

Triodos  Bank

Annual Report 2011

Triodos Bank's Annual Report is also available online. Visit the 2011 Online Annual Report for more detailed information, including interviews, summaries of our activity in different countries in Europe and further afield, comprehensive co-worker and environmental reports, and much more.

www.triodos.com/reports



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

Annual General Meeting of Shareholders	25 May 2012
Ex-dividend date	30 May 2012
Dividend payment date	31 May 2012

Annual Report 2011

Triodos Bank NV

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Key figures in EUR

Amounts in millions of EUR	2011	2010	2009	2008	2007
Financial					
Equity	451	362	318	204	200
Number of depository receipt holders	21,638	16,991	14,778	11,797	12,084
Funds entrusted	3,731	3,039	2,585	2,077	1,617
Number of accounts	363,086	278,289	228,030	169,517	130,644
Loans	2,838	2,128	1,661	1,270	1,019
Number	21,900	17,283	14,438	9,381	6,181
Balance sheet total	4,291	3,495	2,985	2,363	1,885
Funds under management*	2,495	2,122	1,876	1,378	1,429
Total assets under management	6,786	5,617	4,861	3,741	3,314
Total income	128.7	102.7	88.3	73.7	59.2
Operating expenses	-89.9	-78.0	-70.4	-55.5	-47.7
Value adjustments to receivables	-15.8	-9.8	-5.0	-3.2	0.6
Value adjustments to participating interests	-0.1	-0.1	-0.4	-1.0	—
Operating result before taxation	22.9	14.8	12.5	14.0	12.1
Taxation on operating result	-5.6	-3.3	-2.9	-3.9	-3.1
Net profit	17.3	11.5	9.6	10.1	9.0
(Core) tier 1 ratio	14.0%	13.8%	15.3%	11.6%	14.9%
Solvency (BIS ratio)	14.4%	14.7%	16.5%	13.0%	16.8%
Operating expenses/total income	70%	76%	80%	75%	81%
Return on equity in %	4.3%	3.4%	4.1%	5.0%	5.6%
Per share (in EUR)					
Net asset value at year end	74	73	72	70	70
Net profit**	3.18	2.45	3.00	3.51	3.85
Dividend	1.95	1.95	1.95	1.95	1.95

	2011	2010	2009	2008	2007
Social					
Number of co-workers at year end***	720	636	577	477	397
Co-worker turnover	9%	11%	10%	14%	18%
Women as percentage of management team	37%	35%	27%	29%	33%
Training costs per fte in EUR	1,660	1,521	1,318	1,240	1,189
Ratio between the highest and the lowest salary****	9.8	8.5	8.5	7.7	7.3
Environment					
Emission of CO ₂ (1,000 kg)	2,885	2,800	2,604	2,097	1,454
CO ₂ compensation	100%	100%	100%	100%	100%

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

** 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 increase on last year is due to a new, lower scale position undertaken by a young co-worker. Lower level salaries are paid just above market rates.

Key figures in pounds

Amounts in millions of pounds#	2011	2010	2009	2008	2007
Financial					
Equity	377	312	283	194	147
Number of depository receipt holders	21,638	16,991	14,778	11,797	12,084
Funds entrusted	3,116	2,615	2,295	1,978	1,186
Number of accounts	363,086	278,289	228,030	169,517	130,644
Loans	2,370	1,831	1,475	1,210	747
Number	21,900	17,283	14,438	9,381	6,181
Balance sheet total	3,584	3,008	2,652	2,251	1,382
Funds under management*	2,084	1,827	1,665	1,312	1,048
Total assets under management	5,668	4,835	4,317	3,563	2,430
Total income	107.5	88.4	78.4	70.2	43.4
Operating expenses	-75.1	-67.1	-62.5	-52.9	-35.0
Value adjustments to receivables	-13.2	-8.5	-4.4	-3.1	0.5
Value adjustments to participating interests	-0.1	-0.1	-0.4	-0.9	—
Operating result before taxation	19.1	12.7	11.1	13.3	8.9
Taxation on operating result	-4.6	-2.8	-2.6	-3.6	-2.3
Net profit	14.5	9.9	8.5	9.7	6.6
(Core) tier 1 ratio	14.0%	13.8%	15.3%	11.6%	14.9%
Solvency (BIS ratio)	14.4%	14.7%	16.5%	13.0%	16.8%
Operating expenses/total income	70%	76%	80%	75%	81%
Return on equity in %	4.3%	3.4%	4.1%	5.0%	5.6%
Per share (in GBP)					
Net asset value at year end	62	63	64	67	51
Net profit**	2.66	2.11	2.66	3.34	2.82
Dividend	1.63	1.68	1.73	1.86	1.43

	2011	2010	2009	2008	2007
Social					
Number of co-workers at year end***	720	636	577	477	397
Co-worker turnover	9%	11%	10%	14%	18%
Women as percentage of management team	37%	35%	27%	29%	33%
Training costs per fte in pounds	1,387	1,309	1,171	1,176	872
Ratio between the highest and the lowest salary****	9.8	8.5	8.5	7.7	7.3
Environment					
Emission of CO ₂ (1,000 kg)	2,885	2,800	2,604	2,097	1,454
CO ₂ compensation	100%	100%	100%	100%	100%

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

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

** The 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 increase on last year is due to a new, lower scale position undertaken by a young co-worker. Lower level salaries are paid just above market rates.

Key figures in dollars

Amounts in millions of US-dollars#	2011	2010	2009	2008	2007
Financial					
Equity	584	484	458	284	295
Number of depository receipt holders	21,638	16,991	14,778	11,797	12,084
Funds entrusted	4,827	4,060	3,723	2,890	2,380
Number of accounts	363,086	278,289	228,030	169,517	130,644
Loans	3,672	2,843	2,393	1,768	1,500
Number	21,900	17,283	14,438	9,381	6,181
Balance sheet total	5,552	4,670	4,301	3,289	2,775
Funds under management*	3,228	2,835	2,701	1,918	2,104
Total assets under management	8,780	7,505	7,002	5,207	4,879
Total income	166.5	137.3	127.3	102.6	87.2
Operating expenses	-116.3	-104.2	-101.4	-77.3	-70.3
Value adjustments to receivables	-20.4	-13.2	-7.2	-4.4	0.9
Value adjustments to participating interests	-0.1	-0.2	-0.7	-1.4	—
Operating result before taxation	29.7	19.7	18.0	19.5	17.8
Taxation on operating result	-7.2	-4.4	-4.2	-5.4	-4.6
Net profit	22.5	15.3	13.8	14.1	13.2
(Core) tier 1 ratio	14.0%	13.8%	15.3%	11.6%	14.9%
Solvency (BIS ratio)	14.4%	14.7%	16.5%	13.0%	16.8%
Operating expenses/total income	70%	76%	80%	75%	81%
Return on equity in %	4.3%	3.4%	4.1%	5.0%	5.6%
Per share (in USD)					
Net asset value at year end	96	98	104	97	103
Net profit**	4.11	3.27	4.32	4.88	5.67
Dividend	2.52	2.61	2.81	2.71	2.87

	2011	2010	2009	2008	2007
Social					
Number of co-workers at year end***	720	636	577	477	397
Co-worker turnover	9%	11%	10%	14%	18%
Women as percentage of management team	37%	35%	27%	29%	33%
Training costs per fte in dollars	2,148	2,032	1,899	1,719	1,750
Ratio between the highest and the lowest salary****	9.8	8.5	8.5	7.7	7.3
Environment					
Emission of CO ₂ (1,000 kg)	2,885	2,800	2,604	2,097	1,454
CO ₂ compensation	100%	100%	100%	100%	100%

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

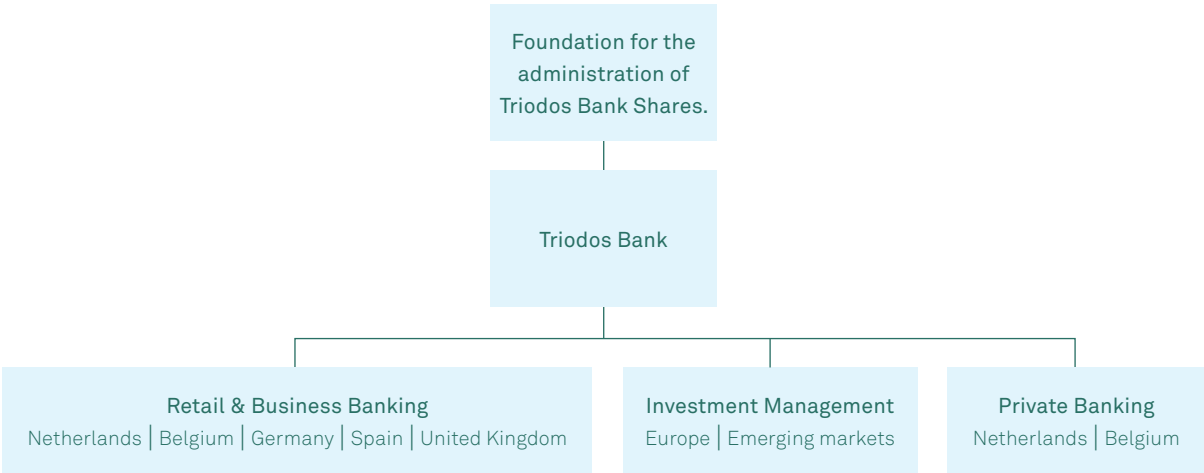
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** The figure of net profit per share is calculated on the average number of issued shares in circulation during the financial year.

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Triodos Group structure 2012



Retail Banking

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

Business Banking

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

- Nature & Environment
- Culture & Welfare
- Social Business

Impact Investing

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

The 21 active funds are grouped in business lines based on the themes they invest in:

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

Private Banking

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

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

Sustainable Banking

Triodos Bank finances companies, institutions and projects that add cultural value and benefit people and the environment, with the support of depositors and investors who want to encourage socially responsible business and a sustainable society.

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 Triodos 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 Triodos Groenfond, Triodos Fair Share Fund, Triodos Vastgoedfond and Triodos Cultuurfond are all distributed to the general public through Triodos Bank and other banks. The Triodos Sustainability Funds, Triodos Microfinance Fund and Triodos Renewables Europe Fund are also positioned for further distribution in Europe. More than 50% of the growth in the Triodos funds now comes from distribution via third parties, bringing Triodos Bank products to a broader audience.

As a reference point

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

Executive Board report

Every year we reflect on the world around us, and Triodos Bank's role in it. In recent years this global context has been characterised by accelerating, far-reaching change and an almost permanent state of crisis. The economic crisis in general, the banking crisis in particular, and now the debt crisis have dominated the world stage.

In the Western world economic growth has stagnated, while emerging markets have continued to grow. Urgent environmental and social crises have been pushed to the background in the face of these economic problems, but they remain. Indeed, they are growing. All of these challenges are interconnected and all, ultimately, are about leverage. Governments, and some businesses and individuals, have chosen to borrow irresponsibly from the future, to profit today. Consumption has become more important than quality of life; recognising all of this however, creates a chance for change.

Unlike previous years, 2011 has marked a more profound awakening of civic action. From the pressure exerted by huge online communities - able to respond rapidly to changing circumstances like those of the Arab Spring - to the much publicized actions of the Occupy movement calling for a fairer financial system, disparate voices are raising fundamental questions about the way we live and the systems we have come to depend on. Triodos Bank, and other institutions like us, can help answer them and show that a new way of banking, in particular, is possible.

Triodos Bank engages with, and is strongly connected to, important events in the world around it. And we have continued to deliver predictable, stable growth as they happened in 2011. During the year, we continued to do what we have done since our foundation in 1980, servicing the real and sustainable economy on the basis of the same mission and values.

Debt crisis

For many, 2011 has been a year of deepening economic crisis. From the Greek bail-out to the fate of the Euro, all the global financial system's warning

lights are red. But while politicians and press focus on the Euro, the real crisis is one of debt.

We are heavily over-indebted; as countries, businesses and individuals. Banks have created colossal debt and have leveraged their capital base far too much, exposing themselves to unreasonable levels of risk. Central banks have lowered interest rates so even more debt can be created, enabling people to consume more, maintaining the holy grail of economic growth and depending on the markets to solve the problem.

Bail out

Over the last three years, Governments used trillions to save the ailing financial system. But there has been less money than ever to combat poverty, to transition to a low carbon economy, and to finance small businesses; all the things we really need. The necessary resources are available. The required political will is not.

Credible new approaches, and new ways of thinking, are needed more urgently now than ever. All of which means Triodos Bank, and our customers and partners, have an important role to play. We won't achieve this on the basis of how big we become, but as a reference point for others; demonstrating that things can be done differently.

Banks are far too important to leave to the bankers. We want to promote the notion that 'everyone is a banker'; that we all have responsibilities and the capacity to influence the impact of our money on the people and environment around us. Triodos Bank cannot embed this in society alone, but we can be a catalyst for far-reaching change.

How things changed

To understand where the financial industry should go next, it's worth addressing when and why things became so different.

The early 1980s witnessed profound change. The predominant thinking that business is business and banking is banking - the paradigm of the years before - transformed to a different kind of economic

thinking championed by the new financial liberalism of the UK and United States, and echoed by much of mainland Europe.

Banks became businesses and started to grow. As they did, they started to trade on their own account, producing greater profits from the financial markets than from traditional relationship banking, and embracing a short-term focus on maximising profit. The link with the real economy and retail and business customers started to unravel, to the extent that some bankers truly believed that innovative financial markets, in themselves, could produce real value.

At the same time, more businesses started to behave like banks. Some large manufacturing businesses in America, for example, decided to pursue leasing financial services because that was more profitable than making their core goods. This pattern proved popular, but meant more and more banks were increasingly separated from the real economy.

Successful bankers were increasingly mathematicians, and successful businesses adopted models which made more money in capital markets than from selling products and services.

This thinking, that turns almost everything into a marketable product, is one of the root causes of our current troubles. It is the paradigm that's taught at many of our most influential business schools; and it is deeply ingrained in our financial system.

This neo-liberal thinking has to change. If it doesn't, we will not get the bankers we need to build a more equitable, environmentally responsible and prosperous future.

What's needed?

To break free of this cycle, we must re-think. We should realise and embrace the fact that banks have a vital, positive role to play in society. Banks should serve a real and sustainable economy, finding out what the needs are of the people they serve rather than maximising financial and shareholder returns.

Triodos Bank, and other like-minded financial institutions are at the heart of efforts to rethink the system in this way. Not just by what we do every day, financing sustainable entrepreneurs and enterprises working in the real economy, but also by stimulating an open debate about the role of the financial sector.

The Sustainable Finance Lab (www.sustainablefinancelab.nl) a Dutch 'think and do' tank of leading economists, is one example. Co-founded by Triodos Bank during the year it identifies grounded ways to change the financial system for the better. At the end of 2011 the group hosted five debates with politicians, bankers and the public, resulting in nine recommendations. We intend to grow and develop this concept internationally.

Triodos Bank has also co-founded, and Chairs, the Global Alliance for Banking on Values. A network of the world's front-running values-based banks - from a microfinance bank in Peru to a groundbreaking credit union in Canada - it aims to increase the impact of, and raise awareness about, sustainable banking.

We intend to help grow to 30 members by 2015 from 14 in 2011; explore a collective financial vehicle to meet the need for equity in this fast growing banking sector; develop impact measures to better demonstrate the results of the sustainable banking industry's work; and build an international exchange programme for talented co-workers who will be part of the next generation of sustainable bankers.

Other positive developments in 2011 included co-founding Social Enterprise Finance Australia, a new initiative to finance Australian social enterprise.

Triodos Group's progress and challenges

We are part of a troubled system. As such our customers are not immune from the impact of a major economic downturn. While our balance sheet has continued to grow, by 23% in 2011, our provisions for doubtful debts have also increased.

As in 2010, half of the provisions in 2011 relate to biomass projects. This forms a small proportion of

our overall loan portfolio (1.2%). Risks relating to biomass projects are reassessed on a regular basis and provisions adapted accordingly.

We have supported a diversified renewable energy sector by financing a limited number of innovative biomass projects that have higher sustainability qualities than their peers, such as not using crops. These projects appear to have struggled with technology which is not mature enough, and a supply chain of biomass that is too narrow; weaknesses that meant some projects were less resilient in the volatile market conditions created by the economic crisis. Most projects are still ongoing and are monitored closely. New projects can only be financed if they meet very strict technology and biomass supply requirements, and have stronger financial management. No new biomass projects were financed in 2011.

At the same time we have a solid reputation, and an excellent track record financing wind and solar energy projects. In 2011, the Ampere Fund – which invests in sizeable renewable energy projects in Western Europe – closed its investment period successfully, for example.

We do not want to become a renewable energy bank only, despite the opportunities we see in an expanding market. Instead we are working to find innovative ways to partner with like-minded institutions to finance renewable projects, acting as a lead investor and capitalizing on our expertise.

A fine balance

We have worked hard in 2011 to maintain a healthy balance between deposits and loans. A 76% ratio of loans to deposits in 2011 is strong evidence we are getting the balance right. While many mainstream banks' lending has clogged up, Triodos Bank has delivered excellent growth in lending of 33%.

In Europe, growth of lending and deposits was particularly marked in Spain, up by 23% and 58% respectively. Our new office in Germany continued to develop, lending successfully in particular. Lending growth was also notable in the UK. Customers grew

substantially in Belgium, The Netherlands, and Spain. More details of our successes, and challenges, are available under Results, later in this report.

Growing capital base

Triodos Bank has always had a strong capital position. To maintain it, we raised new capital in Spain, The Netherlands and Belgium both by making depository receipts available throughout the year and through targeted campaigns.

This strategy proved to be very successful. We raised EUR 75 million in net new capital from the retail market, ending the year with a strong BIS ratio of 14.4% (2010: 14.7%) despite the strong growth of our lending activity.

Results

Triodos Bank is committed to sustainable development, with a focus on people's quality of life. Quality of life includes, and extends beyond, the well-being of individuals, to social relationships and how we treat the environment. It does not contradict entrepreneurship and financial return, but puts them in a broader context. Indeed, this is the added value that Triodos Bank contributes. Wider social and economic developments have led to an increasing interest in quality of life, people and the environment. Triodos Bank is responding to it by broadening and deepening its activities.

In addition to a summary of key figures at the start of this report, the following are the main results achieved in 2011 together with details of Triodos Bank's Divisions, its products and services, their broader impact, and prospects for the coming years:

Triodos Bank (Group)

In 2011, Triodos Bank's income grew by 25% to EUR 129 million (2010: EUR 103 million). Triodos Investment Management contributed EUR 23 million to this figure (2010: EUR 21 million). In 2011, commission income amounted to 35% (2010: 34%) of total income, in line with expectations.

The total amount of assets under management including Triodos Bank and the investment funds and Private Banking grew by EUR 1.2 billion, or 21%, to EUR 6.8 billion.

Triodos Bank's balance sheet total grew by 23% to EUR 4.3 billion thanks to a steady growth of the funds entrusted and a successful share issue. Growth of between 15 to 20% was expected.

Triodos Bank's total number of customers increased by 24%, exceeding expected growth of 15% and 20%. By the end of 2011, Triodos Bank had more than 355,000 customers. This demonstrates that a growing number of people are making a much more conscious choice about how and where they want to bank.

In 2011, the ratio of operating expenses against income was 70% (2010: 76%). This is due to higher income from interest and commissions from lending activity combined with a strict control of expenses.

Profit before tax and loan provisioning increased from EUR 24.7 million to EUR 38.8 million thanks to growth of both the balance sheet and funds under management, and better efficiencies. Net profit of EUR 17.3 million was up by 51% (2010: EUR 11.5 million). Loan loss provisions were slightly higher at

0.63% of the average loan book, compared to 0.52% of the loan book in 2010. Earnings per share, calculated using the average number of outstanding shares during the financial year, were EUR 3.18 (2010: EUR 2.45), a 30% increase. The profit is placed at the disposal of the shareholders.

Triodos Bank proposes a dividend of EUR 1.95 per share (2010: EUR 1.95). This means that the pay-out ratio (the percentage of total profit distributed as dividends) will be 61% (2010: 80%).

The medium-term objective is to grow the return on equity to 7% of Triodos Bank's equity in normal economic conditions. This target should be seen as a realistic, long-term average for the type of banking activity that Triodos Bank engages in. The mature branches (The Netherlands, Belgium and the United Kingdom) have proven that they can achieve this level of profitability. As a consequence of a troubled economic and financial climate, leading to above average provisions in the loan portfolio, and growth in the number of savings customers in particular, the profit remained below 7% in 2011, as expected. The time frame within which Triodos Bank realises this 7% profit objective depends on the opportunities it chooses to, and can, take advantage of in a market where sustainable development will be highlighted

6.8 billion

The total amount of assets under management, including Triodos Bank and the investment funds and Private Banking, grew by EUR 1.2 billion, or 21%, to EUR 6.8 billion.

in the coming years. In the current market, delivering this profit objective is subject to considerable uncertainty.

Triodos Investment Management's investment funds totalled EUR 2.1 billion. Together these management funds activities make a substantial contribution to the bank's profit. Net profit in 2011 was EUR 4.2 million (2010: EUR 3.8 million).

Triodos Private Banking has been growing successfully. Total assets under management are now EUR 436 million (2010: EUR 357 million). In addition, EUR 303 million of deposits, investment funds and Triodos Bank depository receipts are accounted for on the balance sheet of the Dutch branch. Private Banking in The Netherlands increased its profitability by 49% to EUR 0.7 million in 2011.

The Belgian results of Private and Personal banking are fully consolidated in the branch figures.

Triodos Bank increased its share capital by EUR 75 million, or 24%, thanks to depository receipt issue campaigns targeting retail investors in particular, which ran throughout the year in Belgium, The Netherlands and Spain.

The number of depository receipt holders increased from 16,991 to 21,638. Equity increased by 25% from EUR 362 million to EUR 451 million. This increase includes net new capital and profit (minus a

dividend). In 2011, an internal market for the buying and selling of depository receipts for shares continued to operate effectively. At the end of 2011, the net asset value for each depository receipt was EUR 74, compared to EUR 73 at the end of 2010.

From the start of 2008, the BIS ratio (capital adequacy ratio), an important measure of a bank's solvency, has been calculated according to the Basel II guidelines. At the end of 2011 the BIS ratio was 14.4% (2010: 14.7%). Triodos Bank aims for a solvency ratio of at least 12%. The Core Tier I ratio was 14.0% (2010: 13.8%).

Our impact

Triodos Bank wants to report on the wider social, cultural and environmental impact of its financing activities. The way we do this will continue to develop in 2012.

Our 2011 online annual report now includes details of Triodos Bank's non-financial impact in energy and climate, care for the elderly, culture, microfinance, and organic food and farming sectors. While numbers alone can only tell a limited story, they do provide quantitative details of the impact of Triodos Bank's mission in practice. We are careful not to over-claim with these figures, and take time to explain how we have come to the measures we have in our online annual report at www.triodos.com/reports. For more about the people and stories

6.8 million

In 2011 the cultural venues and events Triodos Bank finances were attended by 6.8 million visitors.

behind the numbers, please visit www.triodos.com/knowwhereyourmoneygoes.

Triodos Bank finances enterprises that augment the use of renewable resources in particular, and supports projects that reduce the demand for energy and encourage cleaner use of fossil fuels. By the end of 2011, Triodos Group and its climate and energy investment funds were financing 361 projects across Europe (306 in 2010), with a generating capacity of 2,134 MW of energy (1,624 MW in 2010), or enough energy to meet the electricity needs of the equivalent of 1,500,000 European households during the year.

During 2011 Triodos Bank finance helped make it possible for 6.8 million visitors to enjoy theatres or museums across Europe, as a result of its lending and investments activity (2010: 3.3 million).

As a result of its lending across Europe 10,331 individuals (2010: 4,818) used facilities offered by care for the elderly projects at over 100 care homes financed by Triodos Bank.

Triodos Investment Management's specialised microfinance funds provided finance to 96 microfinance (2010: 85) institutions and other financial vehicles, in 43 countries (2010: 43), serving 7.9 million borrowing clients (2010: 7.4 million), in 2011.

The organically managed land on the farms which Triodos Bank finances could produce the equivalent of just over 18 million meals in 2011, or enough food to provide a sustainable diet for 16,500 people during the year.

Prospects for the future

Excluding unforeseen circumstances, Triodos Bank expects to increase its profits in 2012. At the same time we recognise that the economic downturn that has resulted from the financial crisis will continue, and may get worse, in 2012. If sustainable entrepreneurs and businesses active in the real economy experience financial difficulties, this could flow through to create higher levels of provisions for the bank.

Also during the year, we will continue to actively contribute to a more sustainable society. We will respond to the social, environmental and cultural challenges we face over the short, medium and long-term and extend the idea of a more conscious use of money in society through the banking system.

We expect to grow our financing of renewable energy projects and other innovations that effectively reduce our dependence on fossil fuels. Our environmental activity is, however, only one part of our growing impact, and we expect to further expand our activity in social and cultural sectors.

We will continue to influence through public debate and as a practitioner; a change agent financing sustainable enterprises delivering lasting benefits for people and the environment.

Co-worker report summary

Triodos Bank's social policy is based on a 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.

Achievements in 2011

Unlike much of the financial sector Triodos Bank continued to grow its co-worker group in 2011. In total Triodos Bank recruited 161 co-workers in their branches and business units. The total number of co-workers rose by 13%, from 636 to 720, in 2011.

Triodos Bank believes that a moderate remuneration policy, without bonuses, creates a healthy system which addresses the motivations and commitment of its co-workers. With this in mind Triodos Bank has established an international remuneration policy.

Co-workers

Co-workers' connection with Triodos Bank's mission, and the way its values are apparent in their daily work, is vitally important. This manifests itself in weekly, Monday morning meetings and a thorough

introduction process for new co-workers.

Various training modules and courses are organised, with both an international and local focus, within the Triodos Academy. In 2011 a pilot for a visionary leadership program concluded successfully as did a new management development programme.

The ratio of women to men remained virtually unchanged during the year. In 2011, Triodos Bank employed 371 women (52%) and 349 men (48%). The share of women in management positions improved slightly to 37% (2010: 35%).

The rate of absence due to sickness rate increased to 2.2% in 2011 (2010: 1.9%). This was due to some cases of long term illness, especially in the Head Office. Triodos Bank aims to keep its illness rate below 3%. The attrition rate decreased to 8.8% (2010: 10.9%). This figure excludes co-workers on temporary contracts and retiring co-workers. In the UK the attrition rate reduced slightly to 14.9% (2010: 15.6%) but remains at a relatively high level.

In The Netherlands in 2011 the ratio between the highest salary and lowest salary was 9.8 (2010: 8.5). This ratio was lower in other countries due to the smaller size of the offices and because the Triodos Bank Executive Board is based at the head office in The Netherlands. The increase on last year is due to a new, lower scale position undertaken by a young co-worker. Lower level salaries are paid at just above market rates.

A co-worker council exists in The Netherlands, but is not a legal requirement in the Belgium, German, Spanish and UK offices currently. In Spain the work council's term of office ended in December 2010, and no candidates have run for election. The branch leadership is evaluating the creation of a non official body to represent co-worker interests.

Prospects for 2012

Contrary to the general situation in the financial market Triodos Bank expects growth in new co-workers to continue at about the same level in 2012. Triodos Bank aims to continue to keep its attrition rate at below 10% and the illness rate below 3%.

In 2012 Triodos will continue to expand its Academy to provide a programme for all levels of co-workers.

As a consequence of the financial crisis and widespread disquiet in society about the financial sector, regulatory bodies, especially in The Netherlands, are enforcing more laws and controls. Triodos Bank will strive to comply positively with them. It will do so appropriately given its moderate remuneration policy, which excludes bonuses.

Triodos Bank will continue to emphasise personal responsibility and use principle-based judgements, rather than depend on checklists and controls.

Environmental report summary

Triodos Bank's largest positive impact on the environment comes from financing entrepreneurs and enterprises developing innovative ways to combat climate change.

But the organisation also has a responsibility for its own environmental impact as an institution.

Achievements in 2011

In 2011 Triodos Bank continued to focus on reducing paper usage, reducing energy consumption and developing a new Environmental Management System (EMS) manual to increase the system's effectiveness.

Examples of initiatives to reduce Triodos Bank's environmental footprint included the introduction of a paperless human resources (HR) communications system in the Belgian office, enabling co-workers to receive and manage HR information, such as pay slips and holiday forms, electronically. While Spanish customers now receive account information via the internet instead of by post. The branch estimates this will reduce paper consumption by approximately 80% in 2012.

Energy consumption

Triodos Bank aims to use 100% green energy to power all its offices. Where it starts working in a new office, which doesn't already use a green energy

supplier, it converts to green energy as quickly as possible. To reduce the energy consumption of its data centre and IT operations Triodos Bank started a pilot with 'thin clients' to reduce its energy usage during the year. This new technology saves 90% of the energy use of conventional computers, and will be adopted by the UK office when it moves to a new building early in 2012.

Travel

Triodos Bank's policy is to encourage co-workers to travel to and from work using the most environmentally-friendly option available.

Co-workers use public transport for travel whenever possible, but when travel by car is essential Triodos Bank buys company cars with a high environmental performance.

In addition, Triodos Bank in The Netherlands owns an electric car for co-worker journeys of up to 70 kms. It also leases two electric cars and has installed charging points for visitors and co-workers using electric vehicles.

Paper usage

Triodos Bank aims to reduce the environmental footprint of its paper usage and printing. Where possible, it uses recycled paper and environmentally sound printing processes and materials, such as waterless printing and vegetable inks. Triodos Bank encourages its customers to communicate with it in an environmentally-friendly way (by telephone, e-mail or the internet); expanding its online product offering, and improving the efficiency of opening accounts online, are just two examples.

Climate Neutral operations

Triodos Bank offsets 100% of its CO₂ emissions. Greenhouse gas emissions are reduced in three distinct steps: firstly, via energy saving; secondly, essential energy consumption is sourced from renewable suppliers, where possible; and finally, any remaining CO₂ emissions are compensated.

Visit our online annual report for more details of

Triodos Bank's efforts to reduce its environmental impact at www.triodos.com/reports.

Triodos Bank divisions and results

Triodos Bank's activity is split between three core divisions. They are Retail and Business Banking, delivered through a diversified network of European branches, responsible for around 80% of Triodos Bank's business income in 2011; Triodos Investment Management, which makes up 18% of Triodos Bank's overall business income; and Triodos Private Banking, providing services to wealthier people and groups, the most recent division and to date available in The Netherlands and Belgium.

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

European branch network (retail and business banking)

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

440

In 2011, 440 organisations received total donations of EUR 0.5 million.

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

Against a backdrop of the debt crisis retail activities showed tremendous growth. This is in part due to increasing demands for change from society.

Funds entrusted

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

This has continued to happen as an increasing number of people move away from a discredited mainstream banking industry, in search of a more transparent alternative that's more closely connected to the real economy. The branches offer a variety of products and services to meet this demand, and increasingly offer a full set of services to their customers.

The funds entrusted increased by EUR 692 million, or 23%, against expected growth of between 20 to 25%. Savers continued to respond to the financial crisis and wider discontent about the way many banks have handled their responsibilities and rewarded their employees. For many the financial crisis has prompted them to make a more conscious choice about where they bank.

This resulted in continuing growth in all the countries where Triodos Bank operates. This was due in part to a growing profile, more efficient and customer-friendly account opening processes, and an increasingly receptive market.

The speed of growth was most marked in Spain with customer numbers doubling to 61,000, and the opening of five new commercial offices during the year. In The Netherlands Triodos Bank now services

197,000 customers, again reflecting strong growth during the year.

By offering our savers, in some countries, the opportunity to donate part of the interest they receive to a charity, many social organisations receive support every year. In 2011, 440 organisations (2010: 438) received total donations of EUR 0.5 million (2010: EUR 0.4 million) in this way.

Loans

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 companies and projects it finances contribute to delivering Triodos Bank's mission.

To make sure that Triodos Bank only finances sustainable enterprise, potential borrowers are first assessed on the added value they create in these areas. The commercial feasibility of a prospective loan is then assessed and a decision made about whether it is a responsible banking option. The criteria Triodos Bank uses to assess companies can be viewed on Triodos Bank's websites.

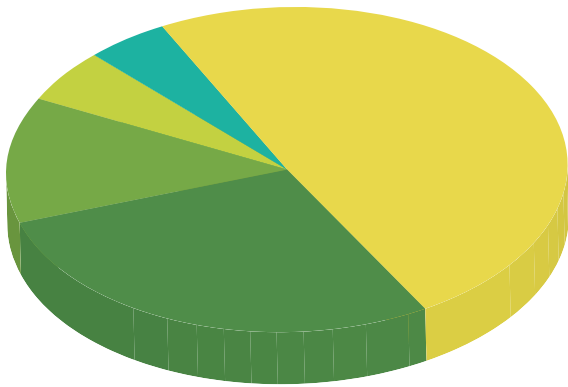
Triodos Bank's main focus remains on the existing sectors in which it has already developed considerable expertise.

A large, stylized green text graphic showing '33%'.

Growth of the loan portfolio amounted to EUR 710 million, or 33%.

Outstanding loans per sector in 2011

ENVIRONMENT 49%
SOCIAL 28%
CULTURE 12%
MUNICIPALITY 6%
PRIVATE LOANS 5%



Environment (49%, 2010: 49%)

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

Social (28%, 2010: 28%)

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

Culture (12%, 2010: 14%)

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

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

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

The loan portfolio as a percentage of the total amount of funds entrusted rose to 76% in 2011 (2010: 70%). Triodos Bank's goal is to lend between 70% and 80% of its funds entrusted.

The quality of the loan book remained satisfactory overall, notwithstanding the economic recession. However, energy production based on biomass was an exception. This new sector has been subject to volatile demand which is reflected by high price volatility. The increased loan loss provisions resulted in EUR 15.8 million (2010: EUR 9.8 million) value adjustments, of which EUR 6.8 million (2010: EUR 4.8 million) relate to biomass energy projects. Although the impact on the results is material, the net exposure to the biomass energy sector only represents 1% (EUR 34 million) of the total loan book. This contributed to the loan loss provision of 0.63% of the average loan book (2010: 0.52%). Our long-term internal benchmark for provisions is 0.25%. These provisions are taken to protect banks against losses resulting from defaults by borrowers.

Growth of the loan portfolio amounted to EUR 710 million, or 33%. Expected growth was between 20 and 25%. Competition between banks in the lending market has diminished because of the financial crisis and higher capital requirements. At the same time many banks regard sustainability as an emerging market and want to be involved in it.

Lending to a diverse range of sustainable enterprises was up in all branches, with particular growth in the UK, up by 40%, Belgium by 32%, and Spain by 23%. Germany, in its second full year of operation made loans of EUR 167 million, exceeding its target.

Prospects for the European branch network

Triodos Bank's balance sheet total is expected to continue to grow by between 15 and 20%.

All branches will broaden their customer base. The number of customers is expected to grow by between 15 and 20% across the Group.

The loan portfolio and the funds entrusted are expected to increase by between 15 and 20%. Triodos Bank has a healthy growth ambition but does not want to realise it at all costs. The loans made in 2012 will reflect our efforts to finance front-runners in their fields; the entrepreneurs developing the sustainable industries of the future. We expect the levels of provisions for loans in the coming years to decrease to a lower level.

Triodos Investment Management

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

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

These funds and investments are not on Triodos Bank's balance sheet. The funds publish separate annual reports and most have their own Annual General Meeting of Shareholders.

Triodos Investment Management is responsible for 18 funds, for both individuals and institutions, totaling EUR 2.1 billion assets under management. Total growth of the investment funds was EUR 293 million, up 17%, against a target of between 10 and 20%. The impact of the phasing out of tax benefits for the Triodos Groenfondsen and Triodos Cultuurfondsen was responsible, in part, for an outflow of investment.

The increase in total funds entrusted to Triodos Investment Management, while lower than

anticipated, reflects investors' appetite for investments in these broad themes.

Prospects for Triodos Investment Management

Triodos Investment Management is well positioned for further growth, with increasing demand from investors in impact investment. Investor interest is in both existing funds as well as new ones in various areas such as energy efficiency, renewable energy, arts and culture and sustainable food and agriculture.

Growth prospects in funds with fiscal benefits in The Netherlands have become less certain, in the light of government decisions to change the financial benefits associated with them. In total however, we foresee a growth in funds under management of between 10 and 15% for 2012.

Triodos Private Banking

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

Private Banking increased its funds under management by 22% to EUR 739 million, against a target of between 20 and 25% (EUR 303 million of these funds are managed by Triodos Private Banking but accounted for on the balance sheet of the Dutch branch).

Despite challenging times for the financial markets in 2011 sustainable investment continued to prove popular with private investors. Private Banking increased its profitability by 49%.

Prospects for Triodos Private Banking

We expect interest in our sustainable investment offering in The Netherlands and Belgium to continue to be high and anticipate growth of between 20 and 25%, in 2012.

Please find more details about your local branch, our work in Triodos Investment Management and Triodos Private Banking, in Triodos Bank's online annual report at www.triodos.com/reports.

Risk and Compliance

Risk Management

Managing risk is a fundamental part of banking. While some banks assess risk to set limits as part of a short term strategy of maximising profits, Triodos Bank manages risk as part of a long-term strategy of resilience.

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

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

The outcome of these assessments was used to determine stress scenarios that were used to stress test Triodos Bank's results, liquidity and capital on

two occasions in 2011. The results of these tests were satisfactory.

Although not required to, Triodos Bank performed the stress test that the European Banking Authority has required of a subset of European banks to test their resilience to a major economic shock, based on publicly available scenarios and methodology. The results confirm a strong financial position with a total capital ratio of 13.6% and a Core Tier 1 ratio of 12.7% after a two year stress scenario. This is more than 2.5 times higher than the minimum 5.0% Core Tier 1 ratio required for the purpose of this stress test. More details of our capital requirements follow below.

A fully integrated risk management report has been developed that gives insights into the Triodos Bank risk profile on specific risk themes, and to provide an integrated picture of risk at business unit level. This report is made four times a year and is presented to the Supervisory Board Audit and Risk Committee.

The Asset and Liability Management system has been reviewed and upgraded in order to give more insight and provide monitoring tools for the monthly Asset and Liability Committee on interest rate risk, liquidity risk, currency risk and capital management.

The credit risk function was successfully reinforced in the course of 2011 both at head office level, and in the branches. This introduced more pro-active management of bad loans and a better review process of the loan portfolio, so the organisation can detect potential issues with borrowers earlier, and prevent risks.

EUR 739 million

Private Banking increased its funds under management by 22% to EUR 739 million.

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

Capital requirements and Basel III regulations

At the same time as its lending and savings grow, Triodos Bank will continue to be, strongly capitalised. This has become an important issue as demands for capital increase following the financial crisis. Triodos Bank aims for a solvency ratio of approximately 14%, well above its own internal economic capital calculations, in order to guarantee a healthy and safe risk profile for its depositors. Economic capital is calculated as a result of the yearly Internal Capital Adequacy Assessment Process, which is reviewed by the Dutch Central Bank.

Regulations too are changing, such as those developed by the Basel Committee on Banking Supervision, designed to build a more resilient banking sector by strengthening the solvency of the banks and introducing strict liquidity requirements. Triodos Bank complies with both new capital and liquidity requirements, as recently published by the Basel Committee, and better known as Basel III. The regulations are required to be fully implemented by 2019.

In 2011, Triodos Bank successfully raised capital from its own investors and customers, exceeding targets and raising over EUR 75 million. This has helped it to maintain a solvency BIS ratio of 14.4%, at the end of 2011, well above its requirements.

Triodos Bank's financial position remained very liquid during 2011. Its policy is to invest excess liquidities in highly liquid assets in the country where it has

raised the funds. In The Netherlands Triodos Bank has invested its liquidities in Dutch government bonds, municipalities and banks. In Belgium it has fewer alternatives and most of its liquidity has been invested in Belgian government bonds. This caused an increase of its Belgian government bonds portfolio in 2011 from EUR 143 to EUR 258 million. In the other countries where Triodos Bank operates, it has invested its surplus liquidities with other banks.

In Control statement

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

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

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

Triodos Bank's Executive Board states that it has no indication that the risk management and control systems have not functioned adequately and effectively in 2011.

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

Compliance and integrity

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

There were no significant incidents in 2011 concerning compliance and integrity. Triodos Bank was not involved in any material legal proceedings or sanctions associated with non-compliance with legislation or regulations in terms of financial supervision, corruption, advertisements, competition, privacy or product liability.

Transparency and reporting

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

GRI was established in 1997 by the United Nations and the Coalition for Environmentally Responsible Economics (CERES). GRI wants to organise reporting on sustainability in a consistent manner and, in this way, make performance objective and comparison easier. Triodos Bank is an organisational stakeholder of GRI. This Annual Report uses the G3.1 guidelines and the new financial sector supplements developed in 2008. We aim to consistently report to GRI's highest level (A+). Details of GRI measures, and how we report them, can be found in Triodos Bank's online annual report at www.triodos.com/reports.

Sustainability policy

Sustainability considerations are shared at all levels of Triodos Bank and are an integral part of its management. Social and environmental aspects are taken into account in all Triodos Bank's decisions. Therefore, unlike many other organisations, Triodos Bank does not have a separate department that continuously focuses on sustainability or corporate social responsibility.

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

The Dutch Banking Code

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

Zeist, 27 February 2012

Triodos Bank Executive Board
Pierre Aeby*
Peter Blom*, Chair
Michael Jongeneel

* Statutory Director under the articles of association

Biographies

Mr. P. Aeby (1956)

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

Mr. P. Blom (1956)

Peter Blom (CEO) has been Statutory Director of Triodos Bank NV since 1989 and is Chair of the Executive Board. He is also a Member of the board of Stichting Triodos Holding, Statutory Director of Triodos Ventures BV, Member of the Supervisory Board of Triodos Groenfonds NV, Member of the Supervisory Board of Triodos Vastgoedfond NV, Member of the Supervisory Board of Triodos Cultuurfonds NV, Member of the Board of Stichting Hivos Triodos Fonds, Member of the Board of Stichting Triodos Doen, Chair of the Board of Stichting Triodos Foundation, Chair of the Board of Stichting Global Alliance for Banking on Values, Member of The Club of Rome, Member of the Board of Stichting Face, Member of the Board Stichting Natuur College and Member of the Board of the Dutch Banking Association, Member of the Scientific Advisory Council for Integrated Sustainable Agriculture and Food, and Deputy Chair of the Multifunctional Agriculture Taskforce. He is of Dutch nationality and owns one Triodos Bank depository receipt.

Mr. M. Jongeneel (1973)

Michael Jongeneel (COO) has been COO and Member of the Executive Board of Triodos Bank since 2007. Michael Jongeneel is Board Member of the Stichting Triodos Beleggersgiro, Member of the think-tank Worldconnectors, Chair of Stichting Laluz, Member of the Board of Zuwe Hofpoort Ziekenhuis and Member of the CIO Platform the Netherlands. He is of Dutch nationality and owns one Triodos Bank depository receipt.

Corporate Governance

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

Triodos internal governance

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

Foundation for the administration of Triodos Bank shares (SAAT)

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

Number of statement of depository receipts per holder

Amounts in millions of EUR	Depository receipt holders		Issued capital	
	2011	2010	2011	2010
1 - 50	10,069	8,154	13.7	10.9
51 - 500	10,067	7,805	125.0	93.8
501 - 1,000	983	669	50.4	33.5
1,001 and more	519	363	262.0	223.9
Total	21,638	16,991	451.1	362.1

Number of depository receipts per country

	Depository receipts x 1,000		Depository receipt holders	
	2011	2010	2011	2010
The Netherlands	4,226	3,614	13,014	10,802
Belgium	1,103	909	3,794	3,168
United Kingdom	117	117	1,301	1,316
Spain	652	334	3,502	1,682
Germany	16	13	27	23
Total	6,114	4,987	21,638	16,991

Depository receipt holders

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

Triodos Bank Supervisory Board

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

Triodos Bank's Executive Board and Statutory Directors

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

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

in percentage	2011	2010
Delta Lloyd Levensverzekering NV	5.6	6.7
Stichting Grafische Bedrijfspensioenfondsen	4.2	5.1
Coöperatieve Centrale Raiffeisen-Boerenleenbank BA	4.1	4.8
Stichting Pensioenfonds ABP	3.9	4.7
Friesland Bank NV	3.9	4.6
NAGRON Nationaal Grondbezit BV	3.2	4.0
Beheersmaatschappij Breesaap	2.7	3.2
PGGM Pensioenfonds Z&W	2.5	3.1

The above institutions are the largest of the total of 11 (2010: 12) institutions that have a participating interest of at least 1%. Their total participating interest is 34.0% (2010: 41.9%).

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

Stichting Triodos Holding

Stichting Triodos Holding is legally separate but organisationally related to Triodos Bank 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 the Statutory Directors of Triodos Bank. Stichting Triodos Holding has a Supervisory Board appointed on the recommendation of the Board of SAAT.

Stichting Triodos Foundation

Stichting Triodos Foundation is a sister institution of Triodos Bank NV that is 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 makes donations that are granted to initiatives that help Triodos Bank NV to deliver its ethical goals. Similar foundations have been set up in Belgium, the UK and Spain.

Dutch Corporate Governance Code

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

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

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

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

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

Triodos Bank also differs from the Code's best practice when submitting all proposals to the General Meeting of Shareholders for material amendments to the Articles of Association as separate agenda items. For practical reasons Triodos Bank wants to retain the possibility, at the discretion of the Executive Board and the Supervisory Board, to submit a proposal for multiple amendments to the

Articles of Association as one single agenda item when there is a strong degree of interrelatedness between these proposed amendments.

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

Dutch Banking Code

The Dutch Banking Code ('the Banking Code') came into force as of January 1, 2010. It consists of a number of recommendations and principles aimed at ensuring the very best performance by banks. Its primary focus is on governance and it puts the interests of the customer at the heart of a bank's activity, which ties in fully with Triodos Bank's vision and Business Principles. The customer is a key stakeholder in all Triodos Bank's activities and mission.

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

Corporate Governance Code and Banking Code statement

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

Supervisory Board report

Triodos Bank is one of the only independent, sustainable banks in the world to offer a wide range of integrated lending and investment opportunities for sustainable enterprise in a number of European countries. Its governance structure reflects its innovative approach and the Supervisory Board is an integral part of it.

The Supervisory Board's primary responsibility is the supervision and review of the development of Triodos Bank's operations and the realisation of its mission.

Highlights 2011

Economic and financial events in 2011 surpassed the far-reaching upheaval of 2010.

The Supervisory Board is pleased that Triodos Bank was able to continue to grow and develop positively, contrary to the general trend in the banking sector.

Triodos Bank proved that there is an increasingly urgent appetite for a fundamentally different approach to banking.

2011 may come to be remembered as the year of new domestic and international laws and regulations governing the banking industry; such as increased capital requirements, banking taxation and bonus restrictions, and remuneration in general. While more effective regulation has a role to play, alone it cannot address the deep-seated structural and cultural problems which plague much of the banking industry. Triodos Bank can act as a reference point for stakeholders looking for credible new ways of banking.

The Supervisory Board and the Executive Board discussed the wider context for its work at most of its meetings in 2011, to help deepen the thinking around the bank's work and to help make its activity more explicit. In such uncertain times the strategic approach of the bank is of crucial importance. In the discussion on the strategic three-year plan the Supervisory Board and the Executive Board emphasized the importance of clarity of direction. Key issues included the development of the business in a prudent and solid way, emphasizing profitability over growth. In addition to coping with increasing

regulatory pressure, and recruiting and retaining talent, key challenges emerging from these discussions included developing Triodos Bank further as a reference point for sustainable banking, on the strength of its mission and how the bank applies this in practice.

Triodos Bank continues to take a prudent and measured approach to risk taking. The Supervisory Board was pleased to see a comprehensive risk appraisal, management and reporting system developed, debated, and implemented during the year.

The careful way in which Triodos Bank always conducts its business is more relevant than ever in dealing with future uncertainties. The Supervisory Board supports the Executive Board further in continuing to follow this path.

Activities of the Supervisory Board

During its meetings and contacts with the Executive Board, the Supervisory Board discussed:

- Current and future developments, such as an overview of the financial and economic markets and the unfavourable investment climate affecting the activities of some of Triodos' investment funds.
- Finance, risk and audit issues, including minutes of the Audit and Risk Committee; auditor's reports; the capital raising issue; quarterly and annual reports; loan reports; Triodos Bank's stress test; Dutch Central Bank (DNB) matters; and Basel III regulations.
- Corporate governance and compliance issues, such as remuneration, self-evaluation, and the upcoming reappointment of one member of the Supervisory Board in 2012.
- A review of the 2011 annual report with the external auditor.

Other issues discussed during the year included:

- Strategic issues, such as the three-year strategic plan 2012-2014
 - Human Resources Management in the broadest sense, including talent review and company culture
 - Triodos Bank's position in the biomass market.
- Certain loans did not develop according to Triodos

Bank's expectations and required substantial provisions.

The Supervisory Board's supervision and review activities are based on the Executive Board's written reports as well as presentations by senior staff.

Composition of the Supervisory Board

Triodos Bank's articles of association determine that the Supervisory Board consists of three or more members. At present, it has eight. The composition of the Supervisory Board did not change during 2011.

Mr Van den Hoogenband was re-appointed for a second term at the AGM. The Supervisory Board adopted a new internal procedure for reviewing nominations and re-appointments during the year.

Mr Eguiguren Huerta is at the end of his first term of employment and is eligible for re-appointment. The Supervisory Board supports the re-appointment of Mr Eguiguren Huerta for a second term of four years.

A competency matrix (see below) has been created to highlight areas in which board members have substantial expertise. This helps to assess whether the Supervisory Board has the skills needed to perform its duties. The matrix is based on requirements outlined in the board profile, which was improved further as a result of these discussions.

Meetings of the Supervisory Board

The Supervisory Board met six times in 2011. With the exception of Mr Eguiguren at the November meeting, and Mr Frank at the December meeting, all board members attended these meetings.

All meetings were held jointly with the Executive Board. However the Supervisory Board started to meet informally, without the Executive Board - as a result of the evaluation that follows below - before the beginning of its meetings to discuss whether certain agenda items needed a specific approach and/or priority.

Throughout the year, the Chair of the Supervisory

Board was in close contact with the Chief Executive Officer, and the Chair of the Audit and Risk Committee was in close contact with the Chief Financial Officer. Most Supervisory Board meetings were preceded by a presentation by a senior manager from the bank about their area of responsibility, followed by a discussion. This allowed the Board to gain a deeper insight into the different activities of Triodos Bank and to get to know its senior management better.

A thematic meeting was also held with the Board of SAAT, the Executive Board and the business unit's Managing Directors, at which all Supervisory Board members were present, to discuss Triodos Bank's future positioning in the area of culture and education. Various members of the Supervisory Board also attended local client and/or Depository Receipt Holders meetings in the United Kingdom, Belgium, The Netherlands, and Spain. Supervisory Board members who live in the countries, in which Triodos Bank operates, also maintained informal contacts with local Managing Directors and senior co-workers. Branch visits began in November 2011 with a visit to the Dutch branch. The UK will follow in 2012.

In addition, the external auditor attended the meeting at which the annual report was discussed and agreed.

Independence

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

Self-evaluation

The Supervisory Board's annual self evaluation, with an independent consultant, started at the end of 2010 and concluded in 2011.

Separate, regular meetings were established as a

result of this work, between the Supervisory Board and Executive Board. This was the starting point for more in-depth discussions about the impact Triodos Bank could have on society, while maintaining healthy growth and adhering to its core values. The general conclusion was that Triodos is a bank in transition, from a small scale institution towards an internationally operating bank with a leading role in sustainable banking and banking on values.

As a consequence the Supervisory Board has to develop with it. It should move from a more ratifying role, to a more probing and engaging function, requiring a higher level of intensity in the Board's key roles; including monitoring strategy and performance, compliance in the broadest sense, and co-worker and depository receipt holder issues.

The results of the self-evaluation were discussed in the Supervisory Board's February 2011 meeting. The Chair and Board members also met separately to discuss individual assessments.

The evaluation process also included an assessment of the two statutory Executive Board members. Results were discussed with these members individually and the two members of the Nomination and Compensation Committee.

The Supervisory Board met once without the Executive Board, to discuss the effectiveness of both Boards and the relationship between the two. In general, the Supervisory Board judged its own effectiveness to have improved and is determined to continue this progress.

Committees of the Supervisory Board

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

The composition of the Committees is as follows:

Audit and Risk Committee

- Ms M.A. Scheltema (Chair)
- Mr M. Eguiguren Huerta
- Ms C. van der Weerd

Nomination and Compensation Committee

- Mr M.M. Frank (Chair)
- Mr H. Voortman

Audit and Risk Committee

Ms. Van der Weerd replaced Mr Lamers as a member of the Audit and Risk Committee at the beginning of the year. The Committee expresses its gratitude to Mr Lamers for his longstanding contributions. The Committee met on four occasions in 2011. At each meeting, the Bank's Chief Financial Officer, the Head of Internal Audit and the Head of Group Risk were present. The external auditors were present at two meetings.

The Committee values the roles of the internal and the external auditor highly, since they underline the important role they play in the maintenance of checks and balances. In addition, one meeting was held with the external auditor, without the Executive Board being present.

During its deliberations, the Audit and Risk Committee reviewed, among other things, Triodos Bank's overall risk and control framework, the annual accounts and the quarterly results, the findings of the internal auditor, important accounting decisions and treasury management. It welcomes the impetus provided by the new internal auditor, and the strengthening of the overall audit effort and approach.

Good progress was also made during the year to develop and implement the overall risk framework, and ensure compliance with Basel II, and Basel III, and an adequate Internal Capital Adequacy Assessment Process (ICAAP). In addition to the regular meetings, a special, facilitated session was held at which the interest rate risk framework was studied in-depth. This was then followed up by a session during which the theoretical principles were

applied to Triodos Bank's practices. This enables the Audit and Risk Committee, and by extension the Supervisory Board, to remain confident that Triodos Bank's risk appetite is pitched at the right levels. The Committee also paid attention to ongoing discussions with the DNB, and the outcome of their control reviews.

Special attention was paid to the area of credit risk. Measures taken in this respect include the strengthening of the role of the credit risk managers in the branch network as well as unified risk policies, which the Committee welcomes. The area of liquidity risk was also discussed in depth.

Nomination and Compensation Committee

The Nomination and Compensation Committee met on eight occasions during the year. One of its primary roles is to advise the Supervisory Board on setting the remuneration packages of the Executive Board. It also advises the Supervisory Board on the approval of the remuneration of senior positions in Triodos Bank. During the year the implications of the newly drafted International Remuneration Policy were discussed and approved by the Supervisory Board. For more details on the new Remuneration Policy we refer to page 67 of the Annual Accounts.

Both members of the Nomination and Compensation Committee have senior management experience, good knowledge of and experience with performance management and remuneration in general. Additionally they seek advice from independent, external experts in case of specific issues.

The committee prepared the second (two day) session of a permanent education programme for the Supervisory Board and the Executive Board. This permanent education programme meets the requirement to create a life-long learning programme pursuant to the Banking Code. In 2011 it addressed risk management, the business model and the mission and the strategy of Triodos Bank. Most of the discussions were introduced by co-workers of the bank. The mission and strategy discussion was moderated by an external consultant. The outcome

of these last discussions served as input for the finalisation of the new Business Plan.

A discussion took place on the conclusions of the report of the DNB on Culture and Behaviour regarding decision making within the bank. Most of the conclusions are very positive. The issue of safeguarding the values of the bank, while continue to grow substantially, is a point of continuous attention. In addition the Committee acted as a sounding board to the Executive Board on possible changes in the structure of the bank at a senior level. It also finalised the self-evaluation process, discussed above.

In view of the fact that the Supervisory Board Chair concludes his final term in 2013, the committee started the selection process for a possible successor. This included drafting the profile of the new Chair and establishing a long list of possible candidates. An external advisor was hired to assist with this process.

Zeist, 27 February 2012

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

Biographies

Mr. D.J. Carrington (1946)

David Carrington has been an independent consultant since 2001, specialising in philanthropy and social finance and on the governance of charities and social enterprises. He draws on 25 years' experience of senior management positions in charities – the last 13 as Chief Executive – and as a Board Member with a wide range of organisations in the UK, including a University, Big Society Capital, 'engage' (the National Association for Gallery Education) and the National Foundation for Youth Music. David has also been a Member of the Social Investment Task Force and Chair of the editorial group of the Philanthropy UK. He is a founder Director of the Alliance Publishing Trust and a Member of the Advisory Board of the Centre for Effective Philanthropy in the US. David Carrington was first appointed in 2009 and his present term expires in 2013. He is of British nationality and owns no depository receipts.

Mr. M.M. Frank (1947)

Marius Frank is an independent Board Advisor and Executive Coach. He is Chair of the Supervisory Board Seyster Veste, Zeist (since March 2009). He is also Member of 'Stichting Administratiekantoor Hofpoort Holding', Utrecht (holding company of a.o. Van der Wal Transport, since December 2009), and he is Member of the Supervisory Board of Triodos Culture Bank BV. Marius Frank was first appointed in 2005 and his present term of appointment expires in 2013. He is Chair of the Triodos Bank Nomination and Compensation Committee. 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 President of the Executive Board of the Weleda Group AG in Arlesheim, Switzerland. He is a Member of the Shareholders Council of Rhea Holding BV (Eosta BV), Chair of the Supervisory Board of the Triodos Culture Bank BV, Chair of the Supervisory

Board of Stichting Widar 1st line Health Organisation, Member of the Advisory Council of the Antroposophical Medical Faculty of the private University Witten/Herdecke. He teaches Leadership and Ethics at the SRH Business School Berlin and the Alanus Hochschule in Bonn-Alfter. Mathieu van den Hoogenband was first appointed in 2007 and his present term of appointment expires in 2015. He is of Dutch nationality and owns 883 Triodos Bank depository receipts.

Mr. M. Eguiguren Huerta PHD. (1959)

Marcos Eguiguren is Partner and Member of the Board of Directors of Grupo Inmark, a Spanish professional services Group with subsidiaries in Portugal and several countries in Latin America and with large experience in advising financial entities. He has also held executive roles in Barclays Bank and BBVA. He is also Associate Professor on business administration at the Politechnical University of Catalonia. Marcos Eguiguren was first appointed in 2008 and his present term of appointment expires in 2012. He is a Member of Triodos Bank's Audit and Risk Committee. He is of Spanish nationality and owns 194 Triodos Bank depository receipts.

Mr. J. Lamers (1948)

Jan Lamers is a former CEO of Uitgeversbedrijf Tijd and Vice President of the European Newspaper publishers association. He is CEO of Lamers-Media C&P, Chair of CultuurNet Vlaanderen, CEO of Wereldmediahuis Vzw and Director of I-Propeller NV. Jan Lamers was first appointed in 2002 and his present term of appointment expires in 2014. He is of Belgian nationality and owns no Triodos Bank depository receipts.

Ms. M.A. Scheltema (1954), Vice-Chair

Margot Scheltema was Financial Director of Shell Nederland BV until the end of 2008. She is a Member of the Supervisory Board of Triodos Culture Bank BV. She is Vice-Chair of Triodos Bank's Supervisory Board and Chair of Triodos Bank's Audit and Risk Committee. She is a Member of the Supervisory

Board of ASR NV, Schiphol NV and of TNT Express. She is also a Member of the Supervisory Board of the Rijksmuseum and a Member of the Supervisory Board of ECN and a Member of the AFM External Reporting Committee. Margot Scheltema was appointed in 2010 for a second term. 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 Wide Fund for Nature (WWF) Netherlands and the former Company Director of MeesPierson. He is also the Chair of the Supervisory Board of Ark Natuurontwikkeling, Member of the Boards of Pan

Parks and Blijdorp Thandiza Fonds. He is Chair of the bank’s Supervisory Board and a Member of the Nomination and Compensation Committee. Hans Voortman was first appointed in 2001 and his present term of appointment expires in 2013. He is of Dutch nationality and owns no Triodos Bank depository receipts.

Ms. C.J. van der Weerd-Norder (1964)

Carla van der Weerd is the owner and Director of Accent Organisatie Advies and Accent Finance & Accountancy. She had a banking career for fifteen years in ABN AMRO Bank NV, amongst others as the CFO/COO of Global Transaction Banking, as the Global Head of Operational Risk Management and as

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

the Global Head of Risk Management & Compliance in Asset Management. She is a Member of the Supervisory Board and Chairwoman of the Audit Committee of Saxion Hogeschool. Carla van der Weerdt was first appointed in 2010 and her present term of appointment expires in 2014. She is of Dutch nationality and owns no Triodos Bank depository receipts.

Supervisory Board Competence Matrix

The matrix below lists the key competences of the individual members of the Supervisory Board, which are relevant to their supervisory position.

To qualify as a member of the Board, each individual is required to have the following three attributes:

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

All Supervisory Board members meet these criteria.

The table below lists further competences in the key areas described in the Supervisory Board's profile.

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

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Annual Accounts 2011

Triodos Bank NV

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Consolidated balance sheet as at 31 December 2011

before appropriation of profit in thousands of EUR	Reference*	31.12.2011	31.12.2010
Assets			
Cash	1	51,631	44,814
Government paper	2	15,000	—
Banks	3	670,649	595,800
Loans	4	2,837,818	2,127,643
Interest-bearing securities	5	573,096	586,672
Shares	6	4	4
Participating interests	7	3,166	2,623
Intangible fixed assets	8	13,475	14,646
Property and equipment	9	36,063	32,106
Other assets	10	16,045	21,319
Prepayments and accrued income	11	73,608	68,993
Total assets		4,290,555	3,494,620
Liabilities			
Banks	12	34,902	23,983
Funds entrusted	13	3,730,708	3,038,676
Other liabilities	14	9,302	6,817
Accruals and deferred income	15	48,725	39,910
Provisions	16	452	318
Subordinated liabilities	17	15,300	22,800
Equity	18	451,166	362,116
Total equity and liabilities		4,290,555	3,494,620
Contingent liabilities	19	64,542	43,090
Irrevocable facilities	20	700,966	734,941
		765,508	778,031

* References relate to the notes starting on page 50. These form an integral part of the consolidated annual accounts.

Consolidated profit and loss account for 2011

in thousands of EUR	Reference*	2011	2010
Income			
Interest income	21	127,927	104,848
Interest expense	22	-44,675	-38,030
Interest		83,252	66,818
Commission income	23	45,740	36,027
Commission expense	24	-1,188	-848
Commission		44,552	35,179
Result on financial transactions	25	275	182
Other income	26	582	523
Other income		857	705
Total income		128,661	102,702
Expenses			
Co-worker and other administrative expenses	27	84,364	73,111
Depreciation, amortisation and value adjustments of tangible and intangible fixed assets	28	5,513	4,851
Operating expenses		89,877	77,962
Value adjustments to receivables	29	15,801	9,843
Value adjustments to participating interests		107	119
Total expenses		105,785	87,924
Operating result before taxation		22,876	14,778
Taxation on operating result	30	-5,552	-3,269
Net profit		17,324	11,509
Amounts in EUR			
Net profit per share		3.18	2.45
Dividend per share		1.95	1.95

Consolidated statement of comprehensive income for 2011

in thousands of EUR	2011	2010
Net result	17,324	11,509
Revaluation of property, equipment and participating interest after taxation	-10	16
Exchange rate results from business operations abroad after taxation	52	116
Total amount recognised directly in equity	42	132
Total comprehensive income	17,366	11,641

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Consolidated statement of changes in the equity for 2011

in thousands of EUR	Share capital	Share Premium
Equity as at 1 January 2010	221,029	51,507
Increase of share capital	24,191	10,191
Stock dividend	4,132	-4,132
Revaluation of property, equipment and participation interest after taxation		
Exchange rate results from business operations abroad after taxation		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Transfer to statutory reserve for development costs		
Purchasing or sale of own depository receipts		
Result for financial year		
Equity as at 31 December 2010	249,352	57,566
Increase of share capital	51,619	23,385
Stock dividend	4,717	-4,717
Revaluation of property, equipment and participation interest after taxation		
Exchange rate results from business operations abroad after taxation		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Transfer to statutory reserve for development costs		
Purchasing or sale of own depository receipts		
Result for financial year		
Equity as at 31 December 2011	305,688	76,234

Revaluation reserve	Statutory reserve	Other reserve	Retained earnings	Total equity
43	6,762	29,532	9,577	318,450
				34,382
				—
16				16
	116			116
		975	-975	—
			-8,602	-8,602
		5,801		5,801
	989	-989		—
		444		444
			11,509	11,509
59	7,867	35,763	11,509	362,116
				75,004
				—
-10				-10
	52			52
		1,566	-1,566	—
			-9,943	-9,943
		6,623		6,623
	-895	895		—
		—		—
			17,324	17,324
49	7,024	44,847	17,324	451,166

Consolidated cashflow statement for 2011

in thousands of EUR	2011	2010
Cashflow from operating activities		
Net profit	17,324	11,509
Adjustments for:		
• depreciation	5,513	4,850
• value adjustments to receivables	15,801	9,843
• value adjustments to participating interests	107	119
• exchange rate differences on property and equipment	-42	-1
• movements in provisions	134	-64
• other movements in accrued and deferred items	4,200	-19,154
Cashflow from business operations	43,037	7,102
Movement in government paper	-15,000	—
Movement in banks, deposits not on demand	-60,957	128,978
Movement in loans	-725,976	-476,551
Movements in shares	—	-1
Movement in banks, liabilities not on demand	10,919	14,423
Movement in funds entrusted	692,032	454,059
Other movements from operating activities	7,759	-18,736
CASHFLOW FROM OPERATING ACTIVITIES	-48,186	109,274
Cashflow from investment activities		
Net investments in:		
• interest-bearing securities	13,576	-75,654
• participating interests	-608	-78
• intangible fixed assets	-1,593	-2,723
• property and equipment	-6,664	-5,404
CASHFLOW FROM INVESTMENT ACTIVITIES	4,711	-83,859
Cashflow from financing activities		
Movement in subordinated liabilities	-7,500	—
Increase in equity	75,004	34,382
Payment of cash dividend	-3,320	-2,801
Purchases of depository receipts for own shares	—	444
CASHFLOW FROM FINANCING ACTIVITIES	64,184	32,025
Net cashflow	20,709	57,440
Cash and cash equivalents at beginning of the year	415,689	358,249
Cash and cash equivalents at the end of the year	436,398	415,689
On demand deposits with central banks	51,631	44,814
On demand deposits with banks	384,767	370,875
Cash and cash equivalents at the end of the year	436,398	415,689

Notes to the consolidated financial statements

in thousands of EUR

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 thirty-first 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 Investment Management BV in Zeist, participating interest 100%, group company, fully consolidated;
- Triodos MeesPierson Sustainable Investment Management BV in Zeist, participating interest 50%,

joint venture with joint control, consolidated pro rata to the participating interest held;

- Triodos Nieuwbouw BV in Zeist, participating interest 100%, group company, fully consolidated.

Accounting principles

General

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

Transactions in foreign currencies

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

Business operations abroad

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

Banks and loans

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

Government paper and interest-bearing securities

All government paper and interest-bearing securities are held in the investment portfolio. They are stated at redemption value after deduction of provisions for doubtful debts. Differences between the acquisition price and the redemption value are amortised over the remaining life of the securities. Realised changes

in the value are recognised in the profit and loss account.

Shares

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

Participating interests

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

Participating interests where no significant influence can be exercised will be carried at fair value. In the case of a participating interest that is listed on an active stock exchange, the fair value will be deemed to be equal to the most recently published stock exchange price. In the case of a participating interest not listed on an active stock exchange or where there is no regular price quotation, the fair value will be determined to the best of one's ability using all available data, including an annual report audited by an external auditor, interim financial information from the institution and any other relevant data provided to Triodos Bank. Unrealised changes in the value of participating interests where no significant influence can be exercised are recognised in equity via the revaluation reserve, with the exception of changes in value below the acquisition price, which will be recognised directly in the profit and loss account.

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

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

Intangible fixed assets

Intangible fixed assets are stated at acquisition price or cost of manufacture minus amortisation. The amortisation will be determined in line with the estimated useful life.

Goodwill paid by Triodos Bank for the establishment of the branch in Spain will be amortised over a period of ten years. The remaining amortisation period is

three years. Goodwill paid by Triodos Fonds Management for the acquisition of management and research activities will be amortised over five years. The remaining amortisation period is one month. No impairment for goodwill was recognised.

The development costs for the banking system will be written off over the estimated useful life from the moment the system is used. The current end-of-life date is December 2016. No impairment was recognised.

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

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

Property and equipment

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

Property for own use is stated at the current cost, which is derived from the replacement cost. A valuation is carried out at least every five years by an external appraiser. The 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 mainly consist of a provision for major building maintenance.

Purchases of depository receipts for own shares

The purchasing and reissuing of depository receipts for own shares is charged or credited respectively to the Other reserves. Any balance remaining after the

re-issuing of all own depository receipts purchased shall be placed at the disposal of the Annual General Meeting.

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

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

Derivatives

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 profit and loss account if the collection of the interest and commission is doubtful.

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.

Earnings per share

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

calculating the weighted average number of shares outstanding:

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

Cash flow statement

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

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

The preparation of the consolidated financial statements requires Triodos Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and the contingent assets and liabilities at the balance sheet date, and the reported income and expenses for the financial year. It mainly concerns the methods for determining the provisions for doubtful debts, determining the fair value of assets and liabilities and determining impairments. This involves assessing the situations on the basis of available financial data and information. Although these estimates with respect to current events and actions are made to the best of management's knowledge, actual results may differ from the estimates.

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

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

Assets

1. Cash

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

2. Government paper

	2011	2010
Belgian treasury bonds	15,000	—
	15,000	—

The movement in the Government paper is as follows:

	2011	2010
Balance sheet value as at 1 January	—	—
Purchase	15,000	—
Repayments	—	—
Sale	—	—
Balance sheet value as at 31 December	15,000	—

3. Banks

	2011	2010
On demand deposits with banks	384,767	370,875
Deposits with banks	285,882	224,925
	670,649	595,800

The on demand deposits can be freely disposed of.

Banks classified by residual maturity:

	2011	2010
Payable on demand	384,767	370,875
1 to 3 months	131,382	222,925
3 months to 1 year	152,500	—
1 to 5 years	—	—
Longer than 5 years	2,000	2,000
	670,649	595,800

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

	2011	2010
ABN AMRO	135,066	110,057
Banco Cooperativo	5,410	8,432
Barclays	57,661	68,257
Co-operative Bank	23,944	23,236
Dexia Bank	—	66,281
DZ Bank	5,244	12,198
Friesland Bank	49,443	20,000
FMO (Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden)	90,000	—
ING Bank	90,408	83,302
KBC Bank	37,834	12,076
Van Lanschot Bank	20,115	1,638
Nationwide Building Society	23,944	23,236
Rabobank	92,322	129,574
Royal Bank of Scotland	15,866	9,766
SNS Bank	20,000	20,000
Other	3,392	7,747
	670,649	595,800

4. Loans

	2011	2010
Loans	2,874,401	2,148,267
Provision for doubtful debts	-36,583	-20,624
	2,837,818	2,127,643

This relates to loans to the private sector, excluding those to banks,

Loans classified by residual maturity:

	2011	2010
Payable on demand	148,657	89,080
1 to 3 months	149,385	55,667
3 months to 1 year	216,707	213,671
1 to 5 years	653,598	537,025
Longer than 5 years	1,706,054	1,252,824
	2,874,401	2,148,267

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

	2011	2010
Balance sheet value as at 1 January	20,624	10,392
Addition	19,143	12,076
Write-off	-835	-289
Release	-2,450	-1,598
Exchange rate differences	101	43
Balance sheet value as at 31 December	36,583	20,624

The provision does not relate to contingent liabilities and irrevocable facilities, EUR 1,4 million of the addition to the provision relates to interest that has been invoiced for but that has not been received (2010: EUR 0,6 million),

5. Interest-bearing securities

	2011	2010
Dutch Government bonds	172,000	265,196
Belgian Government bonds	257,798	142,628
Spanish Government bonds	6,348	6,348
Other bonds	136,950	172,500
	573,096	586,672

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

	2011	2010
Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden (FMO), The Netherlands	60,000	60,000
SNS Bank (government guaranteed), The Netherlands	19,000	29,000
Brussels Region, Belgium	15,000	15,000
Vlaamse gemeenschap, Belgium	13,000	13,000
La Communauté française de Belgique, Belgium	10,000	—
Rabobank, The Netherlands	10,000	10,000
Bank Nederlandse Gemeenten (BNG), The Netherlands	6,450	—
Nederlandse Waterschapsbank, The Netherlands	3,000	6,000
Ethias Vie, Belgium	500	500
De Société Publique de Gestion de l'Eau (SPGE), Belgium	—	15,000
Dexia Bank (government guaranteed), Belgium	—	13,000
NIBC Bank (government guaranteed), The Netherlands	—	10,000
Cultuurinvest, Belgium	—	1,000
	136,950	172,500

Part of the value of securities is used as collateral for a possible debit balance, amounting to EUR 5.0 million at the Dutch Central Bank (2010: EUR 5.0 million), EUR 8.5 million at a bank in The Netherlands (2010: EUR 21.0 million) and EUR 0.0 million (2010: EUR 11.6 million) at a bank in Belgium. The security for drawn loans amounts to EUR 6.3 million (2010: EUR 6.3 million) at a bank in Spain.

In connection with differences between the acquisition prices and redemption values, as at 31 December 2011 an amount of EUR 13.9 million (2010: EUR 18.6 million) has been included under Prepayments and accrued income and an amount of EUR 0.8 million (2010: EUR 0.5 million) has been included under Accruals and deferred income.

The movement in interest-bearing securities is as follows:

	2011	2010
Balance sheet value as at 1 January	586,672	511,018
Purchase	144,450	185,000
Repayments	-99,026	-60,846
Sale	-59,000	-48,500
Balance sheet value as at 31 December	573,096	586,672

6. Shares

	2011	2010
S.W.I.F.T. SCRL	3	3
Ampere Equity Fund BV	0	0
SEPA Biogasanlage Hattingen GmbH	1	1
	4	4

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

The movement in shares is as follows:

	2011	2010
Balance sheet value as at 1 January	4	3
Purchase	—	1
Sales	—	—
Balance sheet value as at 31 December	4	4

7. Participating interests

	2011	2010
Other participating interests	3,166	2,623

This relates to a participating interest in New Resource Bank, San Francisco, Merkur Bank, Copenhagen, Cultura Bank, Oslo, Social Enterprise Finance Australia Limited, Sydney, GLS Gemeinschaftsbank eG, Bochum, Banca Popolare Etica Scpa, Padova and Ekobanken Medlemsbank, Järna where no significant influence can be exercised.

The movement in this item is as follows:

	2011	2010
Balance sheet value as at 1 January	2,623	2,532
Acquisitions	475	78
Increase of capital	133	—
Revaluation	-117	-103
Exchange rate results on foreign currencies	52	116
Balance sheet value as at 31 December	3,166	2,623

8. Intangible fixed assets

	2011	2010
Goodwill paid	295	400
Development costs for information systems	9,529	10,793
Management contracts	2,972	3,174
Computer software	679	279
	13,475	14,646

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, 2005 and an addition in 2009 to buy off the rights to the future profit made by the branch in Spain.

The movement in goodwill paid is as follows:

	2011	2010
Purchase value as at 1 January	900	900
Cumulative amortisation as at 1 January	-500	-395
Balance sheet value as at 1 January	400	505
Purchase	—	—
Amortisation	-105	-105
Balance sheet value as at 31 December	295	400

The development costs for information systems

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

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

	2011	2010
Purchase value as at 1 January	19,567	17,056
Cumulative amortisation as at 1 January	-8,774	-7,089
Balance sheet value as at 1 January	10,793	9,967
Capitalised expenses	967	2,510
Amortisation	-2,231	-1,684
Impairments	—	—
Balance sheet value as at 31 December	9,529	10,793

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:

	2011	2010
Purchase value as at 1 January	4,030	4,030
Cumulative amortisation as at 1 January	-856	-655
Balance sheet value as at 1 January	3,174	3,375
Amortisation	-202	-201
Balance sheet value as at 31 December	2,972	3,174

9. Property and equipment

	2011	2010
Property for own use	23,496	22,735
Equipment	12,567	9,371
	36,063	32,106

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

	2011	2010
Purchase value as at 1 January	25,163	24,514
Cumulative revaluation as at 1 January	-435	-435
Cumulative depreciation as at 1 January	-1,993	-1,673
Balance sheet value as at 1 January	22,735	22,406
Purchase	1,111	648
Depreciation	-350	-319
Balance sheet value as at 31 December	23,496	22,735

The movement in equipment is as follows:

	2011	2010
Purchase value as at 1 January	19,351	14,862
Cumulative depreciation as at 1 January	-9,980	-7,768
Balance sheet value as at 1 January	9,371	7,094
Purchase	5,624	4,768
Sale	-71	-13
Depreciation	-2,399	-2,480
Exchange rate differences	42	2
Balance sheet value as at 31 December	12,567	9,371

10. Other assets

The other assets include a claim regarding the deposit guarantee scheme in the amount of EUR 9,886 (2010: EUR 13,171).

11. 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 3.1 million (2010: EUR 3.0 million). The deferred tax item mainly relates to losses incurred by the German and Spanish branch still to be off-set against future taxable profits.

Liabilities

12. Banks

	2011	2010
Deposits from banks	34,902	23,983

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

Deposits with banks classified by residual maturity:

	2011	2010
Payable on demand	855	840
1 to 3 months	670	108
3 months to 1 year	1,389	822
1 to 5 years	10,602	6,843
Longer than 5 years	21,386	15,370
	34,902	23,983

13. Funds entrusted

	2011	2010
Savings accounts	2,715,079	2,199,404
Other funds entrusted	1,015,629	839,272
	3,730,708	3,038,676

Funds entrusted classified by residual maturity:

	2011	2010
Payable on demand	2,991,596	2,497,806
1 to 3 months	96,380	93,796
3 months to 1 year	203,292	167,916
1 to 5 years	354,296	223,160
Longer than 5 years	85,144	55,998
	3,730,708	3,038,676

14. Other liabilities

This item consists of various amounts payable, including Dutch and foreign taxation and social security contributions totalling EUR 3.9 million (2010: EUR 2.5 million).

15. Accruals and deferred income

This item includes costs still to be invoiced, advance payments already received and various accruals and deferrals and deferred tax liability items in the amount of EUR 4.2 million (2010: EUR 4.2 million).

The deferred tax item mainly relates to future profits of the German and Spanish branch that will be taxed in The Netherlands.

16. Provisions

	2011	2010
Major building maintenance	447	313
Other provisions	5	5
	452	318

The movement of the provisions is as follows:

	2011	2010
Balance sheet value as at 1 January	318	382
Allocation	169	114
Withdrawal	-35	-103
Release	—	-75
Balance sheet value as at 31 December	452	318

17. 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.

In connection with differences between the acquisition prices and redemption values, as at 31 December 2011 an amount of EUR 0.1 million (2010: EUR 0.1 million) has been included under Prepayments and accrued income.

The movement in subordinated liabilities is as follows:

	2011	2010
Balance sheet value as at 1 January	22,800	22,800
Withdrawal	-7,500	—
Balance sheet value as at 31 December	15,300	22,800

18. Equity

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

Fair values

The following table sets out the fair value of the financial instruments held as at 31 December 2011. The fair value of interest-bearing securities is the market value. The fair value of banks, loans, funds entrusted with a fixed interest term and the subordinated loan has been determined by calculating the net present value of expected interest and redemption cashflows, taken into account market interest rates as at the end of the year. The fair value of the other items is assumed to be equal to the balance sheet value.

The fair value of the remaining assets also includes the deferred tax item 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.

	2011 Balance sheet Value	2011 Fair value	2010 Balance sheet value	2010 Fair value
Assets				
Cash	51,631	51,631	44,814	44,814
Government paper	15,000	15,000	—	—
Banks	670,649	670,452	595,800	595,901
Loans	2,837,818	2,907,188	2,127,643	2,169,387
Interest-bearing securities including premiums/discounts	586,170	600,476	604,727	613,162
Shares	4	4	4	4
Participating interests	3,166	3,166	2,623	2,623
Other	125,315	110,925*	118,505	109,109*
	4,289,753	4,358,842	3,494,116	3,535,000
Liabilities				
Banks	34,902	34,902	23,983	23,983
Funds entrusted	3,730,708	3,758,084	3,038,676	3,049,258
Other	72,977	71,521	69,341	71,456
Equity	451,166	451,166	362,116	362,116
Revaluation	—	43,169	—	28,187
	4,289,753	4,358,842	3,494,116	3,535,000

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

	2011 Contract value	2011 Fair value	2010 Contract value	2010 Fair value
Derivatives				
Currency forward contracts (sale of foreign currencies)	195,641	208,462	175,488	181,211
Currency forward contracts (purchase of foreign currencies)	196,701	208,986	175,079	181,237
	392,342	417,448	350,567	362,448

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 maturity and interest rates used. For this reason 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.

Off-balance sheet liabilities

19. Contingent liabilities

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

20. Irrevocable facilities

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

Other off-balance sheet liabilities

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

Rental commitments

in thousands of EUR

Location	Amount per annum	Residual term
Zeist, The Netherlands	548	44 months
Zeist, The Netherlands	175	12 months
Brussels, Belgium	585	87 months
Bristol, United Kingdom	792	171 months
Edinburgh, United Kingdom	41	33 months
Barcelona, Spain	154	22 months
Bilbao, Spain	13	3 months
La Coruna, Spain	57	20 months
Las Palmas, Spain	26	18 months
Madrid, Spain	18	3 months
Palma de Mallorca, Spain	89	40 months
Santa Cruz de Tenerife, Spain	53	30 months
Sevilla, Spain	23	3 months
Valencia, Spain	53	10 months
Valladolid, Spain	99	9 months
Zaragoza, Spain	14	6 months
Frankfurt, Germany	286	34 months

Lease commitments

in thousands of EUR

Lease commitments have been entered between 14 and 48 months with an annual charge of EUR 503.

Commitments for software use

in thousands of EUR

The following commitments have been entered for software use:

- for a period of 36 months with an annual charge of EUR 10.
- a fixed annual payment of EUR 27.
- for a period of at least two years with an variable annual charge of approximately EUR 187.

Other commitments

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

Income

21. Interest income

	2011	2010
Loans	99,260	77,187
Banks	8,544	7,189
Interest-bearing securities	20,072	20,253
Other investments	51	219
	127,927	104,848

The interest income includes revenues derived from financial loans and related transactions, as well as related commissions, which by their nature are similar to interest payments. The interest-bearing securities item includes transaction results in the amount of EUR 2.6 million (2010: EUR 2.2 million).

22. Interest expense

	2011	2010
Funds entrusted	43,715	36,080
Subordinated liabilities	160	1,297
Banks	774	326
Other	26	327
	44,675	38,030

The subordinated liabilities item includes a transaction result in the amount of EUR 1.1 million (2010: EUR 0.0 million)

23. Commission income

	2011	2010
Guarantee commission	525	434
Share register	3,575	3,374
Payment transactions	4,120	2,062
Lending	11,396	6,295
Asset Management	3,231	2,769
Management fees	22,245	20,840
Other commission income	648	253
	45,740	36,027

The commission income categories have been revised in 2011. The comparative figures 2010 have been adjusted.

24. Commission expense

	2011	2010
Commission to agents	393	401
Asset Management	312	259
Other commission expense	483	188
	1,188	848

25. Result on financial transactions

	2011	2010
Exchange results for foreign currency transactions	34	19
Transaction results on currency forward contracts	241	163
	275	182

26. Other income

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

Expenses

27. Co-worker and other administrative expenses

	2011	2010
Co-worker costs:		
• salary expenses	36,482	30,922
• pension expenses	3,653	3,849
• social security expenses	5,803	5,308
• temporary co-workers	3,342	3,282
• other staff costs	4,191	3,735
• capitalised co-worker costs	-810	-1,694
	52,661	45,402
Other administrative expenses:		
• office costs	3,893	3,278
• IT costs	3,689	3,751
• external administration costs	3,732	2,821
• travel and lodging expenses	2,480	2,068
• fees for advice and auditor	2,313	2,499
• advertising charges	7,039	6,263
• accommodation expenses	5,392	4,044
• other expenses	3,165	2,985
	31,703	27,709
	84,364	73,111
Average number of co-workers on a full-time basis	639.6	559.4

Pension expenses

	2011	2010
Pension expenses, defined contribution schemes	1,708	2,035
Pension expenses, defined benefit pension schemes	1,945	1,814
	3,653	3,849

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

Pension scheme per country

Triodos Bank's pension scheme in The Netherlands is a combination of a defined benefit pension scheme and a defined contribution scheme. For the part of the gross annual salary up to EUR 49,297 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 49,297, a defined contribution schemes applies; the commitment to the participating co-workers consists of the paying the outstanding contribution.

In The Netherlands, co-workers of related parties 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 6%. In Spain, the pension contribution is 1.5% of the salary, paid in full by the employer.

In the United Kingdom and Germany, participation in the pension scheme is voluntary. In the United Kingdom, the co-workers' contribution varies between 0% and 35% of the salary. The employer's contribution amounts to 3% or 10% of the salary. 78% 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%. 100% of the co-workers in Germany participate in the pension scheme.

Other expenses

The other expenses include expenses regarding the deposit guarantee scheme in the amount of EUR 0.5 million (2010: EUR 0.3 million).

Remuneration policy

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

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

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

In 2011 a new International Remuneration Policy was adopted. Key elements of this policy are:

- Triodos Bank continues not to offer bonus or share option schemes to either its Board members or co-workers. Financial incentives are not considered an appropriate way to motivate and reward co-workers in a values-based bank. In addition, sustainability is by its very nature the result of a combined effort by team members aimed at both the short and long term.
- Triodos Bank may provide additional individual awards to co-workers to a maximum of two months' salary. These contributions are for extraordinary achievements and are at the discretion of management after consultation with Human Resources. Such an award is not based on pre-set targets, and always offered in retrospect.
- An annual, collective financial reward can be paid for the overall achievements and contribution of all co-workers. This very modest amount is the same, for all co-workers and ranges from around EUR 300 to EUR 500 for each co-worker. This can be paid in cash or depository receipts of Triodos Bank NV.
- Fixed salaries should be broadly aligned with market rates to attract and retain the right quality of co-workers.
- The factor by which the maximum salary in the lowest scale and the maximum salary for senior management differs, will be monitored carefully in each country (the same ratio in The Netherlands was 9.8 in 2011), to ensure the discrepancy between the highest and lowest remunerated co-workers is not excessive.
- Severance payments should be modest. If in a country legislation or generally accepted norms are available, these should be followed. Severance payments should, at all times, avoid rewarding underperformance.

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

	2011	2011	2011	2010	2010	2010
	Amount outstanding	Average interest rate	Repayments	Amount outstanding	Average interest rate	Repayments
Pierre Aeby	125	3.6%	—	125	3.6%	—

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

Remuneration paid to the Executive Board

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

	2011	2010
Salary expenses	677	649
Pension expenses	143	141
Social expenses	27	27
	847	817

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

	2011	2010
Pierre Aeby*	217	206
Peter Blom*	265	258
Michael Jongeneel	195	185
	677	649

*Statutory Director

Remuneration paid to the Supervisory Board

The remuneration paid to the Supervisory Board is as follows:

Amounts in EUR	2011 Remuneration	2011 Fees for Committees	2011 Compensation for travel time	2011 Total	2010 Total
David Carrington	11,458	—	3,500	14,958	13,500
Marcos Eguiguren	11,458	4,000	3,500	18,958	16,604
Marius Frank	11,458	3,521	—	14,979	12,302
Mathieu van den Hoogenband	11,458	—	—	11,458	10,000
Jan Lamers	11,458	667	3,500	15,625	16,604
Margot Scheltema	11,458	5,000	—	16,458	14,208
Hans Voortman (Chair)	17,042	2,583	—	19,625	17,000
Carla van der Weerd	11,458	3,333	—	14,791	6,042
	97,248	19,104	10,500	126,852	106,260

The fees paid to Supervisory Board members were changed in the Annual General Meeting held on 20 May 2011.

The following fees apply:

- EUR 12,500 per annum for an ordinary member;
- EUR 18,500 per annum for the Chair;
- EUR 4,000 per annum for a member of the Audit & Risk Committee;
- EUR 5,000 per annum for the chair of the Audit & Risk Committee;
- EUR 3,000 per annum for members of the Nomination and Compensation Committee;
- EUR 4,250 per annum for the chair of the Nomination and Compensation Committee;
- EUR 500 per meeting (to a maximum of EUR 10,000 per annum) as compensation for travelling time for those Supervisory Board members who live abroad.

Ms. van der Weerd has been a member of the Supervisory Board since 21 May 2010.

Mr. Eguiguren, Ms. Van der Weerd and Ms. Scheltema (Chair) are the members of the Audit & Risk Committee. Mr. Frank (Chair) 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):

	2011 Remuneration	2011 Compensation for travel time	2011 Total	2010 Total
Jan van Apeldoorn (until 21th May 2010)	—	—	—	1,187
Marjatta van Boeschoten	3,788	3,000	6,788	6,500
Frans de Clerck (since 21th May 2010)	3,788	3,000	6,788	3,813
Luis Espiga	3,788	3,500	7,288	6,000
Chris Maryns-van Autreve until 21th May 2010)	—	—	—	2,187
Jan Nijenhof	3,788	—	3,788	5,000
Max Rutgers van Rozenburg (Chair)	5,992	—	5,992	3,000
Josephine de Zwaan (since 21th May 2010)	3,788	—	3,788	1,813
	24,932	9,500	34,432	29,500

The fees paid to members of the SAAT Board of Trustees were changed in the Annual General Meeting held on 20 May 2011.

The following fees apply:

- EUR 4,350 per annum for an ordinary member;
- EUR 6,700 per annum for the chairperson;
- EUR 500 per meeting (with a maximum of ten meetings per annum) as compensation for travelling time for those Board members who live abroad.

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

	2011	2010
Amortisation of intangible fixed assets	2,764	2,052
Depreciation of property and equipment	2,749	2,799
	5,513	4,851

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

29. Value adjustments to receivables

This item consists of expenses associated with write-downs on loans and other receivables. In 2011, there is an expense item of EUR 15.8 million (2010: expense of EUR 9.8 million).

30. Taxation on operating result

	2011	2010
Taxation to be paid	5,296	3,185
Deferred taxation	256	84
	5,552	3,269

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

	2011	2010
Result before taxation	22,876	14,778
Statutory tax rate	25.0%	25.5%
Statutory tax amount	5,719	3,768
Difference arising from other tax rates abroad, exemptions and non-deductible items	36	-554
Restatement of deferred taxation items as the result of amended tax rates	-203	55
Effective tax amount	5,552	3,269
Effective tax rate	24.3%	22.1%

Fiscal entity

Triodos Bank, as a parent company, forms a tax entity for turnover tax and corporate income tax purposes with Triodos Assurantiën, Triodos Cultuurbank, Triodos Investment Management, Kantoor Buitenzorg, Kantoor Nieuweroord and Triodos Nieuwbouw as subsidiaries. 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, Triodos Facet and Triodos Fair Share Fund at competitive rates. The services relate to the secondment of co-workers, management services, administration, accommodation, ICT and advertising.
- Triodos Bank holds funds of and provides banking services to related parties at competitive rates.
- Triodos Bank provides credit facilities and bank guarantees to investment funds and international funds at competitive rates.
- Triodos Bank lets office accommodation to Triodos Facet at a competitive lease.
- Triodos Bank has acted as a guarantor for Triodos Groenfonds at a competitive guarantee commission.
- Triodos Bank and Triodos Investment Management carry out management activities for investment funds and receive a competitive management fee for these activities.
- Triodos Custody performs custodial services for Triodos Fair Share Fund at a competitive fee.
- Triodos Bank distributes and registers securities, issued by investment funds and placed with customers of Triodos Bank, at competitive rates.
- Triodos Bank performs currency transactions for investment funds and international funds at competitive rates.
- Triodos Investment Management provides supervisory director activities for Sustainalytics BV and receive a competitive fee.
- Triodos Bank receives compensation from Triodos Groenfonds for lower interest rates on loans that were acquired from Triodos Groenfonds.
- Triodos Investment Management and Triodos Mees Pierson obtains information for research into sustainability from Sustainalytics at competitive rates.
- Triodos Mees Pierson passes on a share of the received administration fee to Sustainalytics as remuneration for their share in the performed administration activities.
- Triodos Mees Pierson manages an investment portfolio of Triodos Groenfonds at a competitive management fee.

Segment reporting

Key figures 2011 by branch and business unit

in thousands of EUR	Bank The Netherlands	Bank Belgium	Bank United Kingdom	Bank Spain
Funds entrusted	1,704,118	966,542	487,170	527,708
Number of accounts	207,579	47,768	33,116	71,667
Loans	994,714	611,564	504,014	561,471
Number	17,227	2,091	1,136	1,190
Balance sheet total	1,877,488	1,088,433	705,592	633,228
Funds under management				
Total assets under management	1,877,488	1,088,433	705,592	633,228
Total income	37,998	25,038	15,130	20,099
Operating expenses	-26,264	-14,487	-10,483	-12,971
Value adjustments to receivables	-10,197	-3,367	-944	-518
Value adjustments to participations				
Operating result	1,537	7,184	3,703	6,610
Taxation on operating result	-238	-1,585	-1,015	-1,896
Net profit	1,299	5,599	2,688	4,714
Average number of co-workers on a full-time basis	124.3	81.1	76.6	117.8
Operating expenses/total income	69%	58%	69%	65%

Bank Germany	Total banking activities	Investment Management	Private Banking	Other	Elimination intercompany transactions	Total
52,652	3,738,190				-7,482	3,730,708
2,956	363,086					363,086
166,541	2,838,304				-486	2,837,818
256	21,900					21,900
174,263	4,479,004			828,385	-1,016,834	4,290,555
	0	2,050,107	436,044	8,982		2,495,133
174,263	4,479,004	2,050,107	436,044	837,367	-1,016,834	6,785,688
4,323	102,588	22,651	2,892	1,413	-883	128,661
-6,359	-70,564	-16,978	-1,971	-1,439	1,075	-89,877
-775	-15,801					-15,801
				-107		-107
-2,811	16,223	5,673	921	-133	192	22,876
803	-3,931	-1,483	-213	123	-48	-5,552
-2,008	12,292	4,190	708	-10	144	17,324
30.0	429.8	82.6	12.1	115.2		639.7
147%	69%	75%	68%			70%

Key figures 2010 by branch and business unit

in thousands of EUR	Bank The Netherlands	Bank Belgium	Bank United Kingdom	Bank Spain
Funds entrusted	1,460,049	794,783	433,744	334,269
Number of accounts	169,919	40,806	31,451	35,008
Loans	761,774	462,918	359,125	456,557
Number	13,606	1,692	992	886
Balance sheet total	1,592,895	882,901	549,184	493,831
Funds under management				
Total assets under management	1,592,895	882,901	549,184	493,831
Total income	33,177	18,768	11,699	14,012
Operating expenses	-22,758	-12,854	-8,648	-10,892
Value adjustments to receivables	-2,966	-4,788	-745	-1,339
Value adjustments to participations				
Operating result	7,453	1,126	2,306	1,781
Taxation on operating result	-1,764	361	-550	-840
Net profit	5,689	1,487	1,756	941
Average number of co-workers on a full-time basis	115.2	71.9	73.0	83.5
Operating expenses/total income	69%	68%	74%	78%

Bank Germany	Total banking activities	Investment Management	Private Banking	Other	Elimination intercompany transactions	Total
20,310	3,043,155				-4,479	3,038,676
1,105	278,289					278,289
87,946	2,128,320				-677	2,127,643
107	17,283					17,283
115,887	3,634,698			631,523	-771,601	3,494,620
		1,757,284	356,776	8,077		2,122,137
115,887	3,634,698	1,757,284	356,776	639,600	-771,601	5,616,757
2,076	79,732	21,007	2,476	1,409	-1,922	102,702
-4,955	-60,107	-15,708	-1,845	-1,546	1,244	-77,962
	-9,838			-5		-9,843
				-119		-119
-2,879	9,787	5,299	631	-261	-678	14,778
883	-1,910	-1,545	-157	173	170	-3,269
-1,996	7,877	3,754	474	-88	-508	11,509
25.0	368.6	76.8	10.3	103.7		559.4
239%	75%	75%	75%			76%

Lending by sector in 2011 after intercompany eliminations

in thousands of EUR	Total			The Netherlands			Belgium
	amount	%	number	amount	%	number	amount
Environment							
Organic farming	115,632	4.1%	730	36,990	3.7%	283	5,429
Organic food	73,045	2.6%	562	28,540	2.9%	317	12,993
Renewable energy	978,255	34.5%	803	74,915	7.5%	83	309,535
Sustainable property	187,388	6.6%	732	112,115	11.3%	195	54,731
Environmental technology	41,191	1.4%	140	14,728	1.5%	54	9,038
	1,395,511	49.2%	2,967	267,288	26.9%	932	391,726
Social							
Retail non-food	16,884	0.6%	134	5,210	0.5%	72	1,725
Production	16,067	0.6%	120	5,598	0.6%	54	8,590
Professional services	131,583	4.6%	270	70,642	7.1%	114	19,412
Social housing	131,050	4.6%	281	35,000	3.5%	130	2,494
Healthcare	379,488	13.4%	874	145,179	14.6%	465	106,934
Social projects	82,683	2.9%	286	1,087	0.1%	13	12,576
Fair trade	6,619	0.2%	36	2,686	0.3%	7	2,438
Development cooperation	32,668	1.2%	38	26,344	2.6%	12	580
	797,042	28.1%	2,039	291,746	29.3%	867	154,749
Culture							
Education	77,277	2.7%	258	21,513	2.2%	73	10,575
Child care	21,836	0.8%	101	18,842	1.9%	85	2,309
Arts and culture	114,780	4.0%	591	83,445	8.4%	346	15,278
Philosophy of life	67,247	2.4%	227	11,030	1.1%	36	2,156
Recreation	73,465	2.6%	164	41,198	4.1%	90	4,489
	354,605	12.5%	1,341	176,028	17.7%	630	34,807
Private loans	134,394	4.7%	15,544	103,386	10.4%	14,789	30,282
Municipality loans	156,266	5.5%	9	156,266	15.7%	9	—
Total	2,837,818	100.0%	21,900	994,714	100.0%	17,227	611,564

Belgium		United Kingdom			Spain			Germany		
%	number	amount	%	number	amount	%	number	amount	%	number
0.9%	73	49,477	9.8%	288	19,435	3.5%	76	4,301	2.6%	10
2.1%	77	11,354	2.3%	71	14,651	2.7%	78	5,507	3.3%	19
50.6%	290	145,608	28.9%	104	352,742	62.8%	296	95,455	57.5%	30
8.9%	437	9,508	1.9%	21	11,034	2.0%	79	—	0.0%	—
1.5%	58	13,505	2.7%	18	3,920	0.7%	10	—	0.0%	—
64.0%	935	229,452	45.6%	502	401,782	71.7%	539	105,263	63.4%	59
0.3%	29	9,166	1.8%	21	93	0.0%	3	690	0.4%	9
1.4%	53	561	0.1%	4	1,318	0.2%	9	—	0.0%	—
3.2%	64	37,792	7.5%	49	3,726	0.7%	36	11	0.0%	7
0.4%	26	81,074	16.1%	113	—	0.0%	—	12,482	7.5%	12
17.4%	191	38,994	7.7%	85	57,323	10.2%	94	31,058	18.8%	39
2.1%	88	15,396	3.1%	74	53,624	9.5%	111	—	0.0%	—
0.4%	10	940	0.2%	13	555	0.1%	6	—	0.0%	—
0.1%	16	423	0.1%	2	5,321	0.9%	8	—	0.0%	—
25.3%	477	184,346	36.6%	361	121,960	21.6%	267	44,241	26.7%	67
1.7%	106	18,885	3.7%	38	10,620	1.9%	24	15,684	9.4%	17
0.4%	12	477	0.1%	3	208	0.0%	1	—	0.0%	—
2.5%	156	11,802	2.3%	52	4,255	0.8%	37	—	0.0%	—
0.4%	16	46,124	9.1%	150	7,097	1.3%	22	840	0.5%	3
0.7%	25	12,928	2.6%	30	14,850	2.6%	18	—	0.0%	1
5.7%	315	90,216	17.8%	273	37,030	6.6%	102	16,524	9.9%	21
5.0%	364	—	0.0%	—	699	0.1%	282	27	0.0%	109
0.0%	—	—	0.0%	—	—	0.0%	—	—	0.0%	—
100.0%	2,091	504,014	100.0%	1,136	561,471	100.0%	1,190	166,055	100.0%	256

Lending by sector in 2010 after intercompany eliminations

in thousands of EUR	Total			The Netherlands			Belgium
	amount	%	number	amount	%	number	amount
Environment							
Organic farming	99,569	4.7%	831	33,246	4.4%	427	4,846
Organic food	65,254	3.1%	575	27,081	3.5%	368	10,506
Renewable energy	715,368	33.6%	649	71,419	9.4%	85	233,762
Sustainable property	126,607	6.0%	563	74,838	9.8%	214	37,316
Environmental technology	32,523	1.5%	114	6,597	0.9%	34	10,825
	1,039,321	48.9%	2,732	213,181	28.0%	1,128	297,255
Social							
Retail non-food	18,819	0.9%	147	5,461	0.7%	95	1,633
Production	13,034	0.6%	121	5,833	0.8%	68	5,342
Professional services	69,728	3.3%	262	17,630	2.3%	124	15,254
Social housing	95,207	4.5%	279	61,212	8.0%	171	2,598
Healthcare	290,805	13.7%	920	116,236	15.3%	582	67,029
Social projects	68,755	3.2%	227	925	0.1%	17	11,419
Fair trade	6,180	0.3%	45	2,784	0.4%	12	1,486
Development cooperation	33,821	1.6%	33	27,046	3.5%	13	586
	596,349	28.1%	2,034	237,127	31.1%	1,082	105,347
Culture							
Education	65,727	3.1%	273	22,691	3.0%	90	8,987
Child care	26,131	1.2%	131	23,063	3.0%	112	2,370
Arts and culture	98,862	4.6%	603	68,187	8.9%	409	17,031
Philosophy of life	56,015	2.6%	199	10,394	1.4%	38	1,650
Recreation	63,865	3.0%	171	34,826	4.6%	100	2,757
	310,600	14.5%	1,377	159,161	20.9%	749	32,795
Private loans	97,583	4.6%	11,136	68,515	9.0%	10,643	27,521
Municipality loans	83,790	3.9%	4	83,790	11.0%	4	—
Total	2,127,643	100.0%	17,283	761,774	100.0%	13,606	462,918

Belgium		United Kingdom			Spain			Germany		
%	number	amount	%	number	amount	%	number	amount	%	number
1.0%	66	43,454	12.1%	262	17,239	3.8%	69	784	0.9%	7
2.3%	71	10,061	2.8%	63	16,200	3.6%	68	1,406	1.6%	5
50.5%	183	111,860	31.2%	74	267,692	58.6%	289	30,635	35.1%	18
8.1%	271	5,904	1.6%	17	8,549	1.9%	61	—	0.0%	—
2.3%	56	13,247	3.7%	16	1,854	0.4%	8	—	0.0%	—
64.2%	647	184,526	51.4%	432	311,534	68.3%	495	32,825	37.6%	30
0.4%	26	10,505	2.9%	22	67	0.0%	1	1,153	1.3%	3
1.2%	42	501	0.2%	4	1,358	0.3%	7	—	0.0%	—
3.3%	58	34,122	9.5%	47	2,718	0.6%	29	4	0.0%	4
0.6%	25	23,001	6.4%	78	—	0.0%	—	8,396	9.6%	5
14.4%	161	29,165	8.1%	76	52,106	11.4%	71	26,269	30.2%	30
2.5%	58	14,403	4.0%	73	42,008	9.2%	79	—	0.0%	—
0.3%	7	1,321	0.4%	17	589	0.1%	9	—	0.0%	—
0.1%	9	427	0.1%	1	5,762	1.3%	10	—	0.0%	—
22.8%	386	113,445	31.6%	318	104,608	22.9%	206	35,822	41.1%	42
1.9%	102	7,317	2.0%	36	9,007	2.0%	25	17,725	20.3%	20
0.5%	15	483	0.1%	3	215	0.0%	1	—	0.0%	—
3.7%	116	9,385	2.6%	48	4,259	0.9%	30	—	0.0%	—
0.4%	12	36,252	10.1%	128	6,822	1.5%	18	897	1.0%	3
0.6%	22	7,717	2.2%	27	18,565	4.1%	22	—	0.0%	—
7.1%	267	61,154	17.0%	242	38,868	8.5%	96	18,622	21.3%	23
5.9%	392	—	0.0%	—	1,547	0.3%	89	—	0.0%	12
0.0%	—	—	0.0%	—	—	0.0%	—	—	0.0%	—
100.0%	1,692	359,125	100.0%	992	456,557	100.0%	886	87,269	100.0%	107

Solvency

in thousands of EUR

The solvency is calculated according to the Basel II guidelines.

	2011	2010
The tier 1 capital and own funds can be specified as follows:		
Share capital	305,688	249,352
Share premium	76,234	57,566
Statutory reserve	7,024	7,867
Other reserve	44,847	35,763
Retained earnings	17,324	11,509
Minus: proposed dividend	-11,922	-9,725
Minus: intangible fixed assets	-13,475	-14,646
Tier 1 capital (a)	425,720	337,686
Revaluation reserve	49	59
Subordinated liabilities after deduction of discount ¹	12,191	22,694
Own funds (b)	437,960	360,439
Capital requirements (c)	242,764	196,400
Surplus of own funds (b-c)	195,196	164,039
Tier 1 ratio (a/c * 8%)	14.0%	13.8%
BIS ratio (b/c * 8%)	14.4%	14.7%

The capital requirements can be specified as follows:

	2011	2010
Capital requirement for credit risk	226,779	183,161
Capital requirement for market risk	—	—
Capital requirement for operational risk	15,985	13,239
	242,764	196,400

1. Subordinated liabilities are weighted for 80% in the own funds compared to 100% in 2010, due to the maturity which is shorter than five years in 2011.

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

	2011	2010
Risk-weighted assets	2,479,346	1,929,175
Risk-weighted off-balance sheet items	333,408	343,416
Risk-weighted derivatives	21,985	16,919
	2,834,739	2,289,510
Capital requirement percentage	8%	8%
Capital requirement amount for credit risk	226,779	183,161

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.

	2011	2010
Bottom line of 2% of the actual own funds	8,759	7,225
Net open foreign currency position	4,489	2,120
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.

	2011	2010
Total income 2008	n/a	73,737
Total income 2009	88,336	88,336
Total income 2010	102,702	102,702
Total income 2011	128,661	n/a
Average income previous three years	106,566	88,258
Capital requirement percentage	15%	15%
Capital requirement amount for operational risk	15,985	13,239

Risk Management

in thousands of EUR

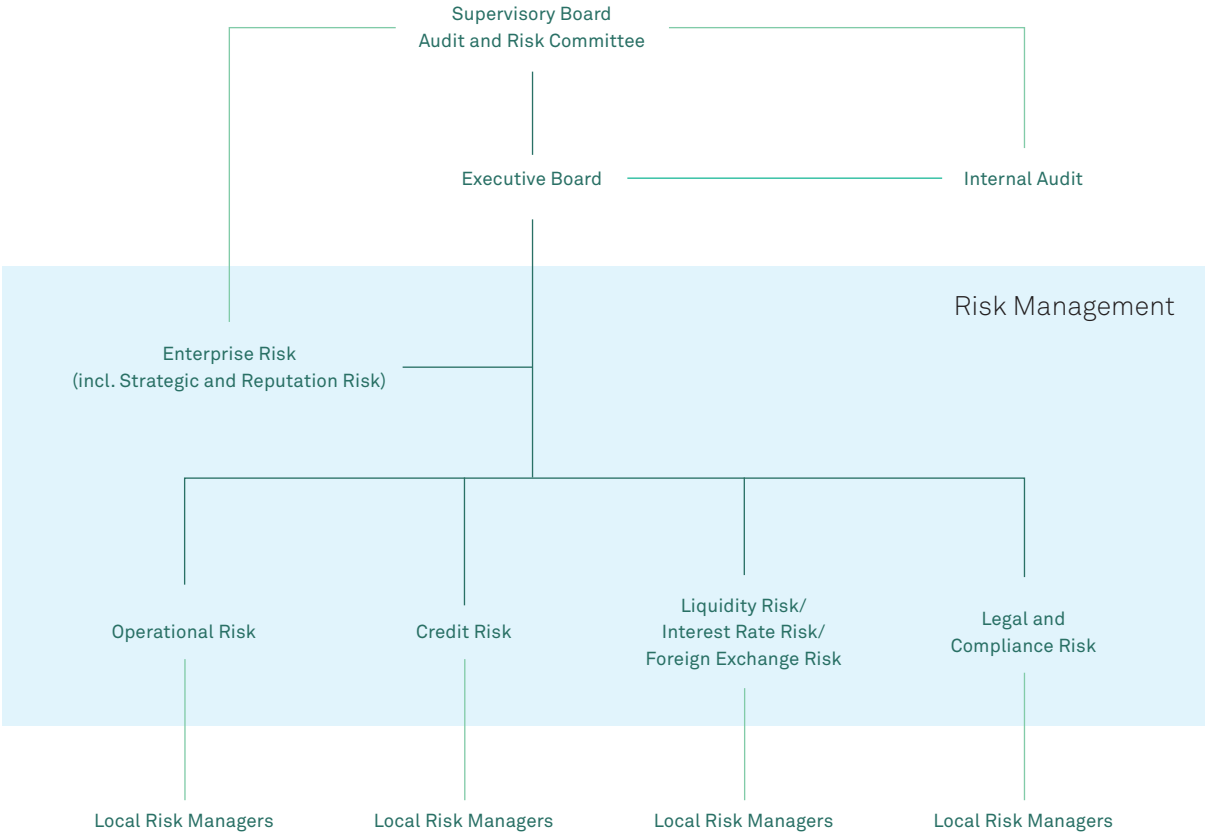
Risk Governance

The aim of Risk Management of Triodos Bank is the long term resilience of the business.

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

departments in embedding risk management processes in the organisation. Finally, Internal Audit (third line of defence) periodically assesses the design and effectiveness of internal processes and controls.

Risks are monitored by various departments and committees at group level. Risk Management consists of various risk disciplines, that are coordinated by the Group Risk Management department. Group Risk Management reports directly to the Executive Board of Triodos Bank. Risk Management’s primary task is to support the business in identifying, assessing, mitigating and monitoring their risks. Risk Management also analyses risks, prepares policies and guidelines and coordinates the management of the various risks facing Triodos Bank.



Further responsibilities of Group Risk Management are to make sure that all business units and departments embed a coherent enterprise Risk Management framework. This framework integrates the individual approach of the different risk categories and coordinates the management of all financial and non-financial risks Triodos Bank faces.

Local Risk Managers at each of Triodos Bank's business units are appointed to embed the overall enterprise risk framework into the business.

Risk Management policies are approved by Triodos Bank's Executive Board on the advice and recommendation of the relevant risk manager.

The Executive Board has assigned the advisory responsibility for:

- Balance sheet management and related risks to the Assets and Liabilities Committee (Alco). The Alco meets every month.
- Large loan approvals and counterparty and concentration risk to the Executive Board Credit Committee (the EBCC). The EBCC meets every week.

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

Regulatory requirements

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

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

The ICAAP is based on the level of risks Triodos Bank is prepared to take in order to realise its strategic objectives, or its 'risk appetite'. The risk appetite 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, capital and the depository receipt price.

Pillar III of Basel II concerns the disclosure of solvency risks. Its purpose is to make data on solvency and the connected risk profile of the organisation available to stakeholders. In line with regulations, this data is published where desirable or necessary in this annual report.

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

Triodos Bank has established an Audit & Risk Committee (Supervisory Board A&RC) in line with the Banking Code, which meets four times a year. The Executive Board delivers an integrated risk report to the SB A&RC to enable them to execute adequately their supervisory responsibilities on the risk profile of the bank, including the capital and liquidity impact. The product approval process, that assesses all new products and markets against Triodos Bank's risk appetite and its duty of care to clients is in place. A lifelong learning program for members of the Executive Board and Supervisory Board has been set up and implemented.

Capital Management

Triodos capital strategy defines Capital Management levels and is part of an integrated capital framework.

The aim of the capital framework is to guarantee that sufficient capital is available to meet Triodos Bank's capital needs for implementation of its business strategy. Triodos Bank works with rolling three year capital planning. The Asset and Liability Committee monitors and advises the Executive Board about the capital adequacy. The Asset and Liability Committee assesses whether the available capital is sufficient to support current and future activities on a monthly basis. In 2011 the available capital was always sufficient. During 2011 new equity of EUR 75 million was issued to support growth.

Business strategy, risk appetite, and capital planning form the basis for the process of:

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

Capital Measurement

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

The results of Pillar I and Pillar II add up to Economic Capital, which expresses the need of capital to cover Triodos Bank business activities. Therefore Economic Capital supports business decision-making at all levels within banking organisations. The Economic Capital is determined by the following risks:

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

For detailed calculations see the Solvency chapter (page 82) in this annual account.

Capital Contingency and stress testing

Capital Contingency is set up to ensure that Triodos Bank maintains sufficient capital to meet its

regulatory capital requirements under stressed situations. A Capital Contingency Plan is set up for Triodos Group in case a capital crisis occurs. The Capital Contingency Plan sets out actions and activities to strengthen short term capital position under stressed circumstances. Twice a year the actual capital position is stressed based against a number of stress scenarios.

Capital allocation

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

Credit risk

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

Triodos Bank manages credit risk from two perspectives:

- primary at the individual level focusing on the direct relation with the counterparty
- globally at the portfolio level in order to manage the concentration of risks per sector, country or region;

Loans

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

knowledge within the organisation. Risk is also reduced by the spread of the loan portfolio in the different countries and the high quality of securities (collateral) against outstanding loans. Principal collateral are mortgage registrations for business or private properties, securities from public authorities, companies or private individuals, and rights of lien on movables, such as office equipment, inventories, receivables and/or contracts for projects.

Lending is primarily the responsibility of local branches, who maintain close relationships with their customers. Lending decisions are made by local credit committees in each of the branches. Each local credit committee is authorised to make decisions within agreed parameters and limits set by the Executive Board. Based on advice of the Executive Board Credit Committee, the Executive Board decides on loans that exceed these limits.

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

The credit committee of the branch concerned discusses and, if necessary, takes action with respect to overdue payments from debtors. If there is any doubt regarding the continuity of the debtor's core operations and/or a debtor fails to settle agreed interest and repayment instalments for a prolonged period, this debtor falls under the category of doubtful debtors and will be managed intensively. Provisions for loan losses are taken for doubtful debtors based on the difference between the total amount of the debtor's outstanding liability to Triodos Bank and the future expected cash flows discounted at the original effective interest rate of the contract. In 2011, the net additions to the provision for doubtful debts, as a percentage of the average loan portfolio, was 0.63% (2010: 0.52%). The total of provisions related to the outstanding credits is 1.3% (2010: 1.0%) as at the end of the year.

Loan risk is reported each month to the Executive Board Credit Committee, and quarterly to the Supervisory Board.

Governments and financial institutions

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

Banks are selected on the basis of their creditworthiness and screened on their sustainability performance by the Triodos Research department. Exceptions can occur, if the number of selected banks in a country is not sufficient to place Triodos Bank's liquidities. In such cases, deposit notice periods will not exceed three months. All counterparty limits for banks are granted by the Executive Board after advice from the Executive Board Credit Committee. Triodos Bank uses Fitch and/or Moody's credit rating to assess the counterparty risk related to bonds and financial institutions, if available.

Risk weighted value

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

Risk-weighted value per exposure class (asset class)

2011	Net exposure value	Credit risk mitigation	Fully adjusted exposure value	Risk-weighted value
Exposure class:				
Central governments and central banks	527,857	221,763	749,620	—
Regional governments and local authorities	246,879	40,171	287,050	95
Banks	786,344	-80,758	705,586	146,450
Corporates	2,292,452	-144,735	2,147,717	1,796,730
Retail exposures	94,696	-21,619	73,077	45,230
Secured by property	1,002,045	-4,741	997,304	721,764
Past due items	54,811	-10,081	44,730	59,037
Other items	65,433	—	65,433	65,433
Total	5,070,517	—	5,070,517	2,834,739
Whereof:				
Assets	4,276,216	—	4,276,216	2,479,346
Off-balance sheet items	765,508	—	765,508	333,408
Derivatives	28,793	—	28,793	21,985
Total	5,070,517	—	5,070,517	2,834,739

2010	Net exposure value	Credit risk mitigation	Fully adjusted exposure value	Risk-weighted value
Exposure class:				
Central governments and central banks	489,153	184,700	673,853	—
Regional governments and local authorities	151,060	18,341	169,401	2,438
Banks	739,319	-28,948	710,371	155,176
Corporates	1,897,790	-142,977	1,754,813	1,373,277
Retail exposures	82,081	-11,883	70,198	43,085
Secured by property	799,488	-5,613	793,875	592,399
Past due items	62,094	-13,620	48,474	62,538
Other items	60,597	—	60,597	60,597
Total	4,281,582	—	4,281,582	2,289,510
Whereof:				
Assets	3,479,364	—	3,479,364	1,929,175
Off-balance sheet items	778,031	—	778,031	343,416
Derivatives	24,187	—	24,187	16,919
Total	4,281,582	—	4,281,582	2,289,510

The net exposure value is a sum of:

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

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

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

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

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

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

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

Sector	2011		2010	
	Risk-weighted value	%	Risk-weighted value	%
Banks and financial intermediation	247,372	9	206,125	9
Basic materials	18,419	1	13,222	1
Construction and infrastructure	667	—	708	—
Consumer products (non-food)	5,216	—	6,475	—
Retail	21,559	1	22,262	1
Services	317,095	11	272,616	12
Healthcare and social work	316,535	11	247,724	11
Agriculture and fishing	110,141	4	100,730	4
Media	5,175	—	5,593	—
Utilities	997,220	35	738,855	32
Private individuals	82,930	3	62,984	3
Leisure and tourism	81,307	3	80,413	4
Transport and logistics	9,464	—	10,254	—
Real estate	294,320	11	196,011	9
Insurance and pension funds	501	—	501	—
Food and beverages	62,014	2	52,842	2
Other sectors	264,804	9	272,195	12
Total	2,834,739	100	2,289,510	100

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

Country	2011		2010	
	Risk-weighted value	%	Risk-weighted value	%
Australia	808	—	—	—
Belgium	545,694	19	494,000	22
Denmark	5,829	—	6,253	—
France	101,794	4	56,280	2
Germany	173,746	6	85,645	4
Ireland	58,859	2	26,591	1
Italy	3,394	—	3,492	—
Luxembourg	5,798	—	4,420	—
The Netherlands	865,454	31	735,206	32
Norway	131	—	82	—
Spain	572,284	20	473,025	21
Sweden	50	—	—	—
United Kingdom	499,479	18	403,032	18
United States	1,419	—	1,484	—
Total	2,834,739	100	2,289,510	100

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

Maturity per exposure class (asset class)

The following tables provide an overview of the remaining maturity of the assets per exposure class. The payable on demand and indefinite maturities include accrued interest and fees, doubtful debt provisions and balance sheet items with no or unknown maturity.

2011	Payable on demand and indefinite	2 days or more and shorter than 3 months	More than 3 months and shorter than 1 year	More than 1 year and shorter than 5 years	More than 5 years	Total assets
Central governments and central banks	63,991	10,000	50,645	300,958	102,263	527,857
Regional governments and local authorities	1,927	95,000	60,000	45,993	43,959	246,879
Banks	392,912	138,382	192,493	51,858	2,000	777,645
Corporates	77,594	51,291	119,884	460,268	896,119	1,605,156
Retail exposures	6,097	1,122	2,209	7,830	43,993	61,251
Secured by property	24,397	6,670	33,009	172,064	701,044	937,184
Past due items	30,837	535	1,604	10,936	10,899	54,811
Other items	65,433	—	—	—	—	65,433
Total	663,188	303,000	459,844	1,049,907	1,800,277	4,276,216

2010	Payable on demand and indefinite	2 days or more and shorter than 3 months	More than 3 months and shorter than 1 year	More than 1 year and shorter than 5 years	More than 5 years	Total assets
Central governments and central banks	56,922	15,020	38,302	230,733	148,002	488,979
Regional governments and local authorities	1,073	—	75,000	50,987	24,000	151,060
Banks	376,799	227,923	34,222	88,963	2,000	729,907
Corporates	62,555	17,148	121,799	360,171	626,949	1,188,622
Retail exposures	6,138	287	2,212	8,194	31,903	48,734
Secured by property	19,637	10,312	28,590	136,362	554,470	749,371
Past due items	33,788	815	1,070	9,799	16,622	62,094
Other items	60,597	—	—	—	—	60,597
Total	617,509	271,505	301,195	885,209	1,403,946	3,479,364

Bad debts and overdue receivables

The following tables provide an overview of the bad debts and overdue receivables per sector and country. Bad debts are loans we expect will not be fully repaid in accordance with the original loan contract. Provisions for loan losses are taken for doubtful debtors based on the difference between the total amount of the debtor's outstanding liability to Triodos Bank and the future expected cash flows discounted at the original effective interest rate of the contract. Overdue receivables are loans overdue for more than 90 days.

Bad debts and overdue receivables per sector

2011	Bad debts at year end	Provision for Bad debts at year end	Value adjustments in the year	Overdue receivables (excl. Bad debts) at year end
Basic materials	225	185	-895	—
Construction and infrastructure	87	74	52	51
Consumer products (non-food)	316	93	97	—
Retail	824	502	-28	48
Services	12,254	1,276	144	2,436
Healthcare and social work	11,571	1,561	1,045	15,591
Agriculture and fishing	22,921	6,417	2,474	7,251
Media	111	82	—	70
Utilities	29,764	16,171	6,973	1,566
Private individuals	—	—	—	105
Leisure and tourism	10,574	4,703	3,082	2,668
Transport & logistics	51	45	—	—
Real Estate	2,096	57	11	—
Food and beverages	1,912	859	442	4,225
Other sectors	11,348	4,558	2,404	1,467
Total	104,054	36,583	15,801	35,478

2010	Bad debts at year end	Provision for Bad debts at year end	Value adjustments in the year	Overdue receivables (excl. Bad debts) at year end
Basic materials	2,205	1,540	1,321	—
Construction and infrastructure	35	23	-6	56
Consumer products (non-food)	—	—	—	48
Retail	825	518	69	93
Services	2,256	1,227	377	3,348
Healthcare and social work	1,423	470	110	5,509
Agriculture and fishing	17,994	3,678	1,900	5,941
Media	111	82	46	41
Utilities	21,037	9,059	4,638	3,406
Private individuals	—	—	—	548
Leisure and tourism	9,569	1,493	680	7,065
Transport & logistics	56	45	—	—
Real Estate	1,845	46	47	7,502
Food and beverages	819	383	72	2,752
Other sectors	4,956	2,060	589	3,920
Total	63,131	20,624	9,843	40,229

Bad debts and overdue receivables per country

2011	Bad debts at year end	Provision for Bad debts at year end	Value adjustments in the year	Overdue receivables (excl. Bad debts) at year end
Belgium	20,888	13,424	5,798	1,066
France	—	—	—	1
Germany	5,951	1,248	775	11,681
Ireland	800	380	-18	1,455
The Netherlands	59,741	16,744	7,765	2,562
Spain	9,289	2,129	518	15,131
United Kingdom	7,385	2,658	963	3,582
Total	104,054	36,583	15,801	35,478

2010	Bad debts at year end	Provision for Bad debts at year end	Value adjustments in the year	Overdue receivables (excl. Bad debts) at year end
Belgium	11,488	6,834	4,789	3,384
France	—	—	—	81
Germany	2,947	400	5	12,295
Ireland	1,275	706	489	1,596
The Netherlands	35,710	8,953	2,966	5,824
Spain	6,235	2,118	1,339	13,938
United Kingdom	5,476	1,613	255	3,111
Total	63,131	20,624	9,843	40,229

Operational Risk

In the course of its normal business, Triodos Bank runs operational risks. These risks relate to losses Triodos Bank could incur as a result of inadequate or failing internal processes, systems, human behaviour or external events. Triodos Bank limits these risks as much as possible by making sure there are clear policies, reports and procedures in place for all business processes. Numerous control measures are embedded in IT-systems and recorded in monitoring procedures and work instructions. Co-worker training, level of experience and involvement all support this, because people are key in the success of managing risks.

The operational risk framework uses several tools and technologies to identify, measure, mitigate and monitor risks on an operational, tactical and strategic level.

This process takes into account our duty of care to clients, and Triodos Bank's substantial objective, such as screening for environmental criteria.

A special part of Operational Risk Management is Information Security and Business Continuity. Activities to manage risks related to these subjects are executed under the responsibility of the Chief Operating Officer. Local Operational Risk Managers have a functional reporting line to Group Operational Risk Management to ensure the overall operational risk profile of the organisation.

The Basic Indicator Approach is used for the capital calculation of operational risk, in accordance with Basel II. The operational risk framework follows the principles mentioned in the Sound Practices for the Management and Supervision of Operational Risk. These sound practices give guidelines to the qualitative implementation of operational risk management and are advised by the Bank of International Settlements. During 2011 no major losses occurred within Triodos.

Foreign Exchange Risk

Foreign Exchange Risk is the current or prospective risk to earnings and capital that arises from adverse movements in foreign exchange rates. Triodos Bank's base currency is the Euro. The UK Branch balance sheet and profit and loss are denominated in GBP.

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

The Foreign Exchange Risk is monitored daily and monthly discussed in the Asset and Liability Committee. Limits are agreed by the Executive Board based on a proposal made by the Asset and Liability Committee.

Foreign Currency Position

The following table shows Triodos Bank's Foreign Currency Position in thousands of EUR as at 31 December.

2011	Cash position Debit	Cash position Credit	Term position Debit	Term position Credit	Net position Debit	Net position Credit
GBP	552,479	552,438	—	—	41	—
USD	4,372	334	192,547	192,573	4,012	—
MXN	—	—	877	877	—	—
NOK	129	—	—	—	129	—
KES	—	—	2,198	2,198	—	—
PEN	—	—	11,329	11,329	—	—
ZAR	—	—	718	718	—	—
DKK	1	—	—	—	1	—
AUD	808	—	—	550	258	—
ARS	—	—	337	337	—	—
SEK	48	—	—	—	48	—
Total	557,837	552,772	208,006	208,582	4,489	—

Net open Foreign Currency Position (total of net positions debit and credit): 4,489

2010	Cash position Debit	Cash position Credit	Term position Debit	Term position Credit	Net position Debit	Net position Credit
GBP	482,249	481,769	—	—	480	—
USD	1,681	66	163,375	163,350	1,640	—
MXN	—	—	966	966	—	—
KES	—	—	2,226	2,226	—	—
PEN	—	—	13,822	13,822	—	—
ZAR	—	—	847	847	—	—
Total	483,930	481,835	181,236	181,211	2,120	—

Net open foreign currency position (total of net positions debit and credit): 2,120

Interest Rate Risk

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

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

Overview of interest rate risk indicators:

- Earnings at Risk: a short term indicator, which shows the effect of an interest shock of plus or minus 2% (200 basic points) on the interest income of Triodos Bank for an one year period.
- Economic Value of Equity at Risk: a long-term indicator, which represents the change of the Economic Value of Equity (which is the net present value of the cash flows of all assets and liabilities) in case of an interest rate shock of plus or minus 2% (200 basic points).
- Outlier Criterion: the Economic Value of Equity at Risk in % of the Actual own Funds.
- Cushion: shows the difference between the Economic Value of Equity and the Actual own Funds.
- Modified Duration of Equity: an indicator that expresses the sensitivity of the Economic Value of Equity in case of an interest rate change of 1%.

Overview of Interest Rate Risk indicators used by Triodos Bank as at the end of the year for all currencies

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

2011	Base case	Rising interest rate (+200 bp)		Decreasing interest rate (-200 bp)	
Amounts in millions		in %		in %	
Actual own Funds	€ 438				
Earnings at Risk 1 year	€ 106	+ € 10	+ 9.0%	- € 4	-4.2%
Economic Value of Equity at Risk	€ 602	- € 36	- 6.0%	+ € 25	+ € 4.1%
Outlier Criterion			8.2%		8.2%
Cushion	€ 165	€ 129		€ 190	
Modified Duration of Equity	3.3	3.5		3.5	

2010	Base case	Rising interest rate (+200 bp)		Decreasing interest rate (-200 bp)	
Amounts in millions		in %		in %	
Actual own Funds	€ 360				
Earnings at Risk 1 year	€ 84	+ € 10	+ 11.8%	- € 4	- 4.9%
Economic Value of Equity at Risk	€ 503	- € 38	- 7.6%	+ € 39	+ € 7.8%
Outlier Criterion			10.6%		10.6%
Cushion	€ 143	€ 105		€ 182	
Modified Duration of Equity	3.6	3.8		4.1	

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

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

Remaining interest-rate terms of financial instruments

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

2011	Floating-rate	<= 3 months	<= 1 year	<= 5 years	> 5 years	Total
Interest-bearing assets						
Cash	51,631	—	—	—	—	51,631
Government paper	—	10,000	5,000	—	—	15,000
Banks	384,767	131,382	152,500	2,000	—	670,649
Loans	697,597	332,610	394,902	768,767	638,436	2,832,312
Interest-bearing securities	—	11,999	65,638	396,310	112,222	586,169
Total	1,133,995	485,991	618,040	1,167,077	750,658	4,155,761
Interest-bearing liabilities						
Banks	855	1,268	1,307	10,087	21,385	34,902
Funds entrusted	114	677,879	1,005,762	1,274,089	752,055	3,709,899
Subordinated liabilities	—	—	—	15,239	—	15,239
Total	969	679,147	1,007,069	1,299,415	773,440	3,760,040

2010	Floating-rate	<= 3 months	<= 1 year	<= 5 years	> 5 years	Total
Interest-bearing assets						
Cash	44,814	—	—	—	—	44,814
Banks	370,875	222,925	—	2,000	—	595,800
Loans	550,464	143,654	353,436	594,583	485,506	2,127,643
Interest-bearing securities	—	25,019	107,523	323,183	149,002	604,727
Total	966,153	391,598	460,959	919,766	634,508	3,372,984
Interest-bearing liabilities						
Banks	840	1,199	396	6,239	15,309	23,983
Funds entrusted	12,103	512,456	820,387	1,052,801	624,425	3,022,172
Subordinated liabilities	—	—	—	—	22,694	22,694
Total	12,943	513,655	820,783	1,059,040	662,428	3,068,849

Notes:

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

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

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

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

Liquidity risk

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

Customers savings and deposits are attracted for Triodos Bank's lending operations. The surplus is placed with financial institutions or invested in bonds. Triodos Bank keeps a high degree of liquidity, and is funded entirely by deposits from private customers and small and medium sized enterprises. As a result, Triodos Bank does not need to rely on funding from the wholesale market. Therefore, Triodos Bank's liquidity and funding position has not been directly affected by the challenges the wholesale market faced since the financial crisis. Triodos Bank regularly assesses its liquidity position based on stress scenarios. The outcomes of these stress tests were satisfactory. Actions to be taken to manage our liquidity position in case of a future liquidity crisis are described in the Liquidity Contingency Plan.

Every month the Asset and Liability Committee reports the liquidity ratios related to the Basel III requirements:

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

These ratios comply with the Basel III guidelines but are not yet made compulsory by supervisors. The observation period for LCR started in 2011 and the minimum standard will be set by 2015. The observation period for NSFR starts in 2012 and the minimum standard will be set by 2018. However, given the importance of these two ratios for the resilience of the banking sector Triodos Bank already includes these indicators in its internal reporting and measurement of liquidity risk. In 2011, we started using the formats and detailed rules regarding LCR and NSFR from the Dutch Central Bank. The 2010 figures are recalculated for comparison reasons.

Liquidity Coverage Ratio

Amounts in millions EUR	2011 Total amount	2011 Weighted amount	2010 Total amount	2010 Weighted amount
Stock of high quality liquid assets:				
Total stock of high quality liquid assets	502	502	457	455
Total cash outflow	4,429	684	3,728	672
Total cash inflow	539	516	537	513
Cap on cash inflows		513		504
Net cash outflow		171		168
Liquidity Coverage Ratio		294%		270%

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

Net Stable Funding Ratio

Amounts in millions EUR	2011 Total amount	2011 Weighted amount	2010 Total amount	2010 Weighted amount
Total available stable funding	4,238	3,450	3,434	2,689
Total required stable funding	5,056	2,791	4,287	2,183
Net Stable Funding Ratio		124%		123%

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

Legal and Compliance Risk

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

There were no significant incidents in 2011 concerning compliance and integrity. Triodos Bank was not involved in any material legal proceedings or sanctions associated with non-compliance with legislation or regulations in terms of financial supervision, corruption, advertisements, competition, privacy or product liability.

Strategic and Reputation Risk

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

Company balance sheet as at 31 December 2011

Before appropriation of profit in thousands of EUR	Reference*	31.12.2011	31.12.2010
Assets			
Cash		51,631	44,814
Government paper		15,000	—
Banks	31	668,243	589,082
Loans		2,800,818	2,090,473
Interest-bearing securities		573,096	586,672
Shares	32	4	3
Participating interests	33	24,175	27,388
Intangible fixed assets	34	10,449	11,443
Property and equipment	35	19,074	15,653
Other assets		32,694	34,283
Prepayments and accrued income		68,748	64,831
Total assets		4,263,932	3,464,642
Liabilities			
Banks		34,902	23,983
Funds entrusted	36	3,708,575	3,013,167
Other liabilities		7,266	5,828
Accruals and deferred income		46,510	36,518
Provisions	37	213	230
		3,797,466	3,079,726
Subordinated liabilities		15,300	22,800
Capital	38	305,688	249,352
Share premium reserve	39	76,234	57,566
Revaluation reserve	40	49	59
Statutory reserve	41	7,024	7,867
Other reserves	42	44,847	35,763
Retained earnings		17,324	11,509
Equity		451,166	362,116
Total equity and liabilities		4,263,932	3,464,642

	31.12.2011	31.12.2010
Contingent liabilities	64,542	43,090
Irrevocable facilities	700,966	734,941
	765,508	778,031

* References relate to the notes starting on page 110. These form an integral part of the consolidated annual accounts.

Company profit and loss account for 2011

in thousands of EUR	2011	2010
Result on participating interests after taxation	4,673	4,158
Other result after taxation	12,651	7,351
Net profit	17,324	11,509

Company statement of changes in the equity for 2011

in thousands of EUR	Share capital	Share premium
Equity as at 1 January 2010	221,029	51,507
Increase of share capital	24,191	10,191
Stock dividend	4,132	-4,132
Revaluation of property, equipment and participation interest after taxation		
Exchange rate results from business operations abroad after taxation		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Transfer to statutory reserve for development costs		
Purchasing or sale of own depository receipts		
Result for financial year		
Equity as at 31 December 2010	249,352	57,566
Increase of share capital	51,619	23,385
Stock dividend	4,717	-4,717
Revaluation of property, equipment and participation interest after taxation		
Exchange rate results from business operations abroad after taxation		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Transfer to statutory reserve for development costs		
Purchasing or sale of own depository receipts		
Result for financial year		
Equity as at 31 December 2011	305,688	76,234

Revaluation reserve	Statutory reserve	Other reserve	Retained earnings	Total equity
43	6,762	29,532	9,577	318,450
				34,382
16				16
	116			116
		975	-975	
			-8,602	-8,602
		5,801		5,801
	989	-989		—
		444		444
			11,509	11,509
59	7,867	35,763	11,509	362,116
				75,004
				—
-10				-10
	52			52
		1,566	-1,566	—
			-9,943	-9,943
		6,623		6,623
	-895	895		—
		—		—
			17,324	17,324
49	7,024	44,847	17,324	451,166

Notes to the company's financial statements

in thousands of EUR

General

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

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

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

Assets

31. Banks

	2011	2010
On demand deposits with banks	382,361	364,157
Deposits with banks	285,882	224,925
	668,243	589,082

The on demand deposits can be freely disposed of.

32. Shares

	2011	2010
S.W.I.F.T. SCRL	3	3
SEPA Biogasanlage Hattingen GmbH	1	—
	4	3

The movement in shares is as follows:

	2011	2010
Balance sheet value as at 1 January	3	3
Purchase	1	—
Sales	—	—
Balance sheet value as at 31 December	4	3

The shares in SEPA Biogasanlage Hattingen GmbH are moved from the participation Triodos Finanz GmbH to the branch in Germany.

33. Participating interests

	2011	2010
Participating interests in group companies	20,076	24,117
Other participating interests	4,099	3,271
	24,175	27,388

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:

	2011	2010
Balance sheet value as at 1 January	27,388	26,853
Acquisitions	475	94
Increase of capital	133	—
Result on participating interests	4,673	4,158
Transfer from or to provision for negative equity of participating interests	-34	-30
Dividend paid	-4,100	-3,700
Revaluation	-117	-103
Repayment of capital	-4,295	—
Exchange rate result on foreign currency	52	116
Balance sheet value as at 31 December	24,175	27,388

34. Intangible fixed assets

	2011	2010
Goodwill paid	282	381
Development costs for information systems	9,488	10,783
Computer software	679	279
	10,449	11,443

Goodwill paid

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

The movement in goodwill paid is as follows:

	2011	2010
Purchase value as at 1 January	788	788
Cumulative depreciation as at 1 January	-407	-309
Balance sheet value as at 1 January	381	479
Purchase	—	—
Depreciation	-99	-98
Balance sheet value as at 31 December	282	381

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:

	2011	2010
Purchase value as at 1 January	19,515	17,004
Cumulative depreciation as at 1 January	-8,732	-7,058
Balance sheet value as at 1 January	10,783	9,946
Capitalised expenses	926	2,511
Depreciation	-2,221	-1,674
Impairments	—	—
Balance sheet value as at 31 December	9,488	10,783

35. Property and equipment

	2011	2010
Property for own use	8,852	8,788
Equipment	10,222	6,865
	19,074	15,653

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

	2011	2010
Balance sheet value as at 1 January	8,788	8,760
Purchase	130	90
Depreciation	-66	-62
Balance sheet value as at 31 December	8,852	8,788

The movement in equipment is as follows:

	2011	2010
Purchase value as at 1 January	14,343	10,543
Cumulative depreciation as at 1 January	-7,478	-5,594
Balance sheet value as at 1 January	6,865	4,949
Purchase	5,388	4,078
Sale	-71	-13
Depreciation	-2,003	-2,151
Exchange rate differences	43	2
Balance sheet value as at 31 December	10,222	6,865

Liabilities

36. Funds entrusted

	2011	2010
Savings accounts	2,685,464	2,169,416
Other funds entrusted	1,023,111	843,751
	3,708,575	3,013,167

The Other funds entrusted item includes an amount of EUR 7.5 million (2010: EUR 4.0 million) for deposits from consolidated participating interests.

37. Provisions

	2011	2010
Provision for negative equity of participating interests	167	201
Other provisions	46	29
	213	230

The movement of the provisions is as follows:

	2011	2010
Balance sheet value as at 1 January	230	369
Allocation	17	18
Withdrawal	-34	-52
Release	—	-105
Balance sheet value as at 31 December	213	230

38. Capital

The authorised capital totals EUR 1 billion and is divided into 20 million shares, each with a nominal value of EUR 50. At year-end, there were 6,113,764 shares (2010: 4,987,038 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 6,113,764 depository receipts (2010: 4,987,038 depository receipts), each of EUR 50.

The movement in the number of shares is as follows:

	2011	2010
Number of shares as at 1 January	4,987,038	4,420,588
Increase of share capital	1,032,382	483,814
Stock dividend	94,344	82,636
Number of shares as at 31 December	6,113,764	4,987,038

39. 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.

40. 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.

41. Statutory reserve

	2011	2010
Development costs	11,957	11,062
Conversion differences	-3,143	-3,195
	8,814	7,867

Development costs

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

	2011	2010
Balance sheet value as at 1 January	11,062	10,073
Transfer of other reserve	895	989
Balance sheet value as at 31 December	11,957	11,062

Conversion differences

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

	2011	2010
Balance sheet value as at 1 January	-3,195	-3,311
Exchange results on participating interests	52	116
Balance sheet value as at 31 December	-3,143	-3,195

42. Other reserves

The movement in other reserves includes purchasing of own depository receipts. At year-end 2011, Triodos Bank hadn't purchased own depository receipts (2010: nil).

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. The comparable figures for 2010 have been adjusted.

2011	KPMG Accountants NV	Other KPMG network	Total KPMG network
Audit of the financial statements	328	140	468
Other audit-related engagements	37	112	149
Tax-related advisory services	—	80	80
Other non-audit services	18	116	134
Total	383	448	831

2010	KPMG Accountants NV	Other KPMG network	Total KPMG network
Audit of the financial statements	289	150	439
Other audit-related engagements	12	96	108
Tax-related advisory services	—	109	109
Other non-audit services	2	216	218
Total	303	571	874

Zeist, 27 February 2012

Supervisory Board

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

Executive Board

Pierre Aeby*
Peter Blom*, Chair
Michael Jongeneel

* Statutory Director

Other information

Profit appropriation

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

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

All depository receipts issued up to and including 25 May 2012 are entitled to the final dividend for the financial year 2011. 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 2011, 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	17,324
Addition to the other reserves	-5,402
Dividend (EUR 1.95 per depository receipt)	11,922

Branches

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

Independent auditor's report

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

Report on the financial statements

We have audited the accompanying financial statements of Triodos Bank NV, Zeist, which are included on pages 40 to 117 of this report, which comprise the consolidated and company balance sheet as at 31 December 2011, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

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

Amstelveen, 27 February 2012

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

Foundation for the Administration of Triodos Bank Shares (SAAT)

Board of SAAT report

The share capital of Triodos Bank N.V. has been entrusted to the independent Foundation for the Administration of Triodos Bank Shares (Stichting Administratiekantoor Aandelen Triodos Bank (SAAT)). To finance the shares, SAAT issues depository receipts. Depository receipt holders benefit from the economic rights associated with these shares, such as the right to dividends, but do not exercise any control related to them. Control rights are vested in the SAAT, which exercises the voting right attached to the shares.

In exercising its voting right at the Annual General Meeting of Shareholders, the Board of SAAT upholds the following principles:

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

Because SAAT pays attention to both the economic interests of the depository receipt holders and to Triodos Bank's mission, Triodos Bank's share capital remains strongly aligned with the Bank's mission. This is reflected by the following stipulations in SAAT's administrative conditions:

Article 5

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

Annual General Meeting of Shareholders 2011

At the Annual General Meeting of Shareholders in Zeist on 20 May 2011, SAAT gave the shareholders additional information to clarify its voting decisions, and also clarified the process it went through to come to them.

SAAT approved the following proposals:

- adoption of the 2010 financial Annual Accounts and the proposed profit appropriation;
- reappointment of Mr. M.J.M. van den Hoogenband for a second term on the Supervisory Board;
- adjustment of the remuneration of the members of the Supervisory Board;
- granting a power of attorney to the Executive Board in order to obtain depository receipts in Triodos Bank and to issue shares.

SAAT discharged the Executive Board from liability for the exercise of its management duties and the Supervisory Board for the exercise of its supervisory duties in 2010.

Annual Meeting of Depository Receipt Holders

The annual survey among depository receipt holders was completed by more than 3,000 respondents. The findings of the survey were presented at the Annual Meeting of Depository Receipt Holders on 20 May 2011.

Discussions with depository receipt holders during the meeting revealed that they sometimes have high expectations, such as for Triodos Bank to grow more quickly and pay more attention to food and agriculture, to innovation, and to raising its profile. They also felt that SAAT should raise its own profile and exercise more influence.

The Annual Meeting of Depository Receipt Holders approved the following proposals:

- reappointment of Mr. J. Nijenhof for a third term on the Board of SAAT;
- adjustment of the remuneration of the members of the Board of SAAT;
- changes to the administrative conditions (dividing shares into fractions in order to remove obstacles to the distribution of depository shares by third parties).

Both the Annual General Meeting of Shareholders and the Annual Meeting of Depository Receipt Holders were broadcast on the internet, and online participants could submit questions and comments by email.

Meetings and decisions of the Board of SAAT

During 2011, the Board of SAAT convened five times and also had three meetings with Triodos Bank's statutory directors.

The issues addressed by the Board of SAAT in these meetings included the following:

- the 2010 annual report, in order to consider carefully the votes to be cast at the Annual General Meeting of Shareholders;
- Triodos Bank's medium to long-term profit target in relation to its mission;
- the wider impact of the financial crisis on Triodos Bank;
- the share of each of the social, environmental and cultural sectors in the loan portfolio;
- Triodos Bank's wider impact on civil society. Examples include support for the Sustainable Finance Lab in The Netherlands, Chairing The Global Alliance for Banking on Values, and the Executive Board and co-workers' participation in public bodies that advise the Dutch government, and other public bodies, in the countries where Triodos Bank does business;
- the content of the dialogue with depository receipt holders in The Netherlands, Belgium, the UK and Spain, and the process underlying it;
- changes to be made to the policies of SAAT and Triodos Bank in response to questions and comments from the depository receipt holders.

The management decisions made by SAAT in 2011 included adoption of the following:

- the criteria for the review of the 2010 and 2011 annual reports, including the following long-term criteria:
 - the relative share of each of the social, environmental and cultural sectors in the loan portfolio;
 - a good balance between profitability, risk exposure and the realisation of Triodos Bank's mission;
 - the extent to which Triodos Bank's activities have an impact on civil society;
- input for the Supervisory Board regarding the

- profile of the Chair of the Supervisory Board;
- the 2011 training programme for members of the Board of SAAT;
- the updated profile for the Board of SAAT;
- the policy concerning questions and comments made by depository receipt holders at the Annual General Meeting of Shareholders and the Annual Meeting of Depository Receipt Holders;
- the Board of SAAT's self-assessment for 2011.

Activities of the Board of SAAT

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

- visits to Triodos Bank's branches in The Netherlands, Belgium, the UK, Spain and Germany;
- attending client meetings, meetings with depository receipt holders, and informal discussions with depository receipt holders;
- attending annual shareholder meetings of funds managed by Triodos Bank;
- participating in an annual seminar together with Triodos Bank's Executive Board, management and Supervisory Board. This year the focus was on culture and education;
- participating in discussions organised by the Sustainable Finance Lab.

The Chair of the Board of SAAT consulted regularly with the Chairs of Triodos Bank's Executive and Supervisory Boards. This included three tripartite meetings with the Chairs of the Executive and Supervisory Boards and five meetings with the Chair of the Executive Board.

Composition of the Board of SAAT and independence of its members

Given the responsibility of the Board of SAAT for protecting the identity and mission of Triodos Bank, discussed above, it is essential that the members of the Board are independent. For this reason, members of Triodos Bank's Executive or Supervisory Board may not be members of the Board of SAAT. SAAT's articles of association stipulate that the Board shall consist of three or more members. At present, it has six members: three Dutch and a

British, Belgian and Spanish representative. The composition of the Board did not change in 2011. Mr. J. Nijenhof was reappointed as a Board member.

SAAT updated the profiles of its Board members in line with Triodos Bank's growth and development, and carried out a self-assessment following it. Based on the assessment's findings, a new training programme has been set up for 2012, as well as a new policy to recruit new members to the Board.

For information about the remuneration of the members of the Board of SAAT, please refer to the Triodos Bank annual accounts on page 71. The remuneration of the Board members is subject to the approval of the Annual Meeting of Depository Receipt Holders. The Meeting approved an increase in the remuneration of the Board members in recognition of the fact that they are working longer hours. This is because of the growth of the organisation, the increasing complexity of their duties, and increasing demands placed on SAAT in its capacity as shareholder.

SAAT expects that in the coming year it will again be able to deepen its role as a committed shareholder. Maintaining a dialogue with the depository receipt holders is an essential part of this. It will undertake this work not only during the Annual Meeting of Depository Receipt Holders in The Netherlands, but also in Belgium, the UK, Spain and Germany, where separate informal meetings for depository receipt holders are being organised.

Zeist, 27 February 2012

On behalf of the Board of SAAT,

Max Rutgers van Rozenburg, Chair
Marjatta van Boeschoten
Frans de Clerck
Luis Espiga
Jan Nijenhof
Josephine de Zwaan

Statement of the shares

Statement of the shares taken in trust and the issued depository receipts of Triodos Bank NV as at 31 December 2011.

in thousands of EUR	31.12.2011	31.12.2010
Triodos Bank NV shares taken in trust, having a nominal value of EUR 50 each	305,688	249,352
Issued depository receipts of Triodos Bank NV, having a nominal value of EUR 50 each	305,688	249,352

Zeist, 27 February 2012

Board of Trustees

Max Rutgers van Rozenburg, Chair
Marjatta van Boeschoten
Frans de Clerck
Luis Espiga
Jan Nijenhof
Josephine de Zwaan

Independent auditor's report

Introduction

We have audited the above statement that shows the position as at 31 December 2011 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 Dutch law, including the Dutch Standards on Auditing and we believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, this statement provides a true and fair view of the Triodos Bank NV shares placed in trust and the issued depository receipts of Triodos Bank NV shares as at 31 December 2011.

Amstelveen, 27 February 2012

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

Biographies

Mr. F. de Clerck (1945)

Frans de Clerck is a former Member of the Executive Board of Triodos Bank. He is a Member of the Board of Stichting Triodos Holding. He is also a Member of the Supervisory Board of Cenergie cvba (Chair), De Foyer vzw, Boss Paints NV and H el ene De Beir Foundation in Belgium. Frans de Clerck was first appointed in 2010 and his present term of appointment expires in 2013. He is of Belgian nationality and owns 6 Triodos Bank depository receipts.

Mr. L.A. Espiga (1950)

Luis Espiga is the Director of Triform & Associates and a Consultant in Organisations, 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 2014. He is of Spanish nationality and owns 44 Triodos Bank depository receipts.

Mr. J.T.M. Nijenhof (1945)

Jan Nijenhof was Coordinating Vice President of the District Court of Haarlem until 1 April 2010. As of 1 April 2010 he is a substitute judge in the same court. He is also a 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 2014. He is of Dutch nationality and owns no Triodos Bank depository receipts.

Mr. L.M. Rutgers van Rozenburg (1947), Chair

Max Rutgers van Rozenburg is Managing Director of Human Engineering BV, a firm for interim management. He is also Chair of the Supervisory Board of Biodynamic Farmland Foundation, Chair of the Board of the Kingfisher Foundation for Phenomenology and Goethean Science, Member of

the Board of the Anthroposophical Society in The Netherlands and Chair of the Board of the Treatment Centre for Integrative Medicine 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 2013. He is of Dutch nationality and owns 346 Triodos Bank depository receipts.

Ms M.E. van Boeschoten (1946)

Marjatta van Boeschoten was a lawyer of the Supreme Court in England for seven years and then became a management development consultant. She is Director of Phoenix Consultancy and works with large organisations in the public and private sectors in the UK. She is on the Board of the Stichting Klaverblad. Marjatta van Boeschoten was first appointed in 2009 and her present term of appointment expires in 2012. Previously she was on the Triodos Bank Supervisory Board from 2001 to 2009. Her nationality is British and she owns one Triodos Bank depository receipt.

Ms. J.G.J.M. de Zwaan (1963)

Josephine de Zwaan was a lawyer for more than thirteen years, specialising in the field of major real estate projects. During the last five years of that period, she was a member of the partnership (CMS) Derks Star Busmann, where she was in charge of a team of real estate lawyers. Although no longer acting as a lawyer, she is still involved in this firm as an advisor to the board. Josephine de Zwaan is first appointed in 2010 and her present term of appointment expires in 2013. Since 2000 Josephine de Zwaan acts in administrative and supervisory roles in particular in education, health care and culture. In 2009 Josephine de Zwaan was appointed Arbitrator for the Arbitration Tribunal Foundation for Health Care and Member of the Governance Committee of the Arbitration Board for Health Care.

About this report

This is the audited version of the 2011 Annual Report. Additional information can be found online at www.triodos.com/reports.

The 2011 Annual Report is an integrated annual and sustainability report covering the activities of Triodos Bank NV in The Netherlands, Belgium, the UK, Spain, and Germany, as presented in the Triodos Group Structure. The report covers the period from 1 January to 31 December 2011.

Triodos Bank's previous annual and sustainability report was published in April 2011 and covered the 2010 calendar year. The reporting in the 2011 financial year is based on the same principles as the 2010 report. Any changes in the methods of calculation used are explained in the text. When preparing the Triodos Bank Annual Report, a study group examines how the most recent reporting guidelines and best practices can be used to improve the report in the future.

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

Global Reporting Initiative

Triodos Bank used the Global Reporting Initiative's third generation (GRI 3.1) guidelines (as published in 2006 and updated in 2011) for the fourth time in the preparation of the 2011 Annual Report. For the third time we will use the GRI Financial Sector Supplements that have been updated in 2008. Triodos Bank uses these guidelines to try and ensure a high degree of comparability between its report and those of other companies that use them. The bank's ambition is to do this at A+ level. This has been checked and confirmed by the GRI. The GRI Content Index and the GRI Application Level Check Statement can be found online at www.triodos.com/reports.

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If you have comments or questions about this report, please contact your local office of Triodos Bank. Addresses are provided on page 127.

This document can be downloaded from
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Sustainable banking

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