Triodos Bank

Key Facts about our Fixed and Base Rate Linked Business Loans

About this document

This document explains the key features of the standard Fixed Rate and Base rate Linked loans we offer. These features are explained in detail in the General and Specific Conditions that form part of each individual Loan Agreement.

All lending is subject to meeting our lending criteria, availability and status and Triodos Bank reserves the right to decline any application.

Fixed Rate Loans may be subject to Break Costs if you repay your loan early, which can be substantial. Base Rate Linked Loans may be subject to early repayment fees if you repay your loan early. These charges are explained in more detail in your loan agreement.

Triodos Bank does not provide financial advice to customers on the management of future interest rate risks and you are not entitled to rely upon us for advice or recommendations. Before entering into a Loan Agreement or making an early repayment to your loan, we recommend that you seek professional advice from your Accountant or Financial Advisor to fully understand the potential liabilities associated with either of these actions.

Key Facts

	Fixed Rate loan	Base Rate Linked loan
Loan Amount	Typically, between £100,000 and £15m (larger loans can be considered)	Typically, between £100,000 and £15m (larger loans can be considered)
Loan Term	From 1 to 25 years subject to the purpose of the loan and circumstances.	From 1 to 25 years subject to the purpose of the loan and circumstances.
Fixed Rate Term	Fixed rates are available for up to 5 years subject to the purpose of the loan and circumstances.	Not Applicable
Loan Purpose	Projects must demonstrate clear social, cultural, or environmental benefits. More details are available on our website.	Projects must demonstrate clear social, cultural, or environmental benefits. More details are available on our website.
Interest only period	We may be able to offer you an interest only period subject to your circumstances, and the risk factors associated with your loan.	We may be able to offer you an interest only period subject to your circumstances, and the risk factors associated with your loan.
Repayment schedule	Monthly or quarterly	Monthly or quarterly

Key Facts cont...

	Fixed Rate loan	**Base Rate Linked loan**
Loan Type Explained	A Fixed Rate loan is a loan where the interest rate charged (the 'fixed') remains the same for an agreed period (the 'fixed rate period'). The fixed rate period may be equal to or less than the full term of the loan. You will know the costs of your borrowing for the fixed rate period once the fixed rate has been agreed. The fixed rate is the sum of the agreed margin, fixed rate premium and reference rate. The agreed margin is the interest rate charged by Triodos Bank, which is determined by several factors, including the size of the loan requested and the associated risk factors. Triodos Bank reserves the right to review your agreed margin after an agreed period, which will be outlined in your loan offer. Margin reviews will be conducted in accordance with the schedule outlined in the General Conditions of your loan agreement. For example, if the first review is after 5 years, subsequent reviews will also occur every 5 years until full repayment. Your agreed margin and review frequency will be detailed in the Specific Conditions of your Loan Agreement. The reference rate is obtained from the interest rate index used by Triodos Bank to calculate a cost of funds for your fixed rate period. You should note that this interest rate index changes daily and may go up as well as down before the fixed rate is set for your loan. The reference rate for your loan will be fixed at the point when your loan is paid to you or to your solicitor. If you make more than one drawing on your loan, the individual reference rates will be fixed at the points when each drawing is paid to you. Indicative reference rates can be requested from Triodos bank if required. If the full term of your loan is greater than the fixed rate period, the loan will revert to a Base Rate Linked loan at the end of the fixed rate period, unless otherwise mutually agreed. This means that the interest rate charged on your loan is the sum of your agreed margin, and the Bank of England Base Rate currently in force. A Fixed Rate loan may not be suitable if you wish to make further capital repayments (in addition to those payments already detailed in your Loan Agreement during the fixed rate period).	A Base Rate Linked loan is a loan where the interest rate charged varies in line with changes in the Bank of England Base Rate. If the Bank of England Base Rate increases, your payments will also increase. Conversely, if the Bank of England Base Rate decreases, your payments may decrease, subject to your Minimum Rate. The interest rate is the sum of the agreed margin and the Bank of England Base Rate in force at any time during the term of your loan. The agreed margin is the interest rate charged by Triodos Bank, which is determined by several factors, including the size of the loan requested and the associated risk factors. Triodos Bank reserves the right to review your agreed margin after an agreed period, which will be outlined in your loan offer. Margin reviews will be conducted in accordance with the schedule outlined in the General Conditions of your loan agreement. For example, if the first review is after 5 years, subsequent reviews will also occur every 5 years until full repayment. Your agreed margin and review frequency will be detailed in the Specific Conditions of your Loan Agreement.

Things to consider

	Fixed Rate loan	**Base Rate Linked loan**
	A Fixed Rate loan gives you certainty surrounding the cost of your loan during the fixed rate period. If the Bank of England Base Rate increases above the reference rate for your loan, you will not be affected. Interest will continue to be charged on your loan at the fixed rate agreed, and your borrowing costs will not increase for the duration of the fixed rate period.	A Base Rate Linked loan may allow you to benefit from any reduction in the Bank of England Base Rate. Subject to your Minimum Rate, if the Bank of England Base Rate decreases, the interest rate on your loan will also decrease. This will lead to lower borrowing costs, and your repayments will also reduce.

Things to consider cont...

	Fixed Rate loan	Base Rate Linked loan
Risks	If the Bank of England Base Rate falls during your fixed rate period, you will not benefit from reduced borrowing costs. Interest will continue to be charged on your loan at the fixed rate agreed, and your borrowing costs will therefore remain the same for the duration of the fixed rate period. Please read below for information on our Early Repayment Fees before proceeding with an application and contact your Relationship Manager if you need any further information. If you repay your loan early, whether in full or in part, you will be liable for Prepayment Fees which can be substantial. Break Costs may increase in line with the length of a fixed rate period. A partial or full repayment during a longer fixed rate period has the potential to result in greater Break Costs.	The interest rate on a Base Rate Linked loan will increase in line with the Bank of England Base Rate. This could result in higher borrowing costs, and your repayments will also increase. Please read below for information on our Early Repayment Fees before proceeding with an application and contact your Relationship Manager if you need any further information. If you repay your loan early, whether in full or in part, you will be liable for Prepayment Fees which can be substantial.
Fees and charges	Administrative fees and charges may also apply. Please read the Business Banking Lending Tariff before proceeding with an application.	
Minimum Rate	The Minimum Rate is the minimum interest rate that will be charged for the loan. Your Minimum Rate will be defined in the Specific Conditions of your Fixed Rate Loan Agreement. If your fixed rate is less than the Minimum Rate for your loan, the Minimum Rate will apply.	

Early Repayment Fees

Triodos Bank offers Base Rate Linked and Fixed Rate loans to its customers. Both loan types will attract Early Repayment Fees if the loan is repaid in full or in part before it is due. Early Repayment Fees are detailed in the Specific Conditions of your loan. They may include:

1. Prepayment Fees (also known as early repayment fees) – applicable to Base Rate Linked loans and Fixed Rate loans.
2. Break Costs (also known as redemption charges) – applicable to Fixed Rate loans only.

This leaflet explains the relevant fees, and the circumstances under which they are payable.

The Early Repayment Fees as described below **could be substantial**. Triodos Bank does not provide financial advice to customers on the management of future interest rate risks, and you are not entitled to rely upon us for advice or recommendations. Before entering a Fixed Rate or a Base Rate Linked Loan Agreement or making an early repayment to your loan, we recommend that you seek professional advice from your Accountant or Financial Advisor to fully understand the potential liabilities associated with either of these actions.

Prepayment Fee

Applicable to Base Rate Linked loans and Fixed Rate loans.
A Prepayment Fee is payable for both Base Rate Linked and Fixed Rate loans in the event they are prepaid (in full or in part) before they are due. It is equal to the interest payable on the sum prepaid for a period of either 3 or 6 months prior to the date of repayment. You can find the details of the Prepayment Fee applicable to your loan in clause 8.8 of your Specific Conditions.

Break Costs

Applicable to Fixed Rate loans only.
If you repay your Fixed Rate loan in full or in part during your fixed rate period, a Break Cost will be payable. Break Costs are defined in the General Conditions of your loan, and you can find the details of when they are applied in clause 8.3 of the General Conditions.

What is a Break Cost?
The Break Cost is not a penalty charge. It is calculated to ensure that if you do not repay your loan in accordance with your Fixed Rate Loan Agreement (for example, if you repay all or part of your loan early, within the fixed rate period), Triodos Bank will still receive an amount equivalent to that which it would have received had your Fixed Rate Loan Agreement continued as originally planned.

The Break Cost amount will depend on several factors, including:

- the length of time remaining to the end of your fixed rate period
- the amount of your prepayment
- the interest rate environment at the time your loan is prepaid. If the reference rate prevailing at the time your loan is prepaid is lower than the reference rate applicable to your loan, the Break Cost due could be substantial. If the reference rate prevailing at the time your loan is prepaid is higher than the reference rate applicable to your loan, you should note that a refund will not be provided to you.

How is my Break Cost Calculated?
Triodos Bank will calculate

- The money Triodos Bank would have earned if you had not repaid your loan during the fixe rate period
- The money Triodos Bank will earn if the repaid funds are lent out at a fixed rate based on the current reference rate.

Both incomes are then adjusted at the current reference rate to show their net present values.

Adjusting an income means showing it as a value that reflects its 'time value' – considering that £100 received in the future is worth less than £100 received now. The adjusted figure is known as the net present value of the original income.

Finally, Triodos Bank subtracts the net present value of the income it will now receive from the net present value of the income it would have received. The difference is the Break Cost.

Finally, Triodos Bank will subtract the net present value of the income it will now receive, from the net present value of the income it would have received – the difference is the Break Cost.

This document has been prepared by Triodos Bank UK Ltd Bank.('Triodos Bank'). This document describes the product and summarises the risks and benefits associated with entering a transaction of this nature, including Early Repayment Fees associated with Triodos Bank Base Rate Linked and Fixed Rate lending products. Whilst Triodos Bank has exercised reasonable care in preparing this document and any views or information expressed or presented are based on sources it believes to be accurate and reliable, no representation or warranty, express or implied, is made as to the accuracy, reliability or completeness of the information contained herein. If you receive information from us which is inconsistent with other information which you have received from us, you should refer this to your Triodos Relationship Manager for clarification.

These Terms and Conditions were last updated on 15 September 2026

Large print, braille and audio versions available on request.

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www.triodos.co.uk

Calls to and from Triodos Bank may be recorded for training and monitoring purposes.

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