings). The specialised lending to local governments has been tested for eligibility based on information provided in the credit agreements (see 4.2 – Business Banking).

As there is unclear guidance currently on the separation between CCA and CCM and overlap within the EU Taxonomy Compass between CCA and CCM, the decision has been made to report eligibility as a whole in the first reporting year and not make a distinction between the two environmental objectives.

The reporting templates require amounts to be put in monetary units. We will additionally include percentages in the reporting template to enable efficient calculation of ratios and allow comparability across banking reports. Where a percentage needs to be reported for eligibility and this is zero, Triodos Bank will report 0%.

Assets under Management are disclosed on a voluntary basis. It is important to note that, in addition to the activities of Triodos Bank as a credit institution, we carry out activities that include portfolio management, provided by the private banking division, and collective investment management, provided by the investment management division.

Under the DA Annex V, article 1.2.2. a green asset ratio for assets under management is to be disclosed. While the Delegated Act does not explicitly include a requirement for credit institutions to disclose eligibility for AuM in the transitionary period until 2024 it was understood that the scope of mandatory disclosure also encompass AuM of credit institutions. A different interpretation would create an uneven field between asset managers that are independent (and must report) and those part of a consolidated group that qualifies as credit institution (that would not have to report AuM).

This translates for us in 2021 to a ratio of eligible AuM to total AuM, where the eligible AUM concerns equity and debt instruments issued by corporates subject to NFRD. We have therefore decided to split between total AuM, NFRD-AUM and eligible AuM. We have applied the same approach for mandatory and voluntary disclosure illustrated above.

4.5 Assumptions and limitations

NFRD

There is no publicly available database or uniform method available to identify which counterparties are subject to NFRD disclosure obligations. Therefore, a best effort is considered to determine which clients are NFRD obligatory, in order to include these exposures separately as part of the voluntary disclosures. On several occasions professional judgment has been applied as no evidence was present to state otherwise. In these cases, no annual report or public information was available and limited client information was used to conclude that a counterparty did either not meet the enterprise size criteria or the public interest entity criteria. We strongly suggest a central repository on NFRD counterparties in the EU.

Data limitations

Currently our IT systems do not provide sufficient information on specialised lending. Additionally, the use of NACE codes as estimation of eligibility has limitations, on which more information is provided in chapter 4.1.2.

FinRep audit

While FinRep is reconciled with the annual accounts, the external audit on the FinRep figures commences in Q2 2022, meaning that the FY2021 FinRep figures are not audited at the time of publication of the FY2021 annual report.

Applying the reporting template

As mentioned in the previous paragraph, Triodos Bank has made adjustments to the reporting template based on professional judgment. There has been much debate between banks on how to interpret the reporting requirements, which may cause differences between banks in applying the EU Taxonomy.

Annex 1. Reporting template adjustments

The disclosure in Appendix VII of our annual report is based on the reporting template provided in the Delegated Act Annex VI, and includes the following columns:

- Row number (based on AR output number)
- Breakdown of the Exposure / counterparty type
- Total gross carrying amount
- Of which towards Taxonomy relevant sectors (Taxonomy-eligible) for both CCA+CCM according to the mandatory disclosure rules, including % of total gross carrying amount
- Of which towards Taxonomy relevant sectors (Taxonomy-eligible) for both CCA+CCM according to the voluntary disclosure rules, including % of total gross carrying amount

The following changes have been made to the rows:

Original template number	AR output number	Change	Comment	Exposure/ counterparty type
1	1	None		**GAR - Covered assets in both numerator and denominator**
	2	New	Added for green bonds	Green and sustainable bonds
	3	New	Added for green bonds	**Financial corporations**
	4	New	Added for green bonds	**Non-financial corporations**
2	5	Changed wording	Changed wording to exclude green bonds	Loans and advances, debt securities other than green bonds and equity instruments not HfT eligible for GAR calculation
3	6	Changed wording	Changed wording to include NFRD distinction	**Financial corporations subject to NFRD disclosure obligations**
4	7	Changed wording	Changed wording to include NFRD distinction	**Credit institutions subject to NFRD disclosure obligations**
5	8	None		Loans and advances
6	9	None		Debt securities, including UoP
7	10	None		Equity instruments

Original template number	AR output number	Change	Comment	Exposure/ counterparty type
8	11	Changed wording	Changed wording to include NFRD distinction	**Other financial corporations subject to NFRD disclosure obligations**
	12	New	Added for NFRD distinction in FC's	Loans and advances
	13	New	Added for NFRD distinction in FC's	Debt securities, including UoP
	14	New	Added for NFRD distinction in FC's	Equity instruments
9		Removed	Currently within Abacus Finrep only distinction between Credit Institution and Other Financial Corporation is made. For first year decision was made not to create further split as this adds no further value in eligibility reporting	**of which investment firms**
10		Removed	See above	Loans and advances
11		Removed	See above	Debt securities, including UoP
12		Removed	See above	Equity instruments
13		Removed	See above	**of which management companies**
14		Removed	See above	Loans and advances
15		Removed	See above	Debt securities, including UoP
16		Removed	See above	Equity instruments
17		Removed	See above	**of which insurance undertakings**
18		Removed	See above	Loans and advances
19		Removed	See above	Debt securities, including UoP
20		Removed	See above	Equity instruments
21	15	Wording		**Non-financial corporations subject to NFRD disclosure obligations**

Original template number	AR output number	Change	Comment	Exposure/ counterparty type
22	16	None		NFCs subject to NFRD disclosure obligations
23	17	None		Loans and advances
24	18	None		Debt securities, including UoP
25	19	None		Equity instruments
26	20	None		**Households**
27	21	None	For first year of reporting on eligibility, distinction between loans collateralised by residential immovable property and building renovation loans cannot be made	of which loans collateralised by residential immovable property
28		Removed	For first year of reporting on eligibility, distinction between loans collateralised by residential immovable property and building renovation loans cannot be made	of which building renovation loans
29		Removed	Not applicable to Triodos Bank. Also see above comment	of which motor vehicle loans
30	22	Changed wording	Specified for specialised lending and changed for regional and local	**Specialised lending to local governments**
	23	New	Specified for reg. & loc. Gov - specialised lending	of which public housing
	24	New	Specified for reg. & loc. Gov - specialised lending	of which other specialised lending
32		Removed	See new 31.1 and 31.2	Other local government financing
31	25	Moved down	Moved because this is a seperate category, does not fall under local government. Consider in principle all these assets to be eligible for CCM as there is little doubt that the activity falls under Section 7.7 of the Climate Delegated Act (Acquisition and ownership of buildings)	Collateral obtained by taking possession: residential and commercial immovable properties

Original template number	AR output number	Change	Comment	Exposure/ counterparty type
33	26	None		**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**
33.1	27	New	Added for NFRD distinction in FC's	**Financial corporations not subject to NFRD disclosure obligations (EU)**
	28	New	Created for NFRD distinction	**Credit institutions not subject to NFRD disclosure obligations**
	29	New	Created for NFRD distinction	Loans and advances
	30	New	Created for NFRD distinction	Debt securities, including UoP
	31	New	Created for NFRD distinction	Equity instruments
	32	New	Changed wording to include NFRD distinction	**Other financial corporations not subject to NFRD disclosure obligations**
	33	New	Added for NFRD distinction in FC's	Loans and advances
	34	New	Added for NFRD distinction in FC's	Debt securities, including UoP
	35	New	Added for NFRD distinction in FC's	Equity instruments
34	36	None	Only adds all NFCs (non-NFRD), so refers to 1 cell below	**Non-financial corporations**
35	37	Changed wording	Changed from "SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations". Removed SME as SME can also be included in Financial Corp	**Non-financial corporations not subject to NFRD disclosure obligations (EU)**
36	38	None		Loans and advances
37	39	None		of which loans collateralised by commercial immovable property
38		Removed	Distinction not available in systems. Does also not matter as SMEs are not eligible	of which building renovation loans

Original template number	AR output number	Change	Comment	Exposure/ counterparty type
39	40	None		Debt securities
40	41	None		Equity instruments
41	42	None	Decreased indent	**Non-EU country counterparties not subject to NFRD disclosure obligations**
	43	New	Added for dinstinction credit inst., other FC and NFC	**Non-EU Credit institutions**
	44	New	Added for dinstinction credit inst., other FC and NFC	Loans and advances
	45	New	Added for dinstinction credit inst., other FC and NFC	Debt securities
	46	New	Added for dinstinction credit inst., other FC and NFC	Equity instruments
	47	New	Added for dinstinction credit inst., other FC and NFC	**Non-EU Other Financial Corporations**
	48	New	Added for dinstinction credit inst., other FC and NFC	Loans and advances
	49	New	Added for dinstinction credit inst., other FC and NFC	Debt securities
	50	New	Added for dinstinction credit inst., other FC and NFC	Equity instruments
	51	New	Added for dinstinction credit inst., other FC and NFC	**Non-EU Non-Financial Corporations**
	52	New	Added for dinstinction credit inst., other FC and NFC	Loans and advances
	53	New	Added for dinstinction credit inst., other FC and NFC	Debt securities
	54	New	Added for dinstinction credit inst., other FC and NFC	Equity instruments
42		Removed	This was for Credit inst. + Other FC + NFC combined for Non-EU country counterparties not subject to NFRD disclosure obligations. Removed and replaced by split for these type of counterparties to be able to make distinction for calculations	Loans and advances

Original template number	AR output number	Change	Comment	Exposure/ counterparty type
43		Removed	See above	Debt securities
44		Removed	See above	Equity instruments
45	55	None		**Derivatives**
46	56	None		**On demand interbank loans**
47	57	None	Cash part here	**Cash and cash-related assets**
48	58	None		**Other assets (e.g. Goodwill, commodities etc.)**
49	59	None		**Total GAR assets**
50	60	None		**Other assets not covered for GAR calculation**
51	61	Changed wording	Non-specialised lending	**Sovereigns (exposures to regional and central governments and regular lending to local governments)**
	62	New		of which central governments
	63	New	Specified for reg. & loc. Gov - regular lending	of which regional governments and local governments (regular lending)
52	64	None	Cash at central banks part here + loans and advances to central banks	**Central banks exposure**
53	65	None		**Trading book**
54	66	None		**Total assets**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations				
55	68	None		Financial guarantees
56	69	None	To receive directly from T-IM	Assets under management
57	70	None	To receive directly from T-IM	Of which debt securities
58	71	None	To receive directly from T-IM	Of which equity instruments
	72	New	Several mixed funds exist	Of which Mixed (debt Securities and equity instruments)