

## **Prospectus OIKOCREDIT, Ecumenical Development Co-operative Society U.A. (Oikocredit)\***

**Dated 2 June 2017**

*\*incorporated as a cooperative society with excluded liability under the laws of the Netherlands and having its registered office in Amersfoort, the Netherlands*

### **In respect to the issuance of Shares in the capital of OIKOCREDIT, Ecumenical Development Co-operative Society U.A. (Oikocredit)**

By continuously issuing Shares to its 575 members (as at 31 December 2016), Oikocredit mobilizes the capital needed to carry out its mission of development financing through partner funding.

The Shares are continuously offered to members. There is no realistic estimation of the proceeds of Shares issued and how many Shares will be issued. New Shares issued are mentioned in the annual audited consolidated financial statements of Oikocredit, and in general not publicly announced separately. Participation in Oikocredit is open only to members. For more information, see section 6.6, 'Participation in Oikocredit'.

The Shares are in book entry form, meaning that Oikocredit holds a register stating the number of Shares registered in each member's name. Upon the issuance of Shares, the name and details of the shareholder are entered into the share register. Each member may at any time apply for a certified extract from the register stating the number of Shares registered in their name.

Shares are registered Shares with a nominal value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000, or USD 200. According to the articles of association of Oikocredit, the Managing Board, following the prior approval of the Supervisory Board can decide to issue Shares in other currencies than the euro, Canadian dollar, Swiss franc, British pound, Swedish krona or US dollar. Before issuing Shares in other currencies, the nominal value per share will be determined for each additional currency in which the Shares are issued. Shares are continuously issued at the discretion of the Managing Board and there is no limit to the number of Shares that can be issued. The Managing Board may revoke or suspend the offer of Shares or reduce subscriptions. The offer may be revoked or suspended, if within the year this prospectus is valid, there is an increase of more than 50% in share capital, and the Managing Board expects that Oikocredit cannot invest the proceeds of the Shares in development financing (e.g. if demand for new development financing is not sufficient or development financing does not meet Oikocredit's criteria) within the following three years.

Subscriptions which do not result in the issuance of Shares will be refunded via the payment method used for the payment of the subscriptions. No interest will be paid on refunded subscriptions. Shares are issued pursuant to a resolution of the Managing Board. Changes in the offering price (if any) will be disclosed in an amendment to this prospectus.

Prospective investors are explicitly advised that such investments entail financial risks. In making an informed investment decision, investors must rely on their own analysis of Oikocredit and its Shares, including the merits and risks involved. The risks summarized in this prospectus are distinctive and characteristic for Oikocredit's operations and organization. These risks may have a material impact on Oikocredit's future financial performance and risks related to the Shares. Please refer to chapter 2 of this prospectus for a more detailed description of these risks.

This prospectus was approved by the Authority for the Financial Markets (*Autoriteit Financiële Markten*) (AFM) in the Netherlands for the purposes of Directive 2003/71/EC of the European Parliament and of the Council (the 'prospectus directive') on 2 June 2017 (the 'approval date'). Pursuant to this prospectus, Shares can be offered by Oikocredit until 2 June 2018. In the meantime, changes may occur in the financial position or the activities of Oikocredit. In accordance with article 5:23 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*), Oikocredit shall make such information publicly available by issuing a supplement to this prospectus.

**A copy of this prospectus can be obtained (as of the Approval Date) from:**

OIKOCREDIT, Ecumenical Development Co-operative Society U.A.  
PO Box 2136  
3800 CC Amersfoort  
The Netherlands

+31 (0)33 422 40 40  
investor@oikocredit.org  
www.oikocredit.coop/prospectus

**This prospectus is valid for a period of 12 months after the date of approval by the Authority for the Financial Markets (*Autoriteit Financiële Markten*).**

## Contents

<b>1.</b>	<b>Summary</b>	<b>4</b>
<b>2.</b>	<b>Risk factors</b>	<b>15</b>
<b>3.</b>	<b>Important information</b>	<b>17</b>
<b>4.</b>	<b>Definitions</b>	<b>19</b>
<b>5.</b>	<b>General details</b>	<b>20</b>
<b>6.</b>	<b>OIKOCREDIT, Ecumenical Development Co-operative Society U.A.</b>	<b>21</b>
6.1	Information incorporated by reference	21
6.2	History and mission of Oikocredit	23
6.3	General structure	25
6.4	Description of activities: loans and investments (development financing)	26
6.5	Risk management	29
6.6	Participation in Oikocredit	32
6.7	Legal structure	34
6.8	Financial position	34
6.9	Governance structure	40
6.10	Costs	48
6.11	Net income and dividends	49
6.12	Reporting	49
<b>7.</b>	<b>Tax aspects of participation in Oikocredit</b>	<b>50</b>
7.1	Tax position of Oikocredit	50
7.2	Tax position of shareholders	50

## Appendices

1.	Partner funding criteria	52
2.	Membership and share application form	53

# 1. Summary

The definitions as included in chapter 4 of this Prospectus shall fully apply to the definitions used in this summary, unless the context explicitly provides otherwise.

Summaries are made up of disclosure requirements known as 'elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the elements required for these types of securities and this type of issuer. As some elements are not required (to be addressed) in this summary, there may be gaps in the numbering sequence of the elements.

In the event that an element needs to be included in this summary for these types of securities and this type of issuer, it is possible that no relevant information can be given. In such cases, a short description of the element will be included in the summary, stating 'not applicable'.

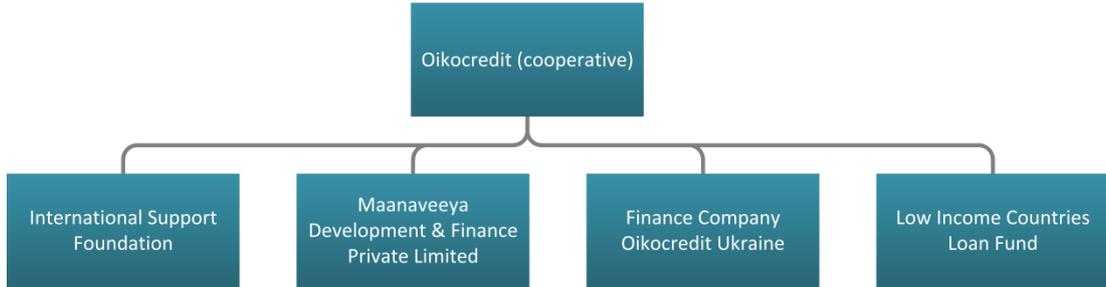
## Section A – Introduction and warnings

A.1	Introduction and warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary (including any translation thereof), but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or if it does not provide, when read together with the other parts of the Prospectus, key information in order to assist investors when considering investing in the Shares.
A.2	Consent	Not applicable; there will be no subsequent resale or final placement of Shares by financial intermediaries.

## Section B – Issuer

B.1	Legal and commercial name of the issuer	OIKOCREDIT, Ecumenical Development Co-operative Society U.A. ('Oikocredit')												
B.2	Domicile, legal form, legislation and country of incorporation of the issuer	Oikocredit is a cooperative society with excluded liability ( <i>coöperatie met uitsluiting van aansprakelijkheid</i> ) incorporated under the laws of and domiciled in the Netherlands. Oikocredit has its statutory seat in Amersfoort, the Netherlands, and its head office at Berkenweg 7, 3818 LA in Amersfoort, the Netherlands.												
B.3	Key factors relating to the nature of the issuer's operations and its principal activities, including products, services and principal markets	<p>Oikocredit was founded in 1975 as an initiative of the World Council of Churches to provide churches and church-related organizations with an investment tool aimed at supporting people in low-income countries.</p> <p>Oikocredit's mission is: <b>Oikocredit challenges all to invest responsibly. It provides financial services and supports organizations to improve the quality of life of low-income people or communities in a sustainable way.</b></p> <p>Oikocredit's principal tool in achieving its mission is Partner Funding. In general Oikocredit provides loans or other types of financing (equity, quasi-equity, or guarantees) for the development of viable economic enterprises conducted by or for the benefit of (groups of) low-income people who are generally denied access to financial services. Oikocredit supports cooperatives and comparable organizations, as well as alternative trade organizations and financial intermediaries (including MFIs). MFIs enable Oikocredit to reach individuals or small groups of people whom it cannot serve with direct loans.</p> <p>Direct loans or financing amounts provided by Oikocredit start from € 50,000 with a loan repayment period around 10 years. Exposures above € 10,000,000 require Supervisory Board approval.</p> <p>The Partner Funding by Oikocredit mainly takes the form of loans with an average loan repayment period of circa four years. Equity participations account for the remaining funding. Oikocredit's active Partner portfolio (consisting of approved and disbursed funding) amounts to 801 Partners in 70 countries totalling approximately € 1.2 billion as at 31 December 2016, with approximately € 1,0 billion outstanding as at 31 December 2016. The graphs below show the principal markets in which Oikocredit operates.</p> <table border="1" data-bbox="351 1870 1524 2031"> <thead> <tr> <th data-bbox="351 1870 1013 1960">Countries with highest capital outstanding (&gt; 4% of total)</th> <th data-bbox="1013 1870 1189 1960">31/12/2016</th> <th data-bbox="1189 1870 1364 1960">31/12/2015</th> <th data-bbox="1364 1870 1524 1960">31/12/2014</th> </tr> </thead> <tbody> <tr> <td data-bbox="351 1960 1013 2004">India</td> <td data-bbox="1013 1960 1189 2004">9%</td> <td data-bbox="1189 1960 1364 2004">11%</td> <td data-bbox="1364 1960 1524 2004">11%</td> </tr> <tr> <td data-bbox="351 2004 1013 2031">Bolivia</td> <td data-bbox="1013 2004 1189 2031">8%</td> <td data-bbox="1189 2004 1364 2031">7%</td> <td data-bbox="1364 2004 1524 2031">7%</td> </tr> </tbody> </table>	Countries with highest capital outstanding (> 4% of total)	31/12/2016	31/12/2015	31/12/2014	India	9%	11%	11%	Bolivia	8%	7%	7%
Countries with highest capital outstanding (> 4% of total)	31/12/2016	31/12/2015	31/12/2014											
India	9%	11%	11%											
Bolivia	8%	7%	7%											

		Paraguay	6%	6%	7%
		Ecuador	6%	6%	<4%
		Cambodia	5%	8%	7%
B.4a	Significant trends affecting the issuer and industries in which it operates	<p>In the coming years Oikocredit will continue to implement its 2020 strategy, aiming for steady annual growth of 10% of its development finance portfolio and maintaining the focus on loans and equity in inclusive finance, agriculture, renewable energy and Africa.</p> <p>In April 2017 Oikocredit welcomed its new managing director, Thos Gieskes, who comes from Rabobank, an international cooperative bank with its headquarters in the Netherlands. Oikocredit also plans to hire a chief risk officer, who will be also part of the Managing Board to ensure that there is a balance between its focus on growth and innovation and its ability to manage and mitigate any associated risks.</p> <p>In early 2017, Oikocredit held a conference for members and other stakeholders about further development of its term investment policy, and it will continue to strengthen its partnership with the Global Alliance for Banking on Values (GABV), of which it became a member in January.</p> <p><i>Inclusive finance</i> Microfinance markets are maturing, with much competition, high liquidity and a low interest rate environment, which puts pressure on our profitability. Oikocredit has responded by increasing the size of the loans to an average of about € 1.6 million per newly approved project. To keep a balance between large and small loans, Oikocredit continues to finance smaller local organizations as well. Oikocredit also believes it is wise to diversify further, spreading the risks and seeking new ways to achieve impact.</p> <p><i>Agriculture</i> The agriculture sector is important to Oikocredit because of its capacity to reduce rural unemployment and poverty and to strengthen food sovereignty in developing countries. However, the sector has continued to experience falling prices, crop losses due to erratic weather associated with climate change, uncertain or unfavourable regulatory environments and a depreciation of emerging market currencies.</p> <p><i>Renewable energy</i> In the renewable energy sector, declining costs of solar equipment are catalyzing development and driving growth. Cheap solar and innovative business models are revolutionizing energy access in least developed countries, while both demand for and availability of funding for clean energy are accelerating in emerging markets.</p> <p>Oikocredit's renewables strategy aims to meet its triple bottom line commitment to environmental protection; to contribute to the low-carbon transition; and to provide affordable off-grid energy to low-income households. Oikocredit's lending comprises three market segments: off-grid home solar electricity in sub-Saharan Africa (high social impact); large rooftop solar distributed generation in India and South America (social and CO2 impact and gains in cost saving and reliability); and on-grid project finance for solar, wind and hydropower (infrastructure and national CO2 reduction benefits) in all regions.</p> <p><i>Africa</i> Regulations are changing in some African countries, with impacts on Oikocredit's work and that of its Partners. Kenya, for example, introduced a regulation to limit interest rates. Very high or rising inflation rates in Nigeria and other countries in Africa make it more difficult for Oikocredit to do business and support Partners.</p>			
B.5	Description of the Oikocredit group and position of the issuer therein	<p>Oikocredit forms the head of a group as defined in section 2:24b of the Dutch Civil Code (<i>Burgerlijk Wetboek</i>). The group includes Oikocredit, its subsidiaries, other entities that are represented or controlled by Oikocredit and its representation offices abroad. Subsidiaries are entities in which Oikocredit exercises direct or indirect dominant control based on a shareholding of more than 50% of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can be directly exercised at the balance sheet date are also taken into account.</p> <p><i>Representation offices</i> Oikocredit has representation offices in the following countries, which may or may not have legal status according to the laws of the country concerned: Argentina, Benin, Bulgaria, Cambodia, Côte d'Ivoire, Kyrgyzstan, Mali, Mexico (this is a representation office without any income), Paraguay, Peru, the Philippines, Romania, Senegal, Slovakia, Uganda, Ukraine (in liquidation) and Uruguay.</p> <p><i>Material entities</i> The following entities within the group are considered to have material importance, because of certain activities these companies conduct, for example lending and/or financing:</p> <ul style="list-style-type: none"> <li>• <i>Maanaveeya Development &amp; Finance Private Limited, Hyderabad, India</i> A wholly owned subsidiary of Oikocredit in India which conducts its development financing activities in India.</li> <li>• <i>Finance Company Oikocredit Ukraine, Lviv, Ukraine</i> A wholly owned subsidiary of Oikocredit in Ukraine which conducts its development financing activities in Ukraine.</li> </ul>			

		<ul style="list-style-type: none"> <li>• <i>Oikocredit International Support Foundation, Amersfoort, the Netherlands</i> The Oikocredit International Support Foundation was established on 10 March 1995, in Amersfoort, the Netherlands, as a foundation (<i>stichting</i>) under the laws of the Netherlands. The main purpose of the Oikocredit International Support Foundation is to promote the provision of microfinance and other forms of development finance. In doing this the Oikocredit International Support Foundation supports enterprise initiatives by local people in developing countries, lacking an adequate banking network that funds such initiatives. The Oikocredit International Support Foundation also promotes the provision of anything related to this, or which may be conducive to achieving this goal.</li> <li>• <i>Low Income Countries Loan Fund, Amersfoort, the Netherlands (LIC Loan Fund)</i> Oikocredit has developed the LIC Loan Fund. This fund invests in Partners in low-income countries. This fund has been created as a closed end restricted, tax transparent investment fund (<i>'beleggingsfonds'</i>). The fund is not an incorporated legal entity, but an unincorporated fund for joint account (<i>'fonds voor gemene rekening'</i>). The fund and the participations are not and will not be listed on any stock exchange.</li> </ul> <p><i>Non-material entities</i> Oikocredit has entities within the group of which it considers to have no material importance, which is based on the activities of these entities. Oikocredit has non-material entities in the following countries: Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic (in liquidation), Ecuador, El Salvador, Ghana, Guatemala, Honduras (in liquidation), Kenya, Mozambique, Nicaragua, Nigeria, the Philippines, Rwanda, South Africa, Tanzania (in liquidation), United States of America and Uruguay.</p> <p><i>National support offices</i> Oikocredit has national support offices to assist Oikocredit Support Associations in Austria, Canada, France, Germany and the United Kingdom. These national support offices raise awareness of Oikocredit, build strategic partnerships, and liaise with Oikocredit Support Associations (if their country has any).</p> <p><b>Chart group structure Oikocredit as at 1 January 2017</b></p>  <pre> graph TD     A[Oikocredit (cooperative)] --&gt; B[International Support Foundation]     A --&gt; C[Maanaveeya Development &amp; Finance Private Limited]     A --&gt; D[Finance Company Oikocredit Ukraine]     A --&gt; E[Low Income Countries Loan Fund]   </pre>
B.6	Persons who, directly and indirectly, have a notifiable interest in the company's capital or voting rights	<p>Participation in Oikocredit is open only to Members. Membership of Oikocredit is restricted to:</p> <ul style="list-style-type: none"> <li>• the founders, being the World Council of Churches and the Council of Churches in the Netherlands</li> <li>• the member churches of the World Council of Churches;</li> <li>• churches not belonging to the World Council of Churches;</li> <li>• subdivisions of churches;</li> <li>• councils of churches;</li> <li>• church-related organizations;</li> <li>• Support Associations;</li> <li>• Partner members; and</li> <li>• other organizations that share Oikocredit's mission and in addition are invited by the Supervisory Board.</li> </ul> <p>Other organizations invited to join Oikocredit by the Supervisory Board must:</p> <ul style="list-style-type: none"> <li>• have a mission and objectives that closely align with Oikocredit's mission;</li> <li>• be democratically organized to reflect the views of the constituency or membership; and</li> <li>• invest at least € 50,000 in Oikocredit Shares.</li> </ul> <p>Support Associations are established locally within a country or region to offer individuals, church congregations or parishes an opportunity to invest in Oikocredit. As at 31 March 2017 the following Members have a shareholding in Oikocredit of more than 5% of the total issued share capital:</p> <ul style="list-style-type: none"> <li>• Oikocredit International Share Foundation (20.7%)</li> <li>• Oikocredit Förderkreis Baden-Württemberg (14.4%)</li> <li>• Oikocredit Westdeutscher Förderkreis e.V. (14.4%)</li> <li>• Oikocredit Nederland Fonds (12.7%)</li> <li>• Oikocredit Förderkreis Bayern e.V. (6.9%)</li> <li>• Oikocredit Nederland (5.0%)</li> </ul>

	Whether major shareholders have different voting rights	Not applicable. These Members do not have different voting rights from other Members.																																																																																
	Direct and indirect ownership of or control over the company and nature of such control	Oikocredit is not aware of any party or parties that directly or indirectly control the voting at any General Meeting of Members, nor is Oikocredit aware of any arrangement that may result in a change of control of the organization.																																																																																
B.7	Selected historical key financial information of the issuer for each financial year covered by the historical key financial information	<p>The following information is derived from the audited consolidated financial statements for the years 2016, 2015 and 2014, contained in the annual reports 2016, 2015 and 2014, respectively, incorporated by reference in this Prospectus. The information should be read in conjunction with the consolidated financial statements and the related notes that have been incorporated by reference in this Prospectus, and with the rest of this Prospectus, including 'financial position'.</p> <table border="1" data-bbox="352 725 1409 2029"> <thead> <tr> <th data-bbox="352 725 906 994"><b>CONSOLIDATED BALANCE SHEET</b></th> <th data-bbox="906 725 1086 994"><b>31/12/2016</b></th> <th data-bbox="1086 725 1267 994"><b>31/12/2015</b></th> <th data-bbox="1267 725 1409 994"><b>31/12/2014</b></th> </tr> <tr> <td data-bbox="352 994 906 1032">(before appropriation of net income)</td> <td data-bbox="906 994 1086 1032"><b>EUR ,000</b></td> <td data-bbox="1086 994 1267 1032"><b>EUR ,000</b></td> <td data-bbox="1267 994 1409 1032"><b>EUR ,000</b></td> </tr> </thead> <tbody> <tr> <td data-bbox="352 1032 906 1070"><b>NON-CURRENT ASSETS</b></td> <td data-bbox="906 1032 1086 1070"></td> <td data-bbox="1086 1032 1267 1070"></td> <td data-bbox="1267 1032 1409 1070"></td> </tr> <tr> <td data-bbox="352 1070 906 1108"><b>Intangible fixed assets</b></td> <td data-bbox="906 1070 1086 1108"><b>1,024</b></td> <td data-bbox="1086 1070 1267 1108"><b>1,182</b></td> <td data-bbox="1267 1070 1409 1108"><b>-</b></td> </tr> <tr> <td data-bbox="352 1108 906 1146"><b>Tangible assets</b></td> <td data-bbox="906 1108 1086 1146"><b>1,328</b></td> <td data-bbox="1086 1108 1267 1146"><b>623</b></td> <td data-bbox="1267 1108 1409 1146"><b>1,246</b></td> </tr> <tr> <td data-bbox="352 1146 906 1184"><b>Financial assets</b></td> <td data-bbox="906 1146 1086 1184"></td> <td data-bbox="1086 1146 1267 1184"></td> <td data-bbox="1267 1146 1409 1184"></td> </tr> <tr> <td data-bbox="352 1184 906 1223">Development financing:</td> <td data-bbox="906 1184 1086 1223"></td> <td data-bbox="1086 1184 1267 1223"></td> <td data-bbox="1267 1184 1409 1223"></td> </tr> <tr> <td data-bbox="352 1223 906 1261">Outstanding Partner financing</td> <td data-bbox="906 1223 1086 1261">1,047,226</td> <td data-bbox="1086 1223 1267 1261">900,153</td> <td data-bbox="1267 1223 1409 1261">734,606</td> </tr> <tr> <td data-bbox="352 1261 906 1299">Less: - loss provision</td> <td data-bbox="906 1261 1086 1299">(77,513)</td> <td data-bbox="1086 1261 1267 1299">(64,478)</td> <td data-bbox="1267 1261 1409 1299">(54,776)</td> </tr> <tr> <td data-bbox="352 1299 906 1337"></td> <td data-bbox="906 1299 1086 1337"><b>969,713</b></td> <td data-bbox="1086 1299 1267 1337"><b>835,675</b></td> <td data-bbox="1267 1299 1409 1337"><b>679,830</b></td> </tr> <tr> <td data-bbox="352 1337 906 1375">Term investments</td> <td data-bbox="906 1337 1086 1375">112,807</td> <td data-bbox="1086 1337 1267 1375">120,188</td> <td data-bbox="1267 1337 1409 1375">154,587</td> </tr> <tr> <td data-bbox="352 1375 906 1413">Other financial fixed assets</td> <td data-bbox="906 1375 1086 1413">998</td> <td data-bbox="1086 1375 1267 1413">1,024</td> <td data-bbox="1267 1375 1409 1413">1,137</td> </tr> <tr> <td data-bbox="352 1413 906 1451"></td> <td data-bbox="906 1413 1086 1451"><b>1,083,518</b></td> <td data-bbox="1086 1413 1267 1451"><b>956,887</b></td> <td data-bbox="1267 1413 1409 1451"><b>835,554</b></td> </tr> <tr> <td data-bbox="352 1451 906 1489"><b>Total non-current assets</b></td> <td data-bbox="906 1451 1086 1489"><b>1,085,870</b></td> <td data-bbox="1086 1451 1267 1489"><b>958,692</b></td> <td data-bbox="1267 1451 1409 1489"><b>836,800</b></td> </tr> <tr> <td data-bbox="352 1489 906 1527"><b>CURRENT ASSETS</b></td> <td data-bbox="906 1489 1086 1527"></td> <td data-bbox="1086 1489 1267 1527"></td> <td data-bbox="1267 1489 1409 1527"></td> </tr> <tr> <td data-bbox="352 1527 906 1565">Receivables and other current assets</td> <td data-bbox="906 1527 1086 1565">27,958</td> <td data-bbox="1086 1527 1267 1565">25,442</td> <td data-bbox="1267 1527 1409 1565">18,815</td> </tr> <tr> <td data-bbox="352 1565 906 1603">Cash and banks</td> <td data-bbox="906 1565 1086 1603">95,447</td> <td data-bbox="1086 1565 1267 1603">42,214</td> <td data-bbox="1267 1565 1409 1603">51,513</td> </tr> <tr> <td data-bbox="352 1603 906 1641"><b>Total</b></td> <td data-bbox="906 1603 1086 1641"><b>123,405</b></td> <td data-bbox="1086 1603 1267 1641"><b>67,656</b></td> <td data-bbox="1267 1603 1409 1641"><b>70,328</b></td> </tr> <tr> <td data-bbox="352 1641 906 1680"><b>TOTAL</b></td> <td data-bbox="906 1641 1086 1680"><b>1,209,275</b></td> <td data-bbox="1086 1641 1267 1680"><b>1,026,348</b></td> <td data-bbox="1267 1641 1409 1680"><b>907,128</b></td> </tr> <tr> <td data-bbox="352 1680 906 1718"><b>GROUP EQUITY AND FUNDS</b></td> <td data-bbox="906 1680 1086 1718"></td> <td data-bbox="1086 1680 1267 1718"></td> <td data-bbox="1267 1680 1409 1718"></td> </tr> </tbody> </table>	<b>CONSOLIDATED BALANCE SHEET</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2014</b>	(before appropriation of net income)	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>NON-CURRENT ASSETS</b>				<b>Intangible fixed assets</b>	<b>1,024</b>	<b>1,182</b>	<b>-</b>	<b>Tangible assets</b>	<b>1,328</b>	<b>623</b>	<b>1,246</b>	<b>Financial assets</b>				Development financing:				Outstanding Partner financing	1,047,226	900,153	734,606	Less: - loss provision	(77,513)	(64,478)	(54,776)		<b>969,713</b>	<b>835,675</b>	<b>679,830</b>	Term investments	112,807	120,188	154,587	Other financial fixed assets	998	1,024	1,137		<b>1,083,518</b>	<b>956,887</b>	<b>835,554</b>	<b>Total non-current assets</b>	<b>1,085,870</b>	<b>958,692</b>	<b>836,800</b>	<b>CURRENT ASSETS</b>				Receivables and other current assets	27,958	25,442	18,815	Cash and banks	95,447	42,214	51,513	<b>Total</b>	<b>123,405</b>	<b>67,656</b>	<b>70,328</b>	<b>TOTAL</b>	<b>1,209,275</b>	<b>1,026,348</b>	<b>907,128</b>	<b>GROUP EQUITY AND FUNDS</b>			
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(before appropriation of net income)	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>																																																																															
<b>NON-CURRENT ASSETS</b>																																																																																		
<b>Intangible fixed assets</b>	<b>1,024</b>	<b>1,182</b>	<b>-</b>																																																																															
<b>Tangible assets</b>	<b>1,328</b>	<b>623</b>	<b>1,246</b>																																																																															
<b>Financial assets</b>																																																																																		
Development financing:																																																																																		
Outstanding Partner financing	1,047,226	900,153	734,606																																																																															
Less: - loss provision	(77,513)	(64,478)	(54,776)																																																																															
	<b>969,713</b>	<b>835,675</b>	<b>679,830</b>																																																																															
Term investments	112,807	120,188	154,587																																																																															
Other financial fixed assets	998	1,024	1,137																																																																															
	<b>1,083,518</b>	<b>956,887</b>	<b>835,554</b>																																																																															
<b>Total non-current assets</b>	<b>1,085,870</b>	<b>958,692</b>	<b>836,800</b>																																																																															
<b>CURRENT ASSETS</b>																																																																																		
Receivables and other current assets	27,958	25,442	18,815																																																																															
Cash and banks	95,447	42,214	51,513																																																																															
<b>Total</b>	<b>123,405</b>	<b>67,656</b>	<b>70,328</b>																																																																															
<b>TOTAL</b>	<b>1,209,275</b>	<b>1,026,348</b>	<b>907,128</b>																																																																															
<b>GROUP EQUITY AND FUNDS</b>																																																																																		

Member capital <sup>1</sup>	912,968	806,277	651,154
General and other reserves and funds	122,208	108,674	105,498
Undistributed net income for the year	29,003	15,371	17,114
	<b>1,064,179</b>	<b>930,322</b>	<b>773,766</b>
Third-party interests	4,959	4,680	2,900
<b>Total group equity and funds</b>	<b>1,069,138</b>	<b>935,002</b>	<b>776,666</b>
<b>LIABILITIES</b>			
Non-current liabilities	39,877	34,090	100,604
Current liabilities	100,260	57,256	29,858
	<b>140,137</b>	<b>91,346</b>	<b>130,462</b>
<b>TOTAL</b>	<b>1,209,275</b>	<b>1,026,348</b>	<b>907,128</b>

<sup>1</sup> As per the 2015 financial year the Managing Board opted to make use of the exemption in Dutch Generally Accepted Accounting Principles (GAAP) to classify Member capital (shares in euro and foreign currencies) as equity (RJ 290.808) in the consolidated financial statements. In previous years only the euro shares were classified as equity under this exemption. Given the identical subordination and features in the event of dissolution of the Society, the Managing Board believes that the presentation of all Member capital as equity reflects the nature of these instruments.

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>INCOME</b>			
<b>Interest and similar income</b>			
Interest on development financing portfolio	77,216	68,572	56,335
Interest on term investments	3,466	3,377	4,919
Revaluation of term investments	(1,088)	(3,094)	4,121
<b>Total interest and similar income</b>	<b>79,594</b>	<b>68,855</b>	<b>65,375</b>
<b>Interest and similar expenses</b>			
Interest expenses	(1,544)	(1,381)	(2,030)
<b>Total interest and similar expenses</b>	<b>(1,544)</b>	<b>(1,381)</b>	<b>(2,030)</b>
<b>Income from equity investments</b>			
Result from sale of equity investments	19,245	442	2,157
Dividends	1,946	2,836	1,783
<b>Total income from equity investments</b>	<b>21,191</b>	<b>3,278</b>	<b>3,940</b>
<b>Grant income</b>	<b>796</b>	<b>3,436</b>	<b>1,862</b>
<b>Other income and expenses</b>			
Exchange rate differences	10,227	(4,672)	11,091
Hedge premiums	(5,456)	(5,565)	(2,941)
Other	54	47	70
<b>Total other income and expenses</b>	<b>4,825</b>	<b>(10,190)</b>	<b>8,220</b>
<b>TOTAL OPERATING INCOME</b>	<b>104,862</b>	<b>63,998</b>	<b>77,367</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Personnel	(20,380)	(17,391)	(16,385)
Travel	(1,286)	(1,180)	(1,226)

General and other expenses	(12,299)	(12,793)	(11,104)
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(33,965)</b>	<b>(31,364)</b>	<b>(28,715)</b>
<b>ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS</b>			
Additions to loss provisions	(18,250)	(15,273)	(10,640)
Impairments on equity investments	(8,697)	(1,711)	(1,814)
<b>TOTAL ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS</b>	<b>(26,947)</b>	<b>(16,984)</b>	<b>(12,454)</b>
<b>INCOME BEFORE TAXATION</b>	<b>43,950</b>	<b>15,650</b>	<b>36,198</b>
Taxes	(1,865)	(1,779)	(4,437)
<b>INCOME AFTER TAXATION</b>	<b>42,085</b>	<b>13,871</b>	<b>31,761</b>
Third-party interests	(279)	(28)	366
Additions to and releases from funds	(12,803)	1,528	(15,013)
<b>INCOME FOR THE YEAR AFTER ADDITION TO FUNDS</b>	<b>29,003</b>	<b>15,371</b>	<b>17,114</b>
<b>CONSOLIDATED CASH FLOW STATEMENTS</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>Income before taxation</b>	<b>43,950</b>	<b>15,650</b>	<b>36,198</b>
<b>Adjusted for non-cash items</b>			
Value adjustments loans, equity and receivables	24,159	13,737	9,473
Unrealized revaluation term investments	1,088	3,094	(4,121)
Depreciation tangible fixed assets	581	271	241
Taxes	(1,774)	(1,809)	(3,389)
Exchange adjustments	(30,125)	(12,219)	(10,939)
<b>Changes in:</b>			
Development financing (disbursements and repayments)	(128,788)	(145,419)	(106,138)
Other financial assets	(8)	169	(51)
Receivables and other current assets	(2,816)	(5,525)	(4,149)
Current liabilities	38,289	18,891	2,324
<b>Cash flow from operating activities</b>	<b>(55,444)</b>	<b>(113,160)</b>	<b>(80,551)</b>
Term investments	6,187	31,789	(3,674)
Tangible fixed assets	(1,128)	(830)	(660)
<b>Cash flow from investing activities</b>	<b>5,059</b>	<b>30,959</b>	<b>(4,334)</b>
Member capital (issue and redemptions)	106,691	95,165	76,304
Dividend paid on member capital	(15,005)	(13,383)	(10,999)
Loans and notes	11,932	(10,258)	7,221
Third-party interests	0	1,642	1,683
<b>Cash flow from financing activities</b>	<b>103,618</b>	<b>73,166</b>	<b>74,209</b>

		<b>CHANGES IN CASH AND BANKS</b>	<b>53,233</b>	<b>(9,035)</b>
				<b>(10,676)</b>
			<b>2016</b>	<b>2015</b>
			<b>2014</b>	
		<b>Movements in members' equity and reserves Society</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
			<b>EUR ,000</b>	<b>EUR ,000</b>
		Balance as at 31 December previous year	887,491	787,566
		New members' capital issued (net)	106,691	95,165
		Exchange rate differences	365	2,589
		Dividends to members	(15,005)	(13,200)
		Undistributed net income for the year	29,003	15,371
		<b>Balance as at 31 December</b>	<b>1,008,545</b>	<b>887,491</b>
			<b>2016</b>	<b>2015</b>
			<b>2014</b>	
		<b>Reconciliation between members equity and reserves Society and consolidated equity and funds</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
			<b>EUR ,000</b>	<b>EUR ,000</b>
		Members' equity and reserves according to Society Financial Statements	1,008,545	887,491
		Reclassification of members' capital to non-current liabilities	-	-
		Reserves and funds Oikocredit International Support Foundation	55,634	42,831
		Reserves Oikocredit International Share Foundation	-	-
		Revaluation result hedges share capital	-	-
		Third-party interests	4,959	4,680
		<b>Group equity and funds according to consolidated financial statements</b>	<b>1,069,138</b>	<b>935,002</b>
				<b>776,666</b>
B.7	Description of significant changes to the issuer's financial condition and operating results during or subsequent to the period covered by the key historical financial information	In 2016 Oikocredit sold a equity stake in Hattha Kaksekar Ltd, a Cambodian based MFI for EUR 19.1 million. The sale of this equity stake had a material impact on the total 2016 operation income of Oikocredit.		
B.8	Selected key pro forma financial information	Not applicable. No pro forma financial information is included in the Prospectus.		
B.9	Profit forecast	Not applicable. No profit forecast is included in the Prospectus.		
B.10	Nature of any qualifications in the audit report on the historical financial information	Not applicable. The auditor's reports on the published consolidated financial statements for the financial years ended 31 December 2016, 2015 and 2014 are unqualified.		
B.11	Explanation	Not applicable. The Oikocredit Group is of the opinion that it has sufficient working capital for its present		

	if insufficient working capital	requirements, which is for at least the next 12 months from the Approval Date of the Prospectus.
<b>Section C – Securities</b>		
C.1	Description of type and class of shares Security identification number	Shares are registered Shares in the capital of Oikocredit with a nominal value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000, or USD 200, or in any other currency as resolved by the Managing Board, following the prior approval of the Supervisory Board. The Shares are subdivided into fractions of Shares, expressed in decimals.  Not applicable. The Shares do not have a security identification number.
C.2	Currency of the shares	The Shares are denominated in EUR, CAD, CHF, GBP, SEK, or USD or in any other currency as resolved by the Managing Board.
C.3	Number of shares issued and fully paid, par value per share Number of shares issued and not fully paid	At 31 May 2017, all 4,781,777 Shares were issued and fully paid. The Shares have a par value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000, or USD 200 or any other value in a currency as resolved by the Managing Board, following the prior approval of the Supervisory Board.  Not applicable. Oikocredit has not issued Shares that are not fully paid.
C.4	Rights attached to the shares	Shares are governed by, and shall be construed in accordance with, the laws of the Netherlands. Shares are continuously issued at their nominal value, at the discretion of the Managing Board, and there is no limit to the number of Shares that can be issued.  All Shares entitle the holder to a dividend proportional to the nominal value of the Shares. Participants in the General Meeting, having considered the recommendations of the Managing Board, allocate the net profits. Dividends are paid either by allotting additional fractions of Shares or in cash.  Provided at least one share is held, fractions of Shares may also be purchased. Each Member may exercise one vote at the General Meeting, irrespective of the number of Shares held. Shares are issued on the date the amounts for share capital are received by Oikocredit from its Members.  When Shares are issued to new Members, the shareholdings of other Members immediately dilute as a result. The amount and percentage of the immediate dilution cannot be calculated as Shares are issued on a continuous basis and the number of Shares that can be offered is unlimited.  Shares will be redeemed by Oikocredit taking into account the conditions mentioned in article 13 of the Articles of Association which are as follows: <ul style="list-style-type: none"> <li>• Shares shall be redeemed, if a Member has ceased to be a Member of Oikocredit, no later than five years after cessation of membership;</li> <li>• Shares shall be redeemed no later than five years after the redemption request, without prejudice to what has been provided in article 10 of the Articles of Association, without the Member ceasing its membership of Oikocredit;</li> <li>• the redemption shall be at nominal value. However, if the net asset value per share is lower than the nominal value per share in the most recently audited (interim) balance sheet preceding the redemption by Oikocredit, the amount payable upon redemption of the share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet.</li> </ul> In relation to the foregoing, the Managing Board of Oikocredit, subject to approval by the Supervisory Board, considers submitting a proposal to amend article 13 of the Oikocredit Articles of Association to the General Meeting. The proposal aims to subject redemption requests to the approval of the Managing Board. In order to amend article 13 of the Oikocredit Articles of Association, the majority of the Members at the General Meeting must vote in favour of said proposal. Therefore, at this moment, it is unsure whether or not the proposal will be approved by the General Meeting, and/or what the final amendment to article 13 of the Oikocredit Articles of Association (if any) will provide for.
C.5	Restrictions on free transferability of the shares	As the Articles of Association (articles 5 and 9) determine that only Members can hold Shares, Members may freely transfer their Shares to other Members (taking into account the obligation to hold at least one Share) upon written notice to Oikocredit, however the Managing Board will obstruct the transfers of Shares by Members to non-Members.
C.6	Listing and	Not applicable. The Shares will not be listed nor admitted to trading.

	admission to trading of shares and regulated markets	
C.7	Dividend policy	<p>The allocation of the 2016 annual net income will be decided by the General Meeting, after consideration of the Managing Board's proposal, as approved by the Supervisory Board. Net income available for distribution is calculated by correcting the annual net income with any extraordinary costs or income not arising from normal operations and an addition to the general reserves. The remaining net income available for distribution is paid out as dividend.</p> <p>Oikocredit's policy is to pay 1/12th of the dividend percentage as approved by the General Meeting for every full calendar month that the Shares were registered. Dividends may be payable in the form of one or more fractions of Shares and/or in cash. Dividends made available in cash, which are not claimed within five years, shall be forfeited for the benefit of Oikocredit. Dividends in amounts below EUR 50, USD 50, CAD 50, SEK 500, GBP 50 or CHF 50 will not be paid out but will be automatically reinvested.</p> <p>For 2016 the Managing Board proposed a dividend that amounts to € 17.1 million. The proposed dividend per share for 2016 amounts to 1/12th of 2% for every full calendar month of 2016 that the EUR, CAD, CHF, GBP, SEK and USD, Shares were registered. It is up to the General Meeting to adopt the proposal of the Managing Board and to approve the dividend.</p>

## Section D – Risks

D.1	Key risks specific to the issuer or its industry	<p>Although Oikocredit believes that the risks and uncertainties described below are Oikocredit's material risks and uncertainties, these may not be the only ones Oikocredit faces. Additional risks and uncertainties not presently known to Oikocredit, or that Oikocredit currently deems immaterial, may also have a material adverse effect on Oikocredit's business, results of operations or financial condition and could negatively affect the dividend to be paid out on Shares, as well as on the net asset value and the price of the Shares.</p> <p><i>Country risks</i> Economic and/or political problems, at times in conjunction with extreme inflation or devaluation, can make it impossible for the recipients of the funding by Oikocredit to meet previously made commitments towards Oikocredit. Oikocredit's Partner Funding portfolio in developing countries (development financing) may further be affected by existing governmental, economic, and political problems (resulting in non-payment due to a currency crisis, political measures taken to prevent payment to foreign institutions, or a deteriorating internal economic situation). A slowdown in economic growth rates or recession in Europe may negatively influence Oikocredit's capital inflow. These events may negatively impact the growth possibilities of Oikocredit as well as the financial results and may therefore have a negative impact on the dividend to be paid out on Shares as well as on the net asset value and the price of the Shares.</p> <p><i>Market and interest rate risks</i> Oikocredit invests a large part of its long-term capital in development financing and in the TI Portfolio. Market developments which cause changes in interest rates, the creditworthiness of the bond issuers and share prices will affect the value of Oikocredit's TI Portfolio and may also affect the value of its Partner Funding portfolio (outstanding development financing). This may negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and the price of the Shares. Like other investors in development financing Oikocredit faces the current risk of a prolonged period of low market interest rates which may negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and the price of the Shares.</p> <p><i>Currency risks</i> Significant currency risks exist, as Oikocredit's available capital (Members' capital, and loans) at the end of 2016, was approximately 92% denominated in euro while 42% of the amounts outstanding in development financing was denominated in US dollars, 53% in local currencies and the remaining 5% in euro. The TI Portfolio is mainly denominated in euro.</p> <p>Oikocredit also runs a risk of non-payment by its Partners (outstanding development financing) in US dollars or euro as a result of a currency crisis in a country in which Oikocredit operates. Materialization of these currency risks (e.g. declining exchange rates for the US dollar or local currencies, versus the euro) may negatively impact the reserves and financial results and may therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and price of the Shares.</p> <p><i>Credit risks (or counterparty risk) and the risk of concentration of development financing in certain sectors</i> Credit risks (for example, the risks of non-payment from Partners which results in losses on our development financing portfolio) vary between Partners and depend on the nature of activities, the sector, the quality of management and a variety of other factors. A part of our development financing may also be concentrated in</p>
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		<p>certain sectors. If problems occur within a certain sector (for instance, natural disasters within the agricultural sector) this could have a negative impact on Partners that are active within the sector. This may result in non-payment from Partners which could result in losses in our development financing portfolio. Any losses could negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.</p> <p><i>Legal risks</i> As Oikocredit operates in various countries worldwide and completes transactions and agreements subject to various laws, there is no absolute surety that such transactions and agreements cannot be invalidated. Losses due to invalidated contracts may negatively impact the financial results and may therefore have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and price of the Shares.</p> <p>Supervision by (financial) authorities (such as, in the Netherlands, the Dutch Central Bank (<i>De Nederlandsche Bank</i>) or the Dutch Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i>)) on Oikocredit's activities may change due to changes in legislation in countries in which Oikocredit operates. This may affect the costs and the possibilities to issue Shares to Members or the ability to invest in development financing in those countries. This could also negatively impact growth possibilities, the liquidity position, the financial position as well as Oikocredit's results which could have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and price of the Shares.</p> <p><i>Dependency on Support Associations</i> As Oikocredit is dependent on Support Associations to attract new share capital, it may encounter difficulties attracting funding at the same volume if it becomes impossible for Support Association to carry out their mission due to changes in law in the countries where they operate. A significant decrease in share capital inflow and/or redemptions by Members may negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on shares as well as on the net asset value and price of the shares.</p> <p><i>Liquidity risks</i> Taking into account that Oikocredit enters into commitments for new financing, there is a risk that Oikocredit is not able to meet these commitments on time as a result of insufficient liquidity due to the fact that a substantial number of Partners do not repay their loans on time and or there is insufficient share capital inflow and as a consequence, Oikocredit would not be able to redeem all or part of the Shares, when requested, which could have a negative impact on the dividend to be paid out on the Shares.</p> <p><i>Illiquidity of Shares</i> Taking into account that the Shares are not listed on a stock exchange and there is no normal market available for the Shares, the Shares must be considered illiquid. There is a possibility that a Member who wishes to redeem or sell all or some of their Shares may (temporarily) not be able to find a buyer for the Shares, or Oikocredit might not be able to redeem the Shares as a result of insufficient liquidity within Oikocredit. Accordingly, Members should consider their investment in Shares as 'non-current assets'.</p> <p><i>Reputation risks</i> As Oikocredit is dependent on its Members for (new) share capital, damage to Oikocredit's reputation could seriously affect future capital inflow or might impel Members to redeem and could also affect the ability to finance new activities.</p> <p><i>Competition risks and maturing markets</i> Oikocredit expects increased competition in microfinance in 2017 as more alternative sources of funding become available to MFI's, including deposits and local funding from domestic lenders, which reduces their reliance on foreign investment. The increasing competition and maturity of the MFI market puts pressure on the margins of the development financing portfolio and the financial results and therefore could have a negative impact on the dividend to be paid out on shares as well as on the net asset value and price of the shares.</p>
D.3	Key risks specific to the shares	<p>The following risk factors are specific to Oikocredit Shares: Dilutive effects may reduce future potential earnings per share. In the case that Shares are issued to new Members, the shareholdings of other Members immediately dilute as a result. The amount and percentage of the immediate dilution cannot be calculated, as Shares are issued on a continuous basis and the number of Shares that can be offered is unlimited.</p> <p>As there is no market for the Shares, investors may not be able to sell the Shares above the price they paid for them. Taking into account that the Shares are not listed on any stock exchange and there is no normal market available for the Shares, the Shares must be considered illiquid. There is a possibility that a Member who wants to redeem or sell all or some of their Shares may (temporarily) not be able to find a buyer for the Shares, or Oikocredit might not be able to redeem the Shares as a result of insufficient liquidity within Oikocredit. Accordingly, Members should consider their investment in Shares as 'non-current assets'.</p> <p>Uncertainty with respect to payments of dividends in the foreseeable future may influence the value of the Shares.</p>

		<p><i>Risk that redemption of Shares will be below the nominal value</i></p> <p>Shares will be redeemed by Oikocredit taking into account the conditions mentioned in article 13 of the Articles of Association which are as follows:</p> <ul style="list-style-type: none"> <li>• Shares shall be redeemed, if a Member has ceased to be a Member of Oikocredit, no later than five years after cessation of membership;</li> <li>• Shares shall be redeemed no later than five years after the redemption request, without prejudice to what has been provided in article 10 of the Articles of Association, without the Member ceasing its membership of Oikocredit;</li> <li>• the redemption shall be at nominal value. however, if the net asset value per share is lower than the nominal value per share in the most recently audited (interim) balance sheet preceding the redemption by Oikocredit, the amount payable upon redemption of the share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet. Please refer to section 6.5 for a description of Oikocredit's risk management system.</li> </ul>
<b>Section E – Offer</b>		
E.1	Total net proceeds and estimated total expenses of the issuing of shares, including expenses charged to the investor	<p>The total amount of the net proceeds is dependent upon the number of Shares sold to the Members of Oikocredit, numbering 575 Members as at 31 December 2016. The Shares are continuously offered to Members and there is no maximum number of Shares that can be offered. Therefore, there is no realistic estimation on the proceeds of the share issue and how many Shares will be issued. The maximum cost involved in the issuing of Shares is approximately € 8.8 million.</p> <p>Not applicable. No expenses have been/will be charged to the investors of Oikocredit in relation to the offering of Shares.</p>
E.2a	Reasons for offering and use of proceeds, estimated net amount of the proceeds	<p>The reason for the continuous offering is to generate capital. The capital generated by the continuous issuing of Shares is used for funding of activities in the ordinary course of business for Oikocredit. As Shares are continuously offered to Members, there is no realistic estimation of the net amount of the proceeds of the share issue and how many Shares will be issued.</p>
E.3	Terms and conditions of the offering	<p><i>The offering and the period of subscription</i></p> <p>Participation in Oikocredit is open only to Members. Membership of Oikocredit is restricted to:</p> <ul style="list-style-type: none"> <li>• the founders, being the World Council of Churches and the Council of Churches in the Netherlands</li> <li>• the member churches of the World Council of Churches</li> <li>• churches not belonging to the World Council of Churches</li> <li>• subdivisions of churches</li> <li>• councils of churches</li> <li>• church-related organizations</li> <li>• Support Associations</li> <li>• Partner members</li> <li>• other organizations that share Oikocredit's mission and in addition are invited by the Supervisory Board. Other organizations invited to join Oikocredit by the Supervisory Board must meet the following criteria: <ul style="list-style-type: none"> <li>• have a mission and objectives that closely align with Oikocredit's mission;</li> <li>• be democratically organized to reflect the views of the constituency or membership; and</li> <li>• invest at least € 50,000 in Oikocredit Shares.</li> </ul> </li> </ul> <p>Any interested party that meets the membership criteria of Oikocredit may at any time submit an application for membership of Oikocredit to the Managing Board. After approval, Shares may be acquired accordingly against payment of the nominal value thereof. Shares are registered Shares and issued at a nominal value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000, or USD 200 per share, or any other currency approved by the Managing Board, following the prior approval of the Supervisory Board.</p> <p>Each Member is required to purchase at least one share to join Oikocredit. Fractions of Shares may also be purchased thereafter. There is no limit to the number of Shares that may be issued.</p> <p>The Managing Board informs new Members of their acceptance in writing. Shares are issued on the date the</p>

		amounts for share capital are received by Oikocredit from its Members. Shares are governed by, and shall be construed in accordance with, the laws of the Netherlands. The Managing Board may revoke, suspend or reduce the offer of subscriptions. The offer may be revoked or suspended, if within the year the Prospectus is valid, there is an increase of more than 50% in share capital, and the Managing Board expects that Oikocredit cannot invest the proceeds of the Shares in development financing (e.g. in case the demand for new development financing is not sufficient or in case this development financing does not fit the criteria of Oikocredit) within the foreseeable future (the following three years).
E.4	Any interest material to the offering (including conflicting interests)	Not applicable. As far as Oikocredit is aware, no person involved in the issuing of Shares has an interest material to the offering of the Shares and there are no conflicting interests.
E.5	Name of the offering entity Lock-up agreements, parties involved, period	Oikocredit issues and offers the Shares.  Not applicable. There are no lock-up agreements.
E.6	Amounts and percentage of dilution resulting from the offer	In the event that Shares are issued to new Members, the shareholdings of other Members immediately dilute as a result thereof. The amount and percentage of the immediate dilution cannot be calculated as Shares are issued on a continuous basis and the number of Shares that can be offered is unlimited.
E.7	Estimated expenses charged to the investors by the issuer	Not applicable. No expenses have been/will be charged to investors by Oikocredit in relation to the offering of Shares.

## 2. Risk factors

The definitions as included in chapter 4 of this Prospectus shall fully apply to this chapter “Risk factors”, unless the context explicitly provides otherwise.

Interested parties are expressly advised to note that participation in Oikocredit involves financial risk.

The following is a brief overview of the important risk factors involved in Oikocredit’s work.

Although Oikocredit believes that the risks and uncertainties described below are Oikocredit’s material risks and uncertainties, these may not be the only ones Oikocredit faces. Additional risks and uncertainties not presently known to Oikocredit, or that Oikocredit currently deems immaterial, may also have a material adverse effect on Oikocredit’s business, results of operations or financial condition and could negatively affect the price of the Shares.

### Key risks specific to Oikocredit as issuer and its industry

#### *Country risks*

Economic and/or political problems, at times in conjunction with extreme inflation or devaluation, can make it impossible for the recipients of the funding by Oikocredit to meet previously made commitments towards Oikocredit. Oikocredit’s Partner Funding portfolio in developing countries (development financing) may further be affected by existing governmental, economic and political problems (resulting in non-payment due to a currency crisis, political measures taken to prevent payment to foreign institutions, or a deteriorating internal economic situation).

A slowdown in economic growth rates or recession in Europe may negatively influence Oikocredit’s capital inflow.

The aforementioned events may negatively impact the growth possibilities of Oikocredit as well as the financial results and may therefore have a negative impact on the dividend to be paid out on Shares as well as on the net asset value and the price of the Shares.

#### *Market and interest rate risks*

Oikocredit invests a large part of its long-term capital in development financing and TI Portfolio. Market developments which cause changes in interest rates, the creditworthiness of the bond issuers and share prices, will affect the value of Oikocredit’s bond and share portfolio and may also affect the value of its Partner Funding portfolio (outstanding

development financing). This may negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and the price of the Shares. Like other investors in development financing Oikocredit faces the current risk of a prolonged period of low market interest rates which may negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and the price of the Shares.

#### *Currency risks*

Significant currency risks exist, as Oikocredit's available capital (Members' capital and loans) at the end of 2016, was approximately 92% denominated in euro while 42% of the amounts outstanding in development financing was denominated in US dollars, 53% in local currencies and the remaining 5% in euro. The term investments (mainly a bond portfolio) are mainly denominated in euro.

Oikocredit also runs a risk of non-payment by its Partners (outstanding development financing) in US dollars or euro as a result of a currency crisis in a country in which Oikocredit operates. Materialization of these currency risks (e.g. declining exchange rates for the US dollar or local currencies, versus the euro) may negatively impact the reserves and financial results, and may therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and price of the Shares.

#### *Credit risks (or counterparty risk) and the risk of concentration of development financing in certain sectors*

Credit risks (for example, the risks of non-payment from Partners which results in losses on our development financing portfolio) vary between Partners and depend on the nature of activities, the sector, the quality of management and a variety of other factors. A part of our development financing may also be concentrated in certain sectors. Problems that might occur within a certain sector (for instance, natural disasters within the agricultural sector) could have a negative impact on Partners that are active within that sector. This may result in non-payment from Partners, which could result in losses in our development financing portfolio. Any losses could negatively impact the financial results and could therefore have a negative impact on the dividend to be paid out on the Shares, as well as on the net asset value and the price of the Shares.

#### *Legal risks*

As Oikocredit operates in various countries worldwide and completes transactions and agreements subject to various laws, there is no absolute surety that such transactions and agreements cannot be invalidated. Losses due to invalidated contracts may negatively impact the financial results and may therefore have a negative impact on the dividend to be paid out on the Shares, as well as on the net asset value and price of the Shares.

Supervision by (financial) authorities (such as, in the Netherlands, the Dutch Central Bank (*De Nederlandsche Bank*) or the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) of Oikocredit's activities may change due to changes in legislation in the countries in which Oikocredit operates. This may affect the costs and the possibilities to issue Shares to Members or the ability to invest in development financing in those countries. This could also negatively impact growth possibilities, the liquidity position, the financial position, as well as Oikocredit's results, which could have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and price of the Shares.

#### *Dependency on Support Associations*

As Oikocredit is dependent on Support Associations to attract new share capital, it may encounter difficulties attracting funding at the same volume if it becomes impossible for Support Associations to carry out their mission due to changes in law in the countries where they operate. A significant decrease in share capital inflow and/or redemptions by Members may negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on Shares as well as on the net asset value and price of the shares.

#### *Liquidity risks*

Taking into account that Oikocredit enters into commitments for new financing, there is a risk that Oikocredit is not able to meet these commitments on time as a result of insufficient liquidity due to the fact that a substantial number of Partners do not repay their loans on time and or there is no sufficient share capital inflow, and as a consequence, Oikocredit would not be able to redeem all or part of the Shares, which could have a negative impact on the dividend to be paid out on the Shares.

#### *Illiquidity of Shares*

Taking into account that the Shares are not listed on a stock exchange and there is no normal market available for the Shares, the Shares must be considered illiquid. There is a possibility that a Member who wishes to redeem or sell all or some of their Shares may (temporarily) not be able to find a buyer for the Shares, or Oikocredit might not be able to redeem the Shares as a result of liquidity problems within Oikocredit. Accordingly, Members should consider their investment in Shares as 'non-current assets'.

#### *Reputation risks*

As Oikocredit is dependent on its Members for new share capital, damage to Oikocredit's reputation could seriously affect future capital inflow or might impel Members to redeem and could also affect the ability to finance new activities.

#### *Competition risks and maturing markets*

Oikocredit expects increased competition in microfinance in 2017 as more alternative sources of funding become available to MFI's, including deposits and local funding from domestic lenders, which reduces their reliance on foreign

investment. The increasing competition and maturity of the MFI market puts pressure on the margins of the development financing portfolio and the financial results and therefore could have a negative impact on the dividend to be paid out on shares as well as on the net asset value and price of the shares.

### **Key risks specific to the Shares issued by Oikocredit**

#### *Risk of dilution*

Dilutive effects may reduce future potential earnings per share. In case Shares are issued to new Members, the shareholdings of other Members immediately dilute as a result. The amount and percentage of the immediate dilution cannot be calculated, as Shares are issued on a continuous basis and the number of Shares that can be offered is unlimited.

#### *Illiquidity of Shares*

As there is no market for the Shares, investors may not be able to sell the Shares above the price they paid for them. Taking into account that the Shares are not listed on any stock exchange and there is no normal market available for the Shares, the Shares must be considered illiquid. There is a possibility that a Member who wants to redeem or sell all or some of their Shares may (temporarily) not be able to find a buyer for the Shares, or Oikocredit might not be able to redeem the Shares as a result of liquidity problems within Oikocredit. Accordingly, Members should consider their investment in Shares as 'non-current assets'.

#### *Dividend risk*

Uncertainty with respect to payments of dividends in the foreseeable future may influence the value of the Shares. Please be referred to the dividend policy of Oikocredit in section 6.11 of this Prospectus

#### *Risk that redemption of Shares will be below the nominal value*

Shares will be redeemed by Oikocredit taking into account the conditions mentioned in article 13 of the Articles of Association, which are as follows:

- Shares shall be redeemed, if a Member has ceased to be a Member of Oikocredit, no later than five years after cessation of membership;
- Shares shall be redeemed no later than five years after the redemption request, without prejudice to what has been provided in article 10 of the Articles of Association, without the Member ceasing its membership of Oikocredit;
- the redemption shall be at nominal value. however, if the net asset value per share is lower than the nominal value per share in the most recently audited (interim) balance sheet preceding the redemption by Oikocredit, the amount payable upon redemption of the share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet. Please refer to section 6.5 for a description of Oikocredit's risk management system.

In relation to the foregoing, the Managing Board of Oikocredit, subject to approval by the Supervisory Board, considers submitting a proposal to amend article 13 of the Oikocredit Articles of Association to the General Meeting. The proposal aims to subject redemption requests to the approval of the Managing Board. In order to amend article 13 of the Oikocredit Articles of Association, the majority of the Members at the General Meeting must vote in favour of said proposal. Therefore, at this moment, it is unsure whether or not the proposal will be approved by the General Meeting, and/or what the final amendment to article 13 of the Oikocredit Articles of Association (if any) will provide for.

## **3. Important information**

Chapter 4 of this Prospectus provides for the definitions that are used in this Prospectus, with the exception of the information incorporated by reference as mentioned in section 6.1 of this Prospectus and chapter 7 on Tax aspects of participation in Oikocredit.

#### *General*

Prospective investors are expressly advised that an investment in Shares entails certain risks and that they should therefore read and carefully review the content of this Prospectus. A prospective investor should not invest in the Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Shares will perform under changing conditions, the resulting effects on the value of the Shares and the impact this investment will have on its overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Shares.

#### *Responsibility statement*

This Prospectus is made available by Oikocredit. Oikocredit accepts responsibility for the information contained in this Prospectus. Oikocredit declares that it has taken all reasonable care to ensure that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any information supplied by Oikocredit or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by Oikocredit.

Neither this Prospectus, nor any other information supplied in connection with the issue of the Shares, should be considered as a recommendation by Oikocredit that any recipient of this Prospectus should purchase any Shares. Each investor considering the purchase of any Shares should make its own independent analysis of the financial condition and affairs, and its own appraisal of the creditworthiness of Oikocredit. This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see 'information incorporated by reference' in section 6.1 of this Prospectus). This Prospectus should be read and understood on the basis that such documents are incorporated in and form integral part of this Prospectus. The Prospectus itself and all documents incorporated by reference, the Articles of Association and the last three consolidated financial statements, can be obtained (free of charge) on Oikocredit's website ([www.oikocredit.coop](http://www.oikocredit.coop)) and at the Oikocredit office in Amersfoort, the Netherlands. All documents in this Prospectus that are referred to as 'on display' are available (free of charge) for viewing at the Oikocredit office in Amersfoort, the Netherlands.

Neither the delivery of this Prospectus nor any sale on the basis thereof shall, under any circumstances, imply that the information contained in this Prospectus is correct as of a date subsequent to the date thereof. Investors should review, among other things, the most recent financial statements of Oikocredit when deciding whether or not to purchase any Shares. Investors are advised to ascertain whether, as from the date of this Prospectus, supplements have been made publicly available. This Prospectus and all the supplements, which form integral part of this Prospectus, is freely available at the Oikocredit office in Amersfoort, the Netherlands.

#### *Selling and transfer restrictions*

The distribution of this Prospectus and the offering of the Shares may, in certain jurisdictions, such as the United States of America and Canada, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of, or an invitation to, purchase any Shares in any jurisdiction in which such offer or invitation would be unlawful. Oikocredit requires persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Oikocredit does not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Shares, of any such restrictions. Oikocredit reserves the right in its own absolute discretion to reject any offer to purchase Shares that Oikocredit believes may give rise to a breach or violation of any laws, rules or regulations.

#### *United States of America*

The Shares have not been and will not be registered under the United States Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States of America. The securities may not be offered, sold or delivered in the United States of America or to or for the account of any US person, except in accordance with all applicable securities laws of any state or territory of the United States of America and of any other jurisdiction. Each purchaser of the Shares understands this restriction and understands that these Shares may not be (re)offered, (re)sold, pledged or otherwise transferred except in accordance with all applicable securities laws of any state or territory of the United States of America and of any other jurisdiction.

#### *European Economic Area*

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each a 'Relevant Member State') with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, an offer to the public of any Shares subject to this Prospectus may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive subject to obtaining prior consent from Oikocredit for such an offer;
- to fewer than 150 natural or legal entities (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining prior consent from Oikocredit for such an offer; or,
- in any other circumstances falling within article 3(2) of this Prospectus Directive,

provided that no such offer of Shares shall require Oikocredit to publish a prospectus pursuant to article 3 of the Prospectus Directive or any measure implementing Prospectus Directive in a Relevant Member State or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering of the Shares and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC as amended, including Directive 2010/73/EU, and includes any relevant implementing measure in each Relevant Member State.

*Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, Spain, Sweden and the United Kingdom*

This Prospectus was approved by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) in the Netherlands on 2 June 2017 for the purposes of the Prospectus Directive.

Oikocredit has requested the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) to provide the competent authorities in the following Relevant Member States with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Act on Financial Supervision (*Wet op het financieel toezicht*) and related regulations implementing the Prospectus Directive:

- Austria (FMA, *Finanzmarktaufsicht*)
- Belgium (FSMA, *Financial Services and Markets Authority*)
- Finland (*Finanssivalvonta*)
- France (AMF, *Autorité des Marchés Financiers*)
- Germany (BaFin, *Bundesanstalt für Finanzdienstleistungsaufsicht*)
- Ireland (*Central Bank of Ireland*)
- Italy (CONSOB, *Commissione Nazionale per le Società e la Borsa*)
- Luxembourg (CSSF, *Commission de Surveillance du Secteur Financier*)
- Malta (MFSA, *Malta Financial Services Authority*)
- Spain (CNMV, *Comisión Nacional del Mercado de Valores*)
- Sweden (*Finansinspektionen*)
- United Kingdom (FCA, *Financial Conduct Authority*)

All qualifications of a legal nature contained in this Prospectus relate to Dutch law, unless the context requires otherwise. References to 'EUR' are to the euro, the currency of the Netherlands, references to 'USD' or 'US dollars' are to the United States dollar, the currency of the United States of America, references to 'GBP' or 'British pounds' are to the British pound sterling, the currency of the United Kingdom, references to 'SEK' or 'Swedish kronor' are to the Swedish krona, the currency of Sweden, references to 'CHF' or 'Swiss francs' are to the Swiss franc, the currency of Switzerland and references to 'CAD' or 'Canadian dollars' are to the Canadian dollar, the currency of Canada. Dutch law is applicable to this Prospectus. This Prospectus is only available in the English language. Unless explicitly stated otherwise, all financial information in this Prospectus is unaudited.

## 4. Definitions

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

<b>Appendix</b>	An appendix to this Prospectus which forms integral part of this Prospectus.
<b>Articles of Association</b>	Oikocredit's articles of association, as incorporated by reference in this Prospectus
<b>General Meeting</b>	the general meeting of members ( <i>algemene ledenvergadering</i> ) for Oikocredit as mentioned in article 15 of the Articles of Association
<b>Managing Board</b>	Oikocredit's managing board ( <i>bestuur</i> ) as mentioned in articles 35-46 of the Articles of Association
<b>Managing Director</b>	the managing director (MD) of Oikocredit as mentioned in article 38 of the Articles of Association
<b>Member</b>	a member (and shareholder) of Oikocredit as mentioned in article 5 of the Articles of Association
<b>MFI</b>	microfinance institution, which provides financial services to low-income people or disadvantaged people
<b>Oikocredit</b>	OIKOCREDIT, Ecumenical Development Co-operative Society U.A., which has its registered office in Amersfoort, the Netherlands
<b>Oikocredit Group</b>	The economic unit in which Oikocredit and other legal entities and commercial partnerships are organisationally connected within the meaning of article 2:24b of the Dutch Civil Code
<b>Oikocredit International Office</b>	Oikocredit's head office in the Netherlands, which coordinates and supports Oikocredit's activities worldwide
<b>Oikocredit Nederland</b>	Oikocredit support association in the Netherlands ( <i>Oikocredit Ontwikkelingsvereniging Nederland</i> ), having its registered office in Utrecht, the Netherlands

<b>Oikocredit Nederland Fonds</b>	an investment fund incorporated by Oikocredit Nederland, having its registered office in Utrecht, the Netherlands
<b>Partner Funding</b>	partners financed by Oikocredit, referred to in the audited consolidated financial statements of Oikocredit as “outstanding development financing”
<b>Partner(s)</b>	organizations mostly in low-income countries to which Oikocredit has provided funding
<b>Prospectus</b>	this Oikocredit prospectus, including any Appendix and any supplements to be made publicly available
<b>Regional Development Centre</b>	the status a regional office of Oikocredit can receive after having been accredited (through a formal accreditation process) by the Managing Board of Oikocredit.
<b>Regional Manager/Director (RM/RD)</b>	a regional manager or regional director of Oikocredit who manages an Oikocredit regional office or regional development centre
<b>Shares</b>	shares in the capital of Oikocredit, as mentioned in the Articles of Association
<b>Society</b>	OIKOCREDIT, Ecumenical Development Co-operative Society U.A., as mentioned in article 2 of the Articles of Association ( <i>only used in financial tables to mark the difference between the Society financials and consolidated financials</i> )
<b>Supervisory Board</b>	Oikocredit’s supervisory board ( <i>raad van toezicht</i> ) as mentioned in articles 29-33 of the Articles of Association
<b>Support Association</b>	support associations (legal entities independent from Oikocredit), that are established locally to raise awareness about the importance of development and socially responsible investments and to offer individuals, church congregations, parishes or other organizations an opportunity to invest in Oikocredit. An example is the support association in the Netherlands, Oikocredit Nederland.
<b>TI Portfolio</b>	the term investment portfolio of Oikocredit that consists of bonds and shares. The bonds have all been rated ‘investment grade’ by either Moody’s, S&P and/or Fitch. A maximum of 10% can be invested in shares.

## 5. General details

### Issuer

OIKOCREDIT, Ecumenical Development Co-operative Society U.A.  
 Berkenweg 7  
 3818 LA Amersfoort  
 The Netherlands  
 +31 (0)33 422 40 40

### Auditor

*For financial years 2014, 2015 and 2016*  
 KPMG Accountants N.V.  
 The auditors are a member of the Nederlandse Beroepsorganisatie van Accountants (NBA)  
 Laan van Langerhuize 1  
 1186 DS Amstelveen  
 The Netherlands

### Tax adviser

PricewaterhouseCoopers Belastingadviseurs N.V.  
 Thomas R. Malthusstraat 5  
 1066 JR Amsterdam  
 The Netherlands

### Legal adviser

Van Benthem & Keulen N.V.  
 Archimedeslaan 61

## 6. OIKOCREDIT, Ecumenical Development Co-operative Society U.A.

### 6.1 Information incorporated by reference

The following information is incorporated in and forms integral part of this Prospectus:

- Oikocredit's (amended) Articles of Association (by deed executed on 1 August 2016) as at the publication date (in the original Dutch language version as well as in the English translation)
- Oikocredit's audited annual report 2016
- Oikocredit's audited annual report 2015
- Oikocredit's audited annual report 2014

These documents are on display (available for viewing) for the period of validity of the Prospectus and can be obtained free of charge from the office of Oikocredit in Amersfoort, the Netherlands, as stated in chapter 5, General details. In addition, the Articles of Association (available on [www.oikocredit.coop/articles](http://www.oikocredit.coop/articles) in English and in Dutch) and audited consolidated financial statements of Oikocredit (available on <http://www.oikocredit.coop/annual-report>) are available on Oikocredit's website.

Information incorporated by reference cross reference checklist:

Information on fixed assets	<p>Pages 41-47 of Oikocredit's audited consolidated financial statements 2016</p> <p>Pages 41-48 of Oikocredit's audited consolidated financial statements 2015</p> <p>Pages 36-44 of Oikocredit's audited consolidated financial statements 2014</p>
Information on financial condition	<p>Pages 5-10 and 29-80 of Oikocredit's audited consolidated financial statements 2016</p> <p>Pages 5-10 and 29-80 of Oikocredit's audited consolidated financial statements 2015</p> <p>Pages 5-9 and 25-76 of Oikocredit's audited consolidated financial statements 2014</p>
Reasons for changes in net sales or revenues	<p>Pages 5 to 10 of the Managing Board report of Oikocredit's audited consolidated financial statements 2016 (there were specific comments on pages 8-9 under heading 'income statement 2016')</p> <p>Pages 5 to 10 of the Managing Board's report of Oikocredit's audited consolidated financial statements 2015 (there were specific comments on pages 8-9 under heading 'income statement 2015')</p> <p>Pages 5 to 9 of the Managing Board's report of Oikocredit's audited consolidated financial statements 2014 (there were specific comments on page 8 under heading 'income statement 2014')</p>
Information concerning capital resources	<p>Page 31 and pages 49-53 of Oikocredit's audited consolidated financial statements 2016</p> <p>Page 31 and pages 50-54 of Oikocredit's audited consolidated financial statements 2015</p> <p>Page 27 and pages 46-50 of Oikocredit's audited consolidated financial statements 2014</p>
Description of cash flows	<p>The cash flow statement can be found on page 33 of Oikocredit's audited consolidated financial statements 2016; the description and explanation can be found on pages 9 and 33 of the annual report 2016</p> <p>The cash flow statement can be found on page 33 of Oikocredit's audited consolidated financial statements 2015; the description and explanation can be found on pages 9 and 33 of the annual report 2015</p> <p>The cash flow statement can be found on page 29 of Oikocredit's audited consolidated financial statements 2014; the description and explanation can be found on pages 8 and 29 of the annual report 2014</p>

Explanation of sources and amounts of cash flows	<p>Page 33 of Oikocredit's audited consolidated financial statements 2016</p> <p>Page 33 of Oikocredit's audited consolidated financial statements 2015</p> <p>Page 29 of Oikocredit's audited consolidated financial statements 2014</p>
Borrowing requirements and funding structure	<p>Pages 29-64 of Oikocredit's audited consolidated financial statements 2016</p> <p>Pages 29-64 of Oikocredit's audited consolidated financial statements 2015</p> <p>Pages 25-60 of Oikocredit's audited consolidated financial statements 2014</p>
Amount of remuneration paid and benefits granted	<p>Note 26, page 56 and note 34, pages 62-63 of Oikocredit's audited consolidated financial statements 2016</p> <p>Note 25, page 56 and note 33, pages 63-64 of Oikocredit's audited consolidated financial statements 2015</p> <p>Note 23, page 52 and note 31, pages 59-60 of Oikocredit's audited consolidated financial statements 2014</p>
Amount set aside or accrued to provide benefits	<p>Note 26, page 56 of Oikocredit's audited consolidated financial statements 2016</p> <p>Note 25, page 56 of Oikocredit's audited consolidated financial statements 2015</p> <p>Note 23, page 52 of Oikocredit's audited consolidated financial statements 2014</p>
Information on audit committee	<p>Managing Board report, page 10 and Supervisory Board report, pages 11-12 and note 5 on page 39 of Oikocredit's audited consolidated financial statements 2016</p> <p>Supervisory Board report, pages 11-12 of Oikocredit's audited consolidated financial statements 2015</p> <p>Supervisory Board report, page 11 of Oikocredit's audited consolidated financial statements 2014</p>
Description of arrangements involving employees in the capital.	<p>Note 34, pages 62-63 of Oikocredit's audited consolidated financial statements 2016</p> <p>Note 33, pages 63-64 of Oikocredit's audited consolidated financial statements 2015</p> <p>Note 31, pages 59-60 of Oikocredit's audited consolidated financial statements 2014</p>
Historical financial information	<p>Pages 29-82 Oikocredit's audited consolidated financial statements 2016</p> <p>Pages 29-82 Oikocredit's audited consolidated financial statements 2015</p> <p>Pages 25-78 Oikocredit's audited consolidated financial statements 2014</p>
Financial statements	<p>Pages 29-82 Oikocredit's audited consolidated financial statements 2016</p> <p>Pages 29-82 Oikocredit's audited consolidated financial statements 2015</p> <p>Pages 25-78 Oikocredit's audited consolidated financial statements 2014</p>
Description of conditions governing the manner in which annual meetings and extraordinary meetings of shareholders are called	Articles 15-26 of the Articles of Association
Information on holdings	<p>Consolidated and Society balance sheet, income statement and cash flow statements pages 30-33 and pages 61-63, pages 34-38, pages 44, note 39 on pages 72-73 of Oikocredit's audited consolidated financial statements 2016</p> <p>Consolidated and Society balance sheet, income statement and cash flow statements pages 30-33 and pages 66-68, pages 34-38, page 44, note 38 on pages 72-73 of Oikocredit's audited consolidated financial statements 2015</p> <p>Consolidated and Society balance sheet, income statement and cash flow statements pages 26-29 and pages 62-64, pages 30-34, pages 39-40, note 35 on pages 67-69 of Oikocredit's audited consolidated financial statements 2014</p>

	Pages 34-35 and note 50 on pages 78-79 of Oikocredit's audited consolidated financial statements 2016
Related party transactions	Pages 34-35 and note 49 on pages 78-79 of Oikocredit's audited consolidated financial statements 2015
	Pages 30-31 and note 46 on pages 74-75 of Oikocredit's audited consolidated financial statements 2014
A description of Oikocredit's object and purposes	Article 3 of the Articles of Association

Appendix 1 and 2 form integral part of this Prospectus.

Appendix 1 Partner Funding criteria  
Appendix 2 Application form

## 6.2 History and mission of Oikocredit

Oikocredit is an initiative inspired, founded and incorporated by the World Council of Churches together with the Council of Churches in the Netherlands on 4 November 1975 under the laws of the Netherlands.

### History and important events in the development of Oikocredit's business

Oikocredit was founded to provide churches and church-related organizations with an investment tool aimed at supporting disadvantaged people in low-income countries. It is Oikocredit's objective to make a lasting contribution to the struggle against poverty in developing countries. The aim has been to invest in justice by giving credit to productive enterprises of disadvantaged people. The Oikocredit International Office was established in Amersfoort, the Netherlands.

Oikocredit had a difficult start as many church treasurers did not believe in the alternative investment instrument invented by Oikocredit. Some believed that it was unethical to lend instead of giving, or simply did not believe in the concept's success. Individual church members in Europe did, however, and started Support Associations. The first Support Association was established in 1976 in the Netherlands. Today, these Support Associations mobilize the largest part of the share capital and have contributed in this way to the success of Oikocredit. Support Associations raise people's awareness in their region about the importance of development and socially responsible investments.

Support Associations are mainly set up by and composed of (groups of) individuals in the country of their origin (consisting mainly of volunteers). Support Associations are not legally part of the Oikocredit Group. The way Support Associations offer the opportunity to invest in Oikocredit differs per country and is, among others, dependent on the local regulatory environment. An example is the establishment of Support Associations in the Netherlands: Oikocredit Support Association Netherlands (Oikocredit Ontwikkelingsvereniging Nederland).

Support Associations are located in Europe, Asia and North America. In total, at 31 December 2016, Oikocredit had 54,000 investors (48,000 individuals and 6,000 church parishes, congregations and other organizations) via 30 Support Associations or directly by Oikocredit. Together, the Support Associations attracted around 80% of Oikocredit's total share capital as at 31 December 2016.

Support Associations are active in the following countries:

*Europe:* Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Switzerland

*Asia:* Japan, South Korea

*North America:* Canada and the USA

Oikocredit's first loan was granted in 1978 to a Partner in Ecuador. In 1993, Oikocredit's total Member capital was € 50 million. In 1998, the total Member capital amounted to € 100 million, in 2004 the Member capital surpassed € 200 million, by 2009 the Member capital had surpassed € 400 million, in 2011 the Member capital surpassed € 500 million and in 2016 the Member capital surpassed € 900 million. In 1999, Oikocredit decided to change its name from Ecumenical Development Cooperative Society U.A. (EDCS) to OIKOCREDIT, Ecumenical Development Co-operative Society U.A.

Oikocredit is in many respects a unique organization, as it:

- provides long-term financing to low-income people who might not be able to get a loan from a commercial bank;
- has a wide network of regional and country offices, despite its relatively small size;
- is one of the few cooperative societies operating with a worldwide membership of investors and Partners;
- runs its operations with the predominant aim of a limited financial return as well as a social and environmental return for its investors, subject to a return that provides the means for the former and a limited financial return; and

- has a unique structure of Members, Partners, regional offices and an international office.

The mission, vision and values of Oikocredit are formulated as follows:

### **Mission**

Oikocredit challenges all to invest responsibly. It provides financial services and supports organizations to improve the quality of life of low-income people or communities in a sustainable way.

### **Vision**

A global, just society in which resources are shared sustainably and all people are empowered with the choices they need to create a life of dignity.

### **The values & guiding principles of Oikocredit:**

- *Sharing*

Oikocredit provides a vehicle for meaningful sharing. An uneven distribution of resources, wealth and power can lead to a world of conflict. When the global community is prepared to share what they have, respect each other and work together, justice and peace can prevail.

- *Ecumenical spirit*

Around the world, people of faith and others are willing to share their resources. Oikocredit forms part of that worldwide coalition of solidarity.

- *Grassroots*

Development is most effective when it stems from grassroots. In the cooperative culture of Oikocredit, people's initiative and participation are central to all acts and policies.

- *People*

Oikocredit supports organizations that provide financial opportunities to disadvantaged people irrespective of their faith, culture, age or gender.

- *Integrity*

Respect between people implies honesty and truthfulness. Oikocredit is determined to listen with an open mind and communicate in full transparency on all parameters of its own policies.

- *Environment*

A balanced ecosystem is the basis for life and as such, should be preserved. Oikocredit believes that a healthy balance in nature can only be achieved in a world where resources and power are spread evenly.

### **Objective of Oikocredit**

The objective of Oikocredit is to make mobilized resources available to cooperatives or groups of low-income people in order to further finance their income-generating activities. Oikocredit also manages third-party funds of other, so-called donor agencies for the risk and account of such third parties by investing and administering these funds in Partners or initiatives managed by Oikocredit (for further details about Oikocredit's objectives, please be referred to article 3 of the Articles of Association).

### *Use of proceeds*

There is no restriction for purposes of the use of capital. By continuously issuing Shares to its Members, Oikocredit mobilizes the capital needed to carry out its mission of development financing through Partner Funding and invests its reserves in its TI portfolio.

### *The Alternative Investment Fund Managers Directive*

The Alternative Investment Fund Managers Directive (AIFMD) came into effect in July 2013 in the Netherlands and aims to regulate certain collective investment undertakings, which includes a license obligation and continuous regulatory requirements for the manager of the collective investment undertaking. Oikocredit is of the opinion that it does not qualify as a collective investment undertaking in meaning of the AIFMD as implemented into the Act on Financial Supervision (*Wet op het financieel toezicht*) and, therefore, is not subject to the regulations under the (Dutch implementation of the) AIFMD.

### **2016-2020 strategy**

In the coming years Oikocredit will continue to implement its strategy for 2020, aiming for steady annual growth of 10% of Oikocredit's development finance portfolio and maintaining the focus on loans and equity in inclusive finance, agriculture, renewable energy and Africa. Oikocredit's development portfolio can be divided in: (i) core loans and investments for Partners with strong social performance and impact; and (ii) if Oikocredit has sufficient funds to invest beyond this core portfolio Oikocredit will support - up to a maximum of 25% of the total portfolio - additional Partners that fulfil minimum social and environmental standards. While inclusive finance will remain a significant element of Oikocredit's development portfolio, with the influx of many other lenders into this sector Oikocredit's funding may be more critically needed elsewhere. Oikocredit is therefore committed to diversification, business development and

innovation. Oikocredit's ambition is to be the social investor of choice by 2020 and an even more acknowledged leader in helping low-income people and communities improve their quality of life.

### 6.3 General structure

Oikocredit forms the head of a group, as defined in section 2:24b of the Dutch Civil Code (*Burgerlijk Wetboek*). The group includes Oikocredit, its subsidiaries, other entities that are represented or controlled by Oikocredit and its representation offices abroad. Subsidiaries are entities in which Oikocredit exercises direct or indirect control based on a shareholding of more than 50%, control through voting rights, or whose financial and operating policies it otherwise has the power to govern.

#### Representation offices

Oikocredit has representation offices in the following countries, which may or may not have legal status according to the laws of the country concerned: Argentina, Benin, Bulgaria, Cambodia, Côte d'Ivoire, Kyrgyzstan, Mali, Mexico (this is a representation office without any income), Paraguay, Peru, the Philippines, Romania, Senegal, Slovakia, Uganda, Ukraine (in liquidation) and Uruguay. Because of practical re-orientation Oikocredit decided to close some of its representation offices.

#### Material entities

The following entities within the Oikocredit Group are considered to have material importance, because of certain activities these companies conduct, for example lending and/or financing:

- *Maanaveeya Development & Finance Private Limited, Hyderabad, India*  
A wholly owned subsidiary of Oikocredit in India which conducts its development financing activities in India.
- *Finance Company Oikocredit Ukraine, Lviv, Ukraine (in liquidation)*  
A wholly owned subsidiary of Oikocredit in Ukraine which conducts its development financing activities in Ukraine.
- *Oikocredit International Support Foundation, Amersfoort, the Netherlands*  
The Oikocredit International Support Foundation was established on 10 March 1995, in Amersfoort, as a foundation (*stichting*) under the laws of the Netherlands. The main purpose of the Oikocredit International Support Foundation is to promote the provision of microfinance and other forms of development finance to support enterprise initiatives by local people in developing countries lacking an adequate banking network available to fund such initiatives, and to promote the provision of anything related to this, or which may be conducive to achieving this goal.
- *Low Income Countries Loan Fund, Amersfoort, the Netherlands (LIC Loan Fund)*  
Oikocredit has developed the LIC Loan Fund which invests in Partners in low-income countries. This fund has been created as a restricted, closed-end, tax transparent investment fund (*'beleggingsfonds'*). The fund is not an incorporated legal entity, but an unincorporated fund for joint account (*'fonds voor gemene rekening'*). The fund and the participations will not be listed on any stock exchange. Oikocredit acts as fund manager of the Low Income Countries Loan Fund.

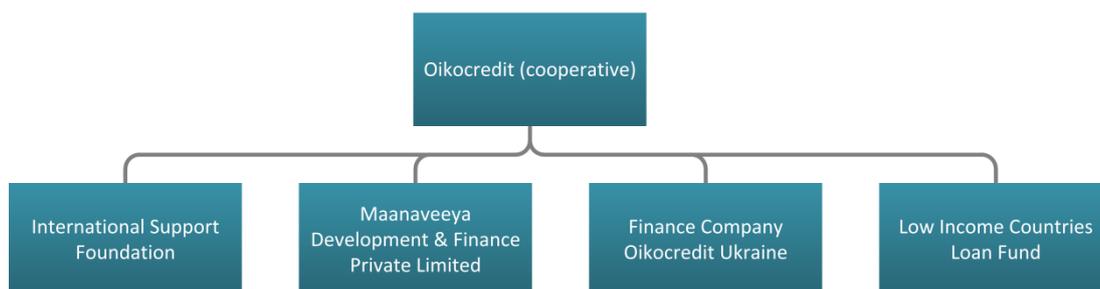
#### Non-material entities

Oikocredit has entities within the Oikocredit Group which it considers to have no material importance, based on the activities (if any) of these entities. Oikocredit has non-material entities in the following countries: Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic (in liquidation), Ecuador, El Salvador, Ghana, Guatemala, Honduras (in liquidation), Kenya, Mozambique, Nicaragua, Nigeria, the Philippines, Rwanda, South Africa, Tanzania (in liquidation), United States of America and Uruguay.

#### National support offices

Oikocredit has national support offices in Austria, Canada, France, Germany and the United Kingdom. These national support offices raise awareness of Oikocredit, build strategic partnerships, and liaise with Oikocredit Support Associations (if their country has any). As mentioned above, the Support Associations that are assisted by the national support offices raise people's awareness in their region about the importance of development and socially responsible investments. Today, the Support Associations mobilize the largest part of the share capital of Oikocredit and have contributed in this way to the success of Oikocredit.

### Chart group structure Oikocredit as at 1 January 2017



### *The operational organisation*

The operational organization of Oikocredit is structured to manage Oikocredit's primary processes of attracting capital in order to offer Partner Funding (through loans, guarantees and participations) with the corresponding loan and interest repayments with maximum efficiency.

The Regional Manager or Director (RM/RD) of Oikocredit who manages a regional office or Regional Development Centre of Oikocredit is responsible for identifying and reviewing Partners that are presented for funding (generally in the form of loans, equity or guarantees). The Managing Board has established a credit committee, which approves Partners that are presented for funding. Upon approval by the credit committee, the legal department, together with the RMs, Partners (Oikocredit's Partners to whom loans, guarantees or equity funding are granted) and local lawyers draft loan agreements, establish collateral papers and take all necessary steps to obtain any government approval required, before payments can be made.

As Oikocredit is financially dependent on timely payments of interest and loan repayments by Partners, a great deal of attention is paid to monitoring loans. Detailed procedures are in place, determining which steps (reminders, final reminder, visit) are to be taken in the event that payments are delayed. The credit and legal departments of Oikocredit play a crucial role in this process. Oikocredit also has a special collections unit, taking care of Partners in arrears and taking care of difficult cases. Legal proceedings against Partners will be commenced in the event of continuing default in the payment of interest or the repayment of the principal to Oikocredit. If applicable and considered necessary Oikocredit will, in these cases, reverse order- collect and/or sell the collateral.

The following departments are based at Oikocredit International Office:

- Investor relations and social performance;
- Finance and operations;
- Central functions;
- Equity and business development; and
- Credit.

The average number of employees who were directly or indirectly employed by Oikocredit in 2016 on the basis of full-time equivalents (FTEs) amounted to 269 (2015: 258, 2014: 253).

## **6.4 Description of activities: loans and investments (development financing)**

Oikocredit's primary activity is to make funding available to financially viable enterprises undertaken by disadvantaged groups of people in low-income countries. This 'lending for development model' was unique when Oikocredit started in 1975. It is based on the conviction that for productive business enterprises, loans encourage sustainable development and self-reliance and are thus more effective than grants. In Oikocredit's experience, most of its Partners who received a loan proved that they could indeed develop and run their own businesses.

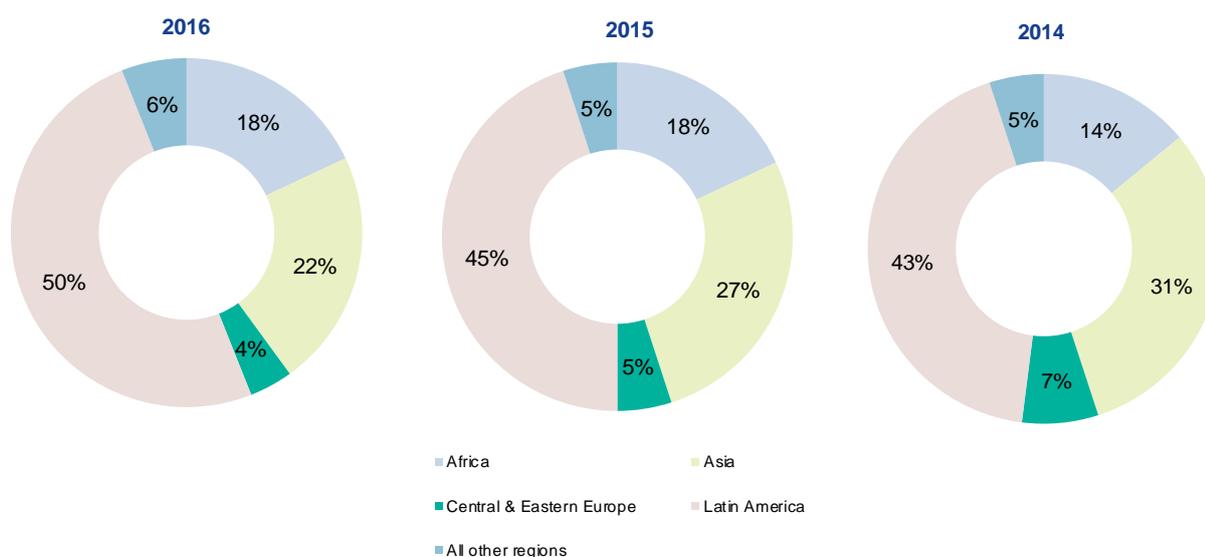
The funding of Partners by Oikocredit mainly takes the form of loans with an average loan repayment period of around four years. Equity participations account for the remaining funding. The goal is to grow the equity portfolio to 15% of the total development financing portfolio by 2020.

<b>Partner Funding outstanding</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Loans	89%	91%	92%
Equity	11%	9%	8%

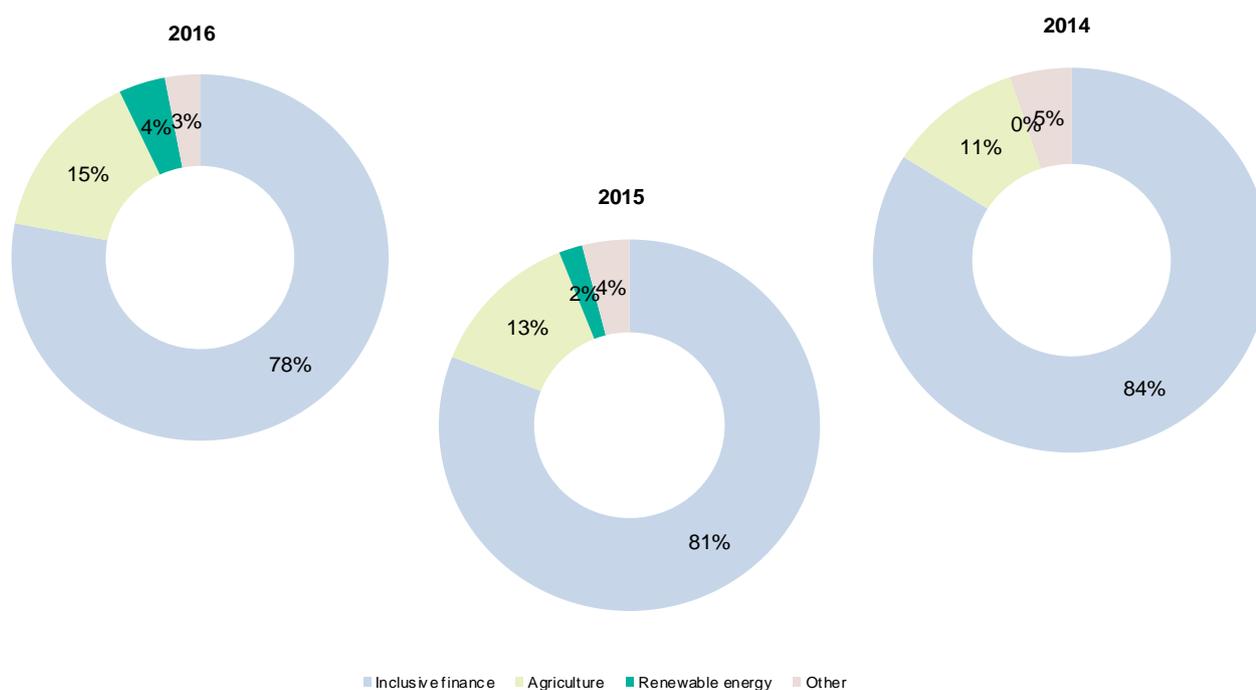
<b>Partner Funding outstanding</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
USD	42%	41%	36%
EUR	5%	6%	8%
Other currencies	53%	53%	56%

The active Partner portfolio of Oikocredit (consisting of approved and disbursed funding) amounted to 801 Partners in 70 countries for a total of approximately € 1.3 billion at 31 December 2016 (€ 1.2 billion at 31/12/2015 and € 944 million at 31/12/2014), of which approximately € 1.0 billion was outstanding as of 31 December 2016 (€ 900 million at 31/12/2015 and € 735 million at 31/12/2014).

### Outstanding development financing per region at 31/12/2016, 31/12/2015 and 31/12/2014



### Outstanding development financing per sector at 31/12/2016, 31/12/2015 and 31/12/2014



The above-mentioned graphs show the principal markets in which Oikocredit operates. The countries where Oikocredit invested the largest percentage of total Partner Funding as at 31 December 2016 were as follows:

Countries with highest capital outstanding (> 4% of total)	31/12/2016	31/12/2015	31/12/2014
India	9%	11%	11%
Bolivia	8%	7%	7%
Paraguay	6%	6%	7%
Ecuador	6%	6%	< 4%
Cambodia	5%	8%	7%

NB: all other countries invested in were below 4%.

The loan sums in principle range from a minimum of € 50,000 to a maximum of € 10,000,000. Supervisory Board approval is needed for exposures exceeding € 10,000,000. Smaller loans are offered to groups that in most cases have

been rejected by their local banks for being insufficiently creditworthy. One of the most common reasons for rejection is insufficient collateral.

Larger loans within the above mentioned range are generally offered to MFIs. These institutions are local financial institutions and intermediaries that use the funds to support large numbers of low-income people directly with small loans. Recently, relatively larger loans have also been offered to renewable energy projects. In specific cases, funds are also made available in the form of guarantees, or (direct or indirect) capital participations. Loan agreements and guarantees are drawn up in accordance with local law in the countries where the loans, respectively the guarantees, are provided and may vary in content.

Oikocredit's portfolio performance in low-income countries may further be affected by existing governmental, economic and political problems which could result in non-payment due to a currency crisis, political measures taken to prevent payment to institutions situated outside their country, or a deteriorating internal economic situation.

#### *New initiatives in 2017*

In the coming years Oikocredit will continue to implement its 2020 strategy, aiming for steady annual growth of 10% of its development finance portfolio and maintaining the focus on loans and equity in inclusive finance, agriculture, renewable energy and Africa.

As Oikocredit continues the journey towards these goals, Oikocredit needs to keep pushing boundaries and remain a dynamic learning organization that consistently builds on its strengths and addresses its challenges. Oikocredit wants to be proactive and ask itself how it can improve the delivery of its mission in terms of social impact, profitability and efficiency. Oikocredit will therefore begin a review of its operating model to strengthen Oikocredit's presence and capacity to respond to the needs of its target groups in a rapidly changing world. The review will also look at how it can enhance its offer of a fulfilling workplace and opportunities for career development for those working in Oikocredit.

Oikocredit welcomed its new managing director, Thos Gieskes, who comes from Rabobank, an international cooperative bank with its headquarters in the Netherlands. He took up his position in April 2017. Oikocredit also plans to hire a chief risk officer - who will become a member of the Managing Board - to ensure that there is a balance between its focus on growth and innovation and its ability to manage and mitigate any associated risks.

In early 2017 Oikocredit held a conference for members and other stakeholders about further development of its term investment policy, and it will continue to strengthen its partnership with the GABV, of which it became a member in January. In 2016 the annual General Meeting accepted a proposal to develop guidelines for the allocation of the net income. This proposal was not with the intent to change the level of the dividend or to influence the privilege of the Managing Board to propose the distribution of the net income to the General Meeting, but because of the relevance of having clear and transparent guidelines in deciding on the use or allocation of net income taking into consideration different elements relating to Oikocredit's social and financial performance and resilience and stability. In the annual General Meeting of 2017 these guidelines will be presented

#### *Competition*

MFIs, which offer financial and other services to (individuals or groups of) low-income people, in principle have had difficulties financing their operations. However, in recent years, more organizations and funds across the world have been offering financing possibilities (in the form of loans or equity participations) to MFIs (particularly larger MFIs). This means that these institutions have opportunities to get access to loans and equity participations from various national and international sources. Oikocredit therefore has more competition from these other organizations in offering loans and equity participations to MFIs. However, Oikocredit has a focus on smaller MFIs and institutions which are more difficult to reach for other organizations and adds value due to its unique social expertise and profile.

#### *Oikocredit:*

- has been lending to low-income people for over 40 years;
- offers products and conditions that differ to some extent from those offered by other institutions and organizations (for example loans in local currencies and long-term loans to remote institutions which cannot be reached by others);
- has regional and country offices with local experts that have knowledge of the local markets and conditions; and
- has a strong position in providing financing opportunities to all types of MFIs, not only the larger ones, but also to the relatively small and not so well-known MFIs.

In offering loans to non-MFIs (for example, agricultural cooperatives and other initiatives to the benefit of low-income people), Oikocredit still experiences little competition. In principle, normal commercial banks and other institutions which could provide funding do not focus on financing these organisations. Other financing organisations and institutions mainly work in the field of microfinance.

#### **Term Investments**

In order to balance the total risks and for liquidity purposes, Oikocredit has invested a percentage of its financial resources in a TI portfolio. Around 90% of the TI portfolio can be invested in an ethical bond portfolio and no more than 10% can be invested in shares in socially responsible investment funds. The consolidated value of the TI portfolio as at 31 December 2016 amounted to approximately €112.8 million (almost entirely consisting of bonds).

The fund manager (AXA Investment Managers Paris) managing the TI portfolio screens the investment universe by applying three filters to create a high quality and ESG-compliant (Environmental, Social and Governance) investment universe. The three filters consist of a:

- systematic filter: removes the riskiest bonds from the universe
- fundamental filter: removes names which have a negative credit review
- responsible investment filter: removes names and sectors which do not comply with the AXA ESG risk criteria and Oikocredit exclusion list.

#### *The Currency Exchange Fund N.V. (TCX)*

Oikocredit holds an equity stake – for its own account as well as for third parties – in The Currency Exchange Fund N.V. (TCX). TCX is a special purpose fund that provides OTC derivatives to hedge the currency and interest rate mismatch that is created in cross-border investments between international investors and local borrowers in frontier and less liquid emerging markets. The goal is to promote long-term local currency financing, by contributing to a reduction in the market risks associated with currency mismatches.

Oikocredit was one of the first investors in TCX when TCX was incorporated in 2007. As at 31 December 2016, Oikocredit holds 19 shares (nine of which are held on behalf of two other institutions) or 1.9% of the shares in TCX. This represents a value of approximately € 7.1 million. Besides acting as an investor in TCX, Oikocredit also hedges its exposure to local currency with, among others, TCX.

## **6.5 Risk management**

Chapter 2 of this Prospectus describes the material risks and uncertainties that have been identified by Oikocredit and that are deemed to potentially have a material adverse effect on Oikocredit's business, results of operations or financial condition. This section describes if and how Oikocredit manages these risks. No specific additional risk management measures were taken for the risk of dependency on volunteers described in chapter 2, as this was not considered necessary from a materiality point of view.

Oikocredit systematically tests and assesses its internal controls. This is done by the line management (in the first line of defence), the departments specifically tasked with controlling risks (monitoring and testing by the risk management and compliance functions, in the second line of defence) and internal audit (in the third line of defence).

In its operating environment and daily activities, Oikocredit encounters risks. Therefore, Oikocredit has a risk management system in place to identify the most important risks that may threaten its operations and continuity. The 'risk universe' document provides an overview of all relevant major risks, grouped into themes such as market risk (currency risk, equity risk, interest rate risk), liquidity risk and credit risk. A risk card has been prepared for each theme. The risk card has the following two main objectives:

- first, to assess the risks in the current situation. Risks have been assessed and reviewed to ensure that the organization is aware and in control of these risks on a permanent basis, and
- second, to define new measures for those risks for which no measures were taken, or where measures were not effective.

Identified risks are evaluated and reassessed every year during Oikocredit's management by objectives (MBO) cycle by:

- reviewing the progress of the implementation of new actions, and
- reviewing whether the risk profile is still valid or whether it has changed due to changes in strategy, goals or environment.

In 2016 Oikocredit worked on its enterprise risk management framework and reinforced internal collaboration between risk management, compliance and internal audit. The compliance specialist reports to the general counsel. Oikocredit also plans to hire a chief risk officer, who will be part of the Managing Board to ensure that there is a balance between its focus on growth and innovation and its ability to manage and mitigate any associated risks.

The Supervisory Board established a Supervisory Board Risk Committee (SBRC). The purpose of this committee is to advise the Supervisory Board in particular on the current and future overall risk appetite and overall risk strategy and to support the Supervisory Board in monitoring the implementation of this strategy by the Managing Board. Besides this the General Meeting agreed to integrate the audit committee into the Supervisory Board. The key focus areas of the audit committee are the administrative organization and internal control, IT, internal audit and the auditing of the financial reporting. The audit committee approves the appointment, assessment and dismissal of the head of the internal audit.

#### **Credit risk (including Partner, counterparty and country risks)**

There is a risk that a change in the credit quality of a counterparty (to which Oikocredit, for example, has granted loans or in which it has invested in an equity stake) could affect the value of Oikocredit's positions. Changes in credit quality can occur due to specific counterparty risk, risks relating to the country in which the counterparty conducts its business or sectoral risks.

#### *Development financing*

Country risk arises from country-specific events that have an impact on the company's exposure in a specific country, such as events at a political or macroeconomic level. All investments in low-income countries involve country risk. The

assessment of country risk is, among others, based on a benchmark of external rating agencies and other internal and external information. All individual financing proposals (loans and equity) are assessed by Oikocredit's local management and staff in the low-income countries in which Oikocredit operates, as well as by analysts in the Oikocredit International Office in Amersfoort, the Netherlands. In assessing the financing proposals, predefined criteria are to be met. Analysis is made of strengths, weaknesses, opportunities and threats (SWOT) and of the management, financial, legal and social performance. Risks are evaluated through a risk score card. Where appropriate, credit enhancement is available in the form of collateral or third-party guarantees.

Oikocredit's credit committee approves credit funding to Partners. The credit committee consists of the managing director, credit director, credit deputy director, credit operations deputy director, equity and business development director, CFO/COO, finance manager, investor relations and social performance director, social performance and capacity building deputy director, capacity building manager, head of risk and risk manager. At least three credit committee members from these different departments should be present at the meeting to constitute a quorum for valid voting.

Oikocredit's investment committee, consisting of the members of the Managing Board, as well as the head of risk and the risk manager, approves all equity investments. Investment proposals are processed by the equity department and require initial approval from the equity investment committee. At least three investment committee members should be present in the meeting to constitute a quorum for valid voting. Investment proposals are processed by the equity department and require initial approval from the department's own investment committee.

Oikocredit has also established policies based on its risk assessment system to limit exposure related to:

- amounts outstanding per country and per region (depending on a risk assessment of the countries in which Oikocredit operates);
- amounts outstanding per Partner over € 10 million need approval from the Supervisory Board;
- amounts outstanding to a group of companies. The observance of these limits is monitored on a periodic basis.

Loans more than 90 days overdue or rescheduled loans may be provisioned, depending on the individual Partner's situation or available collateral. A provision for country risk has also been established based on the rating of the country in which Oikocredit operates.

#### *Term investments*

The term investments in bonds are all rated 'investment grade' by Moody's Investor Services, S&P and/or Fitch. The fund manager (AXA Investment Managers) managing the TI portfolio constantly monitors the performance of the portfolio and appropriate action is taken where necessary. Despite this monitoring, a debtor can face sudden downgrades and/or price corrections. Such credit risk must always be considered when investing. A maximum of 10% of the total amount available for term investments can be invested in shares.

#### *History of Oikocredit's risk policy*

Most risks go hand-in-hand with the nature of activities performed by Oikocredit and it is Oikocredit's core business to handle such risks. In the more than 40 years that Oikocredit has been operating, Oikocredit gained experience in limiting such risks. For example, Oikocredit uses an acceptance policy for new Partners and also a process of intensive Partner monitoring and guidance as described above.

Of the total amounts disbursed to Partners over Oikocredit's full history from 1975 up to 31 December 2016, less than 3.5% of capital was written off.

Of the total sum of Partner Funding outstanding as at 31 December 2016, 4.5% (2015: 5.3% and 2014: 5.1%) is more than three months overdue (principal), of which 3.0% (2015: 3.5%, 2014: 3.4%) is overdue for more than a year.

#### **Market risk**

Market risk is divided into three types:

- currency risk – the risk that the value of Oikocredit's outstanding loan portfolio depreciates due to changes in foreign currency exchange rates;
- interest rate risk – the risk that changes in market interest rates will cause depreciations in the net present value or a lower income of the Oikocredit development financing or TI portfolio;
- equity risk - the risk that the value of Oikocredit's equity investments will fluctuate due to changes in the value of equity investments, for example due to specific business risks, sectoral risks and country risks.

#### *Currency risk*

A significant part of Oikocredit's investments in development financing is outstanding in US dollar and in domestic currencies. Oikocredit issues US dollar, British pound, Canadian dollar, Swiss franc and Swedish krona denominated shares which reduces this currency exposure. A result of issuing shares and receiving loans in US dollars is a better match between assets and liabilities in the different currencies.

It is expected that Oikocredit's US dollar and domestic currency portfolio will increase as a result of further growth in the development financing portfolio. This is because most newly issued Member capital tends to be in euro. Taking into

account the considerations in the abovementioned sections, the Supervisory Board decided that Oikocredit should hedge at least 50% to 75% of its exposure in US dollars (currently hedged for approximately 84%) in order to maintain the value of its Member capital. Derivatives are used for this purpose.

A part of foreign currency exposures to domestic currencies are not hedged. Oikocredit has obtained funds (via the Oikocredit International Support Foundation) to absorb these losses or part of these losses, should they occur. Oikocredit also hedges its exposure to local currency via financial institutions.

During 2016, Oikocredit has developed a value-at-risk based currency risk estimation model. With this model in place, Oikocredit is better able to monitor and manage the foreign currency risks as well as further refine the currency risk mitigation policies.

#### *Interest rate risk - development financing*

Oikocredit has established an interest rate pricing model for interest rates used in loans to its Partners. These loans use base rates in the currencies in which Oikocredit works (Euribor, Libor, swap rates and similar rates) plus surcharges for risks, costs and margin.

The interest rates on loans denominated in US dollars and euro granted to our Partners are usually fixed for the term of the loan. The loans have an average tenor of approximately four years. Individual loans can have tenors ranging from one year up to 20 years. Each year, a proportion of the loan portfolio matures and is repaid. Oikocredit replaces the repaid loans with new loans to new or existing Partners. The new loan agreements Oikocredit enters into are spread over the year.

Changes in market interest rate influence the net present market value of the portfolio of Oikocredit. Fixed interest rates prevail at the moment Oikocredit enters into a new loan agreement. The interest rates on loans granted to our Partners and denominated in the domestic currencies of the countries in which Oikocredit is active are usually variable and repriced quarterly or semi-annually. Therefore, market interest rate developments influence the value of the loan portfolio of Oikocredit stated in domestic currencies in a limited way. The main purpose of Oikocredit in concluding derivatives is currency hedging.

#### *Interest rate risk - term investments*

The market value of the fixed interest securities fluctuates with changes in the market interest rates. This sensitivity of the TI portfolio is measured through the 'duration'. The fund manager managing the TI portfolio aims for a duration of the bond portfolio of approximately four to six years. The fund manager does not normally actively manage interest rate risks related to the TI portfolio (duration 31/12/2016: 5.1, 31/12/2015: 3.8, 31/12/2014: 3.8).

#### *Equity risk - development financing*

The risk of equity investment stake changes influencing the value of the portfolio — for example due to finding a buyer, specific business risks, land sectorial risks and country risks — is reduced by the following:

- Oikocredit's investment committee, consisting of the members of the Managing Board, as well as the head of risk and the risk manager, approves all equity investments;
- Investment proposals are processed by the equity department and require initial approval from the equity investment committee. At least three investment committee members should be present in the meeting to constitute a valid quorum.

### **Compliance risk**

Compliance risk is the risk of impairment of Oikocredit's business, reputation, integrity, and financial condition, resulting from the failure to comply with laws/regulations (i.g. regarding anti money laundering and regulations on capital raising), internal rules/policies, and good business practices. Oikocredit has a compliance function, which advises on the regulatory changes that could impact Oikocredit's portfolio investments and capital inflow. In addition, the compliance function monitors that the business operations are carried out in line with relevant laws, internal policies and good business practices.

### **Liquidity risk**

Liquidity risk refers to the risk that Oikocredit will encounter difficulty in raising funds to meet its commitments to investors, Partners and counterparties.

The Managing Board proposed, and the Supervisory Board approved (based on an asset liability study) that Oikocredit should have at least 15% of its total assets in cash or term investments. Term investments are liquid and not subject to legal or contractual restrictions on their resale. As a result, investments can be easily acquired or disposed of at prices quoted on the various exchanges. This enables Oikocredit to meet its commitments with regard to contracts already entered into and the possible redemptions of Member capital.

In addition, Oikocredit is exposed to liquidity risk on break clauses included in financial derivative contracts. These break clauses, which are not unusual, give parties the right and sometimes the obligation to terminate the contract at certain times. Oikocredit may have to pay the net present value of the derivative financial instrument in the event that a break clause results in termination of the contract. Break clauses only lead to a liquidity risk for the Society when the net present value of the financial instrument is negative upon termination date. Oikocredit's treasury department actively

manages this liquidity risk by diversification of counterparties and by the duration of derivatives. The liquidity risk is limited as the vast majority of the financial derivative contracts in Oikocredit's portfolio has a short-term duration.

### **Risk of illiquidity of Shares**

Oikocredit is primarily funded by Member capital. The Articles of Association include provisions that Shares shall be redeemed if a Member has ceased to be a Member of Oikocredit or after a Member has submitted a redemption request, no later than five years after the cessation of membership. Redemption (or partial redemption) will be at the nominal value. However, if the net asset value per share is lower than the nominal value per share in the most recent audited (interim) balance sheet preceding the redemption by Oikocredit, the amount payable upon redemption of the share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet. To the date of this Prospectus, Oikocredit has not used these provisions to delay redemptions of its Member capital; nor has it redeemed Shares below their nominal value. For more detailed information, please be referred to section 6.6 of this Prospectus.

### **Competition risk**

Oikocredit expects increased competition in microfinance in 2017 as more alternative sources of funding become available to MFI's, including deposits and local funding from domestic lenders, which reduces their reliance on foreign investment. Oikocredit retains an important advantage as an investor in smaller, early stage MFI's and as a long-term lender to larger, social MFI's. While Oikocredit has a global footprint and depth of outreach that no competitor can match, in the coming years Oikocredit will seek increased diversification in other development sectors such as finance to small and medium-sized enterprises (SMEs), agriculture and renewable energy.

Oikocredit's inclusive finance portfolio not only includes MFI's but also banks that lend to SMEs. SMEs often struggle to get access to financing, which is where these banks can play a role. SMEs help create employment and strengthen local economies.

Overall, Oikocredit is well positioned to keep reaching more Partners, developing new products, services and sectors, and investing to further meet the needs in the regions in which Oikocredit works.

## **6.6 Participation in Oikocredit**

Participation in Oikocredit is open only to Members. Membership of Oikocredit is restricted to:

- the founders, being the World Council of Churches and the Council of Churches in the Netherlands;
- the member churches of the World Council of Churches;
- churches not belonging to the World Council of Churches;
- subdivisions of churches;
- councils of churches;
- church-related organizations;
- support associations;
- Partner members; and
- other organizations that share Oikocredit's mission and in addition to investing are invited by the Supervisory Board.

Other organizations invited to join Oikocredit by the Supervisory Board must:

- have a mission and objectives that closely align with Oikocredit's mission;
- be democratically organised to reflect the views of the constituency or membership; and
- invest at least € 50,000 in Oikocredit Shares.

Support Associations are established locally within a country or region and can offer individuals and church congregations or parishes an opportunity to invest in Oikocredit.

Members can also be Partners (clients who have obtained a loan or equity participation from Oikocredit). Churches, Support Associations, organisations and others who wish to become a Member of Oikocredit and would like to invest in Oikocredit can contact the Oikocredit International Office in Amersfoort, the Netherlands, tel: +31334224040 or through the contact options available on the Oikocredit website, [www.oikocredit.coop](http://www.oikocredit.coop). For a membership and share application form please be referred to Appendix 2.

An application for membership of Oikocredit may be submitted to the Managing Board at any time. Upon approval by the Managing Board, after consultation with the Supervisory Board, Shares can be acquired accordingly by sending the applicable amount to the Oikocredit bank account as mentioned on the membership and share application form (Appendix 2). The Managing Board informs new Members of their acceptance in writing. Each new Member is required to purchase a minimum of one share of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000, or USD 200 or the nominal value of any other currency in which the Shares are issued by Oikocredit. After receipt of the amount on Oikocredit's bank account, Oikocredit will issue the Shares and will send an account statement to the new Member.

Provided at least one share is held, fractions of Shares may also be purchased. Each Member may exercise one vote at the General Meeting, irrespective of the number of Shares held. All amounts received in excess of the nominal value of Shares issued by Oikocredit, are used for issuing new share capital if the Members indicate that it is to be used for that

purpose. Therefore, and as fractions of Shares may be purchased, no refunds take place unless a Member requests for redemption of his Shares. The redemption of Shares is hereafter described in more detail. Shares are issued on the date the amounts for share capital are received by Oikocredit from its Members.

When Shares are issued to new Members, the shareholdings of the other Members immediately dilute as a result. The amount and percentage of the immediate dilution cannot be calculated as Shares are issued on a continuous basis and the number of Shares that can be offered is unlimited.

Shares are registered Shares with a nominal value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000, or USD 200 or the nominal value of any other currency in which the Shares are issued by Oikocredit.

Shares are governed by, and shall be construed in accordance with, the laws of the Netherlands. The Managing Board has the discretion to revoke or suspend the offer or to reduce subscriptions. The offer might be revoked or suspended, if within the year the Prospectus is valid, there is an increase of more than 50% in share capital, and the Oikocredit Managing Board expects that Oikocredit cannot invest the proceeds of the Shares in development financing (e.g. in case the demand for new development financing is not sufficient or in case this development financing does not fit the criteria of Oikocredit) within the foreseeable future (in the next three years). Subscriptions will be refunded via the payment method used for the payment of the subscriptions. No interest will be paid on subscriptions returned. Shares are issued pursuant to a resolution of the Managing Board, after consultation with the Supervisory Board. Consequently, the budget, which takes into account, among other things, Oikocredit's financing plans, is approved by the Managing Board on a yearly basis. At 31 May 2017, all 4,781,777 Shares have been issued and have been paid in full. Oikocredit has not issued Shares that have not been paid in full.

Oikocredit calculates the net asset value. At the date of this Prospectus the total net asset value of Oikocredit was calculated according to the audited consolidated financial statements of Oikocredit as at 31 December 2016 (as mentioned on page 67 of these statements) and amounts to € 1.0 billion divided by the number of Shares issued. As at 31 December 2016, the net asset value per share amounts to € 220.52.

Changes in the offering price (if any) will be disclosed in an amendment to this Prospectus. Upon receipt of payment by a Member to the bank account of Oikocredit (and, if relevant, upon approval by the Managing Board on admission as a Member), a corresponding number of Shares (and if applicable fractions of Shares) will be issued to such Member. A confirmation of receipt showing the quantity and nominal value of the Shares issued, as well as an overview showing the total number of Shares held by such Member, will be sent to the latter. Dividend and other shareholders' rights date from the moment the Shares are issued. The Shares are in book entry form, meaning that Oikocredit holds a register stating the number of Shares registered in the name of each Member. Upon the issuance of Shares, the name and details of the shareholder are entered into the share register. Each Member may at any time apply for a certified extract from the register stating the number of Shares registered in its name. No mandatory takeover bid, squeeze-out or sell-out rules apply in relation to the Shares. A public takeover bid with respect to Oikocredit's equity has never occurred. Oikocredit has no intention to have the Shares admitted to trading or distributed on a regulated market.

All Shares entitle the holder to a dividend proportional to the nominal value of the Shares. Participants in the General Meeting, having considered the recommendations by the Managing Board, decide how the net profits are allocated. Dividend is paid either by allotting additional fractions of Shares or in cash.

As the Articles of Association (articles 5 and 9) determine that only Members may hold Shares, Members may freely transfer their Shares to other Members upon written notice to Oikocredit, but the Managing Board will obstruct the transfer of Shares by Members to non-Members.

Shares will be redeemed by Oikocredit taking into account the conditions mentioned in article 13 of the Articles of Association which are as follows:

- Shares shall be redeemed, if a Member has ceased to be a Member of Oikocredit, no later than five years after cessation of membership;
- Shares shall be redeemed no later than five years after the redemption request, without prejudice to what has been provided in article 10 of the Articles of Association, without the Member ceasing its membership of Oikocredit;
- the redemption shall be at nominal value. However, if the net asset value per share is lower than the nominal value per share in the most recently audited (interim) balance sheet preceding the redemption by Oikocredit, the amount payable upon redemption of share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet.

In relation to the foregoing, the Managing Board of Oikocredit, subject to approval by the Supervisory Board, considers submitting a proposal to amend article 13 of the Oikocredit Articles of Association to the General Meeting. The proposal aims to subject redemption requests to the approval of the Managing Board. In order to amend article 13 of the Oikocredit Articles of Association, the majority of the Members at the General Meeting must vote in favour of said proposal. Therefore, at this moment, it is unsure whether or not the proposal will be approved by the General Meeting, and/or what the final amendment to article 13 of the Oikocredit Articles of Association (if any) will provide for.

The Shares are continuously offered to Members. There is no realistic estimation of the proceeds of the share issue and how many Shares will be issued. New Shares issued are mentioned in the annual audited consolidated financial statements of Oikocredit, and in general not publicly announced separately.

As at 31 March 2017, the following Members have a shareholding in Oikocredit of more than 5% of the total issued share capital:

- Oikocredit International Share Foundation (20.7%)
- Oikocredit Förderkreis Baden-Württemberg (14.4%)
- Oikocredit Westdeutscher Förderkreis e.V. (14.4%)
- Oikocredit Nederland Fonds (12.7%)
- Oikocredit Förderkreis Bayern e.V. (6.9%)
- Oikocredit Nederland (5.0%)

## 6.7 Legal structure

Oikocredit is a cooperative society with excluded liability (*coöperatie met uitsluiting van aansprakelijkheid*) incorporated and operating under Dutch law. Oikocredit has its statutory office in Amersfoort, the Netherlands and its head office at Berkenweg 7, 3818 LA in Amersfoort, the Netherlands. Oikocredit is registered at the Gooi- Eem- and Flevoland Chamber of Commerce in Amersfoort, the Netherlands, under number 31020744. The Dutch Corporate Governance Code is not applicable to Oikocredit as its Shares are not listed on a government recognized stock exchange. Nevertheless to the extent relevant, Oikocredit has integrated best practices following from the Dutch Corporate Governance Code into its Articles of Association and rules for both Supervisory Board and Managing Board.

For a formal description of the objectives of Oikocredit, please be referred to article 3 of the Articles of Association. The Articles of Association may be modified at the General Meeting as stipulated in article 15 of the Articles of Association; however alteration of the Articles of Association may at no time result in increased liability of the Members (article 12). Election and cessation of membership to Oikocredit is conducted at the General Meeting. Members shall be liable only for the obligations imposed upon them by the Articles of Association. (Personal) liability of the Members for debts to Oikocredit is expressly excluded.

## 6.8 Financial position

The following financial information (the complete section 6.8) is, unless stated otherwise, extracted from the audited annual accounts of Oikocredit over 2016, 2015 and 2014. The financial information must be read together with the presented annual accounts. The audited annual accounts over 2016, 2015 and 2014, including the relevant auditor's opinion, are incorporated by reference in this Prospectus (please be referred to the table in section 6.1 of this Prospectus for a reference to the information in the audited annual accounts). The audited consolidated financial statements of Oikocredit comply with the Generally Accepted Accounting Principles (Dutch GAAP) in the Netherlands.

CONSOLIDATED BALANCE SHEET	31/12/2016	31/12/2015	31/12/2014
(before appropriation of net income)	EUR ,000	EUR ,000	EUR ,000
<b>NON-CURRENT ASSETS</b>			
Intangible fixed assets	1,024	1,182	-
Tangible assets	1,328	623	1,246
Financial assets			
Development financing:			
Outstanding Partner financing	1,047,226	900,153	734,606
Less: - loss provision	(77,513)	(64,478)	(54,776)
	<b>969,713</b>	<b>835,675</b>	<b>679,830</b>
Term investments	112,807	120,188	154,587
Other financial fixed assets	998	1,024	1,137
	<b>1,083,518</b>	<b>956,887</b>	<b>835,554</b>
<b>Total non-current assets</b>	<b>1,085,870</b>	<b>958,692</b>	<b>836,800</b>
<b>CURRENT ASSETS</b>			
Receivables and other current assets	27,958	25,442	18,815
Cash and banks	95,447	42,214	51,513

<b>Total</b>	<b>123,405</b>	<b>67,656</b>	<b>70,328</b>
<b>TOTAL</b>	<b>1,209,275</b>	<b>1,026,348</b>	<b>907,128</b>
<b>GROUP EQUITY AND FUNDS</b>			
Member capital <sup>1</sup>	912,968	806,277	651,154
General and other reserves and funds	122,208	108,674	105,498
Undistributed net income for the year	29,003	15,371	17,114
	<b>1,064,179</b>	<b>930,322</b>	<b>773,766</b>
Third-party interests	4,959	4,680	2,900
<b>Total group equity and funds</b>	<b>1,069,138</b>	<b>935,002</b>	<b>776,666</b>
<b>LIABILITIES</b>			
Non-current liabilities	39,877	34,090	100,604
Current liabilities	100,260	57,256	29,858
	<b>140,137</b>	<b>91,346</b>	<b>130,462</b>
<b>TOTAL</b>	<b>1,209,275</b>	<b>1,026,348</b>	<b>907,128</b>

<sup>1</sup> As per the 2015 financial year the Managing Board opted to make use of the exemption in Dutch Generally Accepted Accounting Principles (GAAP) to classify Member capital (shares in euro and foreign currency) as equity (RJ 290.808) in the consolidated financial statements. In previous years only the euro shares were classified as equity under this exemption. Given the identical subordination and features in the event of dissolution of the Society, the Managing Board believes that the presentation of all Member capital as equity reflects the nature of these instruments.

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>INCOME</b>			
<b>Interest and similar income</b>			
Interest on development financing portfolio	77,216	68,572	56,335
Interest on term investments	3,466	3,377	4,919
Revaluation of term investments	(1,088)	(3,094)	4,121
<b>Total interest and similar income</b>	<b>79,594</b>	<b>68,855</b>	<b>65,375</b>
<b>Interest and similar expenses</b>			
Interest expenses	(1,544)	(1,381)	(2,030)
<b>Total interest and similar expenses</b>	<b>(1,544)</b>	<b>(1,381)</b>	<b>(2,030)</b>
<b>Income from equity investments</b>			
Result from sale of equity investments	19,245	442	2,157
Dividends	1,946	2,836	1,783
<b>Total income from equity investments</b>	<b>21,191</b>	<b>3,278</b>	<b>3,940</b>
<b>Grant income</b>			
	<b>796</b>	<b>3,436</b>	<b>1,862</b>
<b>Other income and expenses</b>			
Exchange rate differences	10,227	(4,672)	11,091
Hedge premiums	(5,456)	(5,565)	(2,941)
Other	54	47	70
<b>Total other income and expenses</b>	<b>4,825</b>	<b>(10,190)</b>	<b>8,220</b>

<b>TOTAL OPERATING INCOME</b>	<b>104,862</b>	<b>63,998</b>	<b>77,367</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Personnel	(20,380)	(17,391)	(16,385)
Travel	(1,286)	(1,180)	(1,226)
General and other expenses	(12,299)	(12,793)	(11,104)
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(33,965)</b>	<b>(31,364)</b>	<b>(28,715)</b>
<b>ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS</b>			
Additions to loss provisions	(18,250)	(15,273)	(10,640)
Impairments on equity investments	(8,697)	(1,711)	(1,814)
<b>TOTAL ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS</b>	<b>(26,947)</b>	<b>(16,984)</b>	<b>(12,454)</b>
<b>INCOME BEFORE TAXATION</b>	<b>43,950</b>	<b>15,650</b>	<b>36,198</b>
Taxes	(1,865)	(1,779)	(4,437)
<b>INCOME AFTER TAXATION</b>	<b>42,085</b>	<b>13,871</b>	<b>31,761</b>
Third-party interests	(279)	(28)	366
Additions to and releases from funds	(12,803)	1,528	(15,013)
<b>INCOME FOR THE YEAR AFTER ADDITION TO FUNDS</b>	<b>29,003</b>	<b>15,371</b>	<b>17,114</b>

<b>CONSOLIDATED CASH FLOW STATEMENTS</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>Income before taxation</b>	<b>43,950</b>	<b>15,650</b>	<b>36,198</b>
<b>Adjusted for non-cash items</b>			
Value adjustments loans, equity and receivables	24,159	13,737	9,473
Unrealized revaluation term investments	1,088	3,094	(4,121)
Depreciation tangible fixed assets	581	271	241
Taxes	(1,774)	(1,809)	(3,389)
Exchange adjustments	(30,125)	(12,219)	(10,939)
<b>Changes in:</b>			
Development financing (disbursements and repayments)	(128,788)	(145,419)	(106,138)
Other financial assets	(8)	169	(51)
Receivables and other current assets	(2,816)	(5,525)	(4,149)
Current liabilities	38,289	18,891	2,324
<b>Cash flow from operating activities</b>	<b>(55,444)</b>	<b>(113,160)</b>	<b>(80,551)</b>
Term investments	6,187	31,789	(3,674)
Tangible fixed assets	(1,128)	(830)	(660)
<b>Cash flow from investing activities</b>	<b>5,059</b>	<b>30,959</b>	<b>(4,334)</b>

Member capital (issue and redemptions)	106,691	95,165	76,304
Dividend paid on Member capital	(15,005)	(13,383)	(10,999)
Loans and notes	11,932	(10,258)	7,221
Third-party interests	0	1,642	1,683
<b>Cash flow from financing activities</b>	<b>103,618</b>	<b>73,166</b>	<b>74,209</b>
<b>CHANGES IN CASH AND BANKS</b>	<b>53,233</b>	<b>(9,035)</b>	<b>(10,676)</b>

	2016	2015	2014
<b>Movements in Members equity and reserves Society</b>	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
Balance as at 31 December previous year	887,491	787,566	698,417
New Members' capital issued (net)	106,691	95,165	76,304
Exchange rate differences	365	2,589	3,928
Dividends to Members	(15,005)	(13,200)	(11,609)
Undistributed net income for the year	29,003	15,371	20,526
Balance as at 31 December	1,008,545	887,491	787,566

	2016	2015	2014
<b>Reconciliation between members equity and reserves Society and consolidated equity and funds</b>	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
Members' equity and reserves according to Society Financial Statements	1,008,545	887,491	787,566
Reclassification of members' capital to non-current liabilities	-	-	(58,342)
Reserves and funds Oikocredit International Support Foundation	55,634	42,831	44,360
Reserves Oikocredit International Share Foundation	-	-	112
Revaluation result hedges share capital	-	-	70
Third-party interests	4,959	4,680	2,900
Group equity and funds according to consolidated financial statements	1,069,138	935,002	776,666

The most important long-term capital resource of Oikocredit is its members' capital (87% of total long-term capital resources by the end of 2016). The remaining funding is obtained from long-term loans as well as the reserves of Oikocredit (not including undistributed net income). For the near future, Oikocredit expects that it will be able to obtain its funding mainly in line with the previous years. Oikocredit does not foresee significant changes in the amounts and sources of funding compared to previous years.

More detailed information about Oikocredit's capital resources, cash flows and funding structure is included in the audited annual accounts. This information can be found under the section 'consolidated financial statements' on pages 29 to 63 of the audited annual account 2016 (pages 30-33 contain the balance sheet, income statement and cash flow statement, whereas pages 34-63 contain explanatory notes). A reference to this information and the audited consolidated financial statements 2015 and 2014 is available in the table in section 6.1 of this Prospectus

In 2016 Oikocredit sold an equity stake in Hattha Kaksekar Ltd, a Cambodian based MFI for EUR 19.1 million. The sale of this equity stake had a material impact on the total 2016 operation income of Oikocredit.

The information on material changes in revenues in line with the growth of the portfolio is available in the Oikocredit consolidated financial statements. These changes are the result of Oikocredit's growth strategy. In the Managing Board report and Supervisory Board report, as included in the Oikocredit financial statements for 2016, 2015 and 2014, there are comments on the results and specifically on changes in financial income and other income. There are specific comments on pages 8-9 of the consolidated financial statements 2016 under the heading 'Income Statement 2016'. The same applies to page 8-9 of the consolidated financial statements 2015 under the heading 'Income Statement 2015', and page 8 of the consolidated financial statements 2014 under the heading 'Income Statement 2014'.

#### Additional information on cash position

There are no material changes in Oikocredit's cash position up to 31 May 2017 when compared with 31 December 2016.

#### Lease of fixed assets

Oikocredit has entered into a rental agreement for a duration of seven years, effective from 1 January 2015, for its head office in Amersfoort (total 2,220 m<sup>2</sup>). The total rent payments amount to € 301,800 per year and are indexed.

#### Working capital statement

The Oikocredit Group has made an analysis of its working capital. Based on this analysis, the Oikocredit Group is of the opinion that there is sufficient working capital for the Oikocredit Group's requirements for the forthcoming period of 12 months.

#### Significant changes in the financial or trading position of the group

No significant changes in the financial or trading position of the group have occurred since 31 December 2016.

#### Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which Oikocredit is aware), which may have, or have had in the recent past, significant effects on the Oikocredit and/or Oikocredit Group's financial position or profitability during the previous 12 months.

#### Members' Capital

The issued and paid-up capital of Oikocredit as at 31 December 2016 consists of 4,186,242 Shares with a nominal value of EUR 200 each, 41,189 Shares with a nominal value of CAD 200 each, 148,338 Shares with a nominal value of CHF 250 each, 47,827 Shares with a nominal value of SEK 2,000 each and 94,703 Shares with a nominal value of USD 200 each.

Movement schedule of the issued share capital in EUR'000:	2016	2015	2014
Balance of January 1	806,277	711,112	634,808
New shares issued and redeemed during the year (net)	106,691	95,165	76,304
<b>Balance as of December 31</b>	<b>912,968</b>	<b>806,277</b>	<b>711,112</b>
Of which:			
- euro Shares	837,248	737,569	651,154
- Shares in other currencies	75,720	68,708	59,958

Reconciliation of numbers of Shares as at 31/12/2016	EUR	USD	SEK	GBP	CAD	CHF
Shares issued and paid as at 01/01/2016	3,687,835	100,827	46,544	47,820	36,918	122,023
Shares issued and redeemed during the year	498,407	(6,124)	1,283	7,375	4,270	26,315
Shares issued and paid as at 31/12/2016	4,186,242	94,703	47,827	55,195	41,189	148,338

#### Statement of capitalization and indebtedness at 31 March 2017

The information provided in the capitalization and indebtedness statements below was updated at 31 March 2017 and is unaudited and extracted from the accounting records of Oikocredit. The information below should be read together with the Society's and consolidated financial statements at 31 December 2016, 31 December 2015 and 31 December 2014.

Capitalization as at 31 March 2017 (all amounts in EUR ,000)	Society	Consolidated
Current debt		
Guaranteed	-	-
Secured <sup>1</sup>	-	717
Unguaranteed/unsecured	71,520	41,588
<b>Total current debt</b>	<b>71,520</b>	<b>42,305</b>
Non-current debt		
Guaranteed	-	-
Secured <sup>1</sup>	1,500	14,335
Unguaranteed/unsecured	21,157	22,657
<b>Total non-current debt</b>	<b>22,657</b>	<b>36,992</b>

Member capital and reserves		
Member capital	941,951	
General reserves; net income	100,304	
Dividend payable proposed by the Managing Board, to be approved at the General Meeting on 15 June 2017	(17,145)	
Restricted exchange fluctuation reserve <sup>2</sup>	(2,095)	
<b>Total equity and reserves</b>	<b>1,023,015</b>	
Group equity and funds		
Member capital in euro		941,951
General reserves; net income		100,306
Dividend payable proposed by the Managing Board, to be approved at the General Meeting on 15 June 2017		(17,145)
Funds		55,632
Restricted exchange fluctuation reserve		(2,095)
<b>Total group equity and funds</b>		<b>1,078,649</b>

<sup>1</sup> Loans granted in Indian Rupees by financial institutions to Oikocredit's subsidiary in India, Maanaveeya Development & Finance Private Limited, amounting to € 0.7 million current and € 14.3 million non-current. As security, Oikocredit issued corporate guarantees to these financial institutions.

<sup>2</sup> Changes in the restricted exchange fluctuation reserve are a result of the exchange rate differences on investments in Oikocredit's subsidiaries in India and the Ukraine.

Indebtedness as at 31 March 2017 (all amounts in EUR ,000)	Consolidated
Liquidity	
A. Cash and cash equivalents	69,576
B. Cash equivalent	-
C. Trading securities	-
<b>D. Liquidity (A+B+C)</b>	<b>69,576</b>
<b>E. Current financial receivable</b>	<b>18,140</b>
Current financial debt	
F. Current bank debt	-
G. Current portion of non-current debt	19,231
H. Other current financial debt	-
<b>I. Current financial debt (F+G+H)</b>	<b>19,231</b>
<b>J. Net current financial indebtedness (I-E-D)</b>	<b>(68,485)</b>
Non-current financial debt	
K. Non-current bank loans	35,387
L. Bonds issued	-
M. Other non-current financial debt	-
<b>N. Non-current financial indebtedness (K+L+M)</b>	<b>35,387</b>
<b>O. Net financial indebtedness (J+N)</b>	<b>(33,098)</b>

#### **Other commitments not included in the balance sheet as at 31 March 2017**

The rental agreement for seven years, effective from 1 January 2015, with an annual rental amount of € 301,800 per year (indexed) is not included. New loans and financing approved and committed for development financing, but not yet disbursed to Partners as at 31 March 2017 amounts to € 217.9 million.

#### **Investments**

The estimated figures for 2017 (principal investments and geographical distribution of the investments) are unaudited and extracted from the budget 2017 of Oikocredit.

Principal investments (in EUR 1,000)	2017	2016	2015	2014
	Estimate			
	EUR ,000	EUR ,000	EUR ,000	EUR ,000

Invested (disbursed) development financing during the year <sup>1)</sup> :	459,000	438,653	418,960	337,907
Term investments in bonds and shares:	11,000	(6,187)	(31,789)	3,674
<b>Total (expected) investments</b>	<b>470,000</b>	<b>432,466</b>	<b>387,171</b>	<b>341,581</b>
The investments were- or are expected to be-, financed as follows:				
- Cash from own operations	323,862	313,843	302,264	258,056
- By issuing shares to members	102,939	106,691	95,165	76,304
- Term loans	43,199	11,932	(10,258)	7,221
<b>Total (expected) financing</b>	<b>470,000</b>	<b>432,466</b>	<b>387,171</b>	<b>341,581</b>

<sup>1</sup> During 2017, the expected new commitments for new financing to our Partners amount to € 422 million (commitments in 2016 amounted to € 383 million; 2015 to € 498 million). During 2017 € 459 million is expected to be disbursed while € 439 million was disbursed in 2016 and € 419 million in 2015 to our Partners. As from 1 January 2017 up until 31 May 2017 the principal investments amounted to € 123 million and consisted of local currency loans as well as hard currency loans and investments in equity.

Oikocredit currently has credit lines with banks that might be utilized (see for information page 48 of the 2016 financial statements). Oikocredit does not expect any material borrowings from other parties. Please be referred to the table in the 'principal investments' section above, where it is stated how Oikocredit will finance its expected investments for 2017.

For more information on the geographical distribution of Partner Funding in 2016, 2015 and 2014, please be referred to section 6.4 of this Prospectus.

The expected reinvestments of matured or sold bonds in 2017 will be mainly in bonds issued in euro.

## 6.9 Governance structure

In 2016 the articles of association of Oikocredit have been amended to change the governance structure of Oikocredit, introducing a supervisory board and thus anticipating the legal requirements that come with the regime for large companies, the so called Structure Regime. These changes have been implemented in the governance structure as described below.

### *General Meeting of Members*

The General Meeting is the highest decision-making body of Oikocredit. It has the following powers, which cannot be delegated to another corporate body:

- a. the alteration of the Articles of Association;
- b. the appointment, dismissal and suspension of (i) members of the Supervisory Board, (ii) member-representatives of the nomination committee, (iii) members of the audit committee and members of the policy committee;
- c. the appointment of an expert as mentioned in article 34 of the Articles of Association;
- d. the adoption of the annual accounts, the report of the Managing Board and the report of the Supervisory Board;
- e. the allocation of profits and the declaration of dividends;
- f. the release of the Managing Board and of the Supervisory Board;
- g. the decision of appeals of Members in relation to termination of membership;
- h. the determination of the remuneration of the members of the Supervisory Board;
- i. the approval of the profile of the Supervisory Board; and
- j. resolutions on all matters reserved to it by law

Every Member has one vote at the General Meeting, regardless of the size of its shareholding in Oikocredit. Oikocredit is therefore not directly or indirectly owned or controlled by others. Members do not have different classes of voting rights. While exercising one's voting right at the General Meeting, a Member may be represented by another person on the basis of a written power of attorney. No person may represent more than three Members.

Insofar as the law does not provide otherwise, the General Meeting shall be convened by the Managing Board or the Supervisory Board. One or more Members jointly representing at least one-tenth of the issued capital or such a number of Members as are empowered to cast one-tenth of the votes at a General Meeting, may request, with a written statement of its purpose, that an extraordinary General Meeting be called.

The General Meeting shall be held at the time and place to be determined by the Supervisory Board in consultation with the Managing Board. Every year, at least one General Meeting shall be held within six months after the close of the financial year. An extraordinary General Meeting may be held whenever necessary, in particular in the cases provided for by law, as well as pursuant to a resolution of the General Meeting itself.

Notice of the General Meeting shall be given by letter sent to each Member at least sixty days before it is held, not counting the day on which notice of such meeting is given and the day appointed for the meeting.

For a complete description of the provisions with respect to the General Meeting, reference is made to articles 15-28 of the Articles of Association.

#### *Supervisory Board*

Appointment, suspension and removal of members of the Supervisory Board is the competence of the General Meeting. The Supervisory Board supervises the policies pursued by the Managing Board and the general course of affairs in the Oikocredit and the business enterprise connected with it. The Supervisory Board shall also assist the Managing Board by providing advice. In carrying out their duties, members of the Supervisory Board shall be guided by the interests and the values of Oikocredit and the business enterprise connected with it.

The Supervisory Board shall consist of 7 to 13 members. The current Supervisory Board consists of 11 members. Members of the Supervisory Board are appointed for a period of three years and may be re-elected for a period of three years. The composition of the Supervisory Board shall be such that the members of the Supervisory Board are able to act critically and independently of one another, the Managing Board and any particular interest. The composition of the Supervisory Board shall reflect as much as possible the ecumenical character of Oikocredit and its mission.

From among its members, the Supervisory Board shall elect a chairperson and a vice-chairperson.

#### *Frequency of Supervisory Board meetings*

The Supervisory Board shall meet as often as one or more of its members deem necessary.

For a complete description of the provisions with respect to the Supervisory Board, reference is made to articles 28-33 of the Articles of Association.

#### *Audit Committee*

The Supervisory Board shall appoint from among its members an Audit Committee, which shall have at least two (2) members. The Supervisory Board shall determine the length of service on the Audit Committee. Audit Committee members shall be eligible for reappointment.

The Audit Committee shall make and deliver a written report of its deliberations and findings to the Supervisory Board and the General Meeting.

In its work, the Audit Committee shall be assisted by the expert referred to in article 34 of the Articles of Association, being an expert (as referred to in article 2:393 of the Dutch Civil Code) appointed by the General Meeting.

#### *Composition of the Audit Committee*

The following persons were members of the audit committee as at the date of approval of this Prospectus:

- Mr Vincent De Waele (chair, Belgium)
- Mr Vincenz Gora (independent Audit Committee member, Germany)
- Mr Eduardo Jimenez (Philippines)

#### *Meetings*

The Audit Committee will meet at least once a year following the closing of accounts for the previous year. The chair of the audit committee (on request of one of the committee members), or external auditors may request additional meetings if deemed necessary. Special sessions will be held between the audit committee and the external auditors only. Roles and responsibilities of the audit committee include:

#### *Internal control:*

- evaluate whether the Managing Board is putting in place the appropriate controls and whether an adequate system of internal control and a system of risk management exists, with a view to ensuring that all employees have an understanding of their roles and responsibilities
- gain an understanding of whether internal control recommendations made by internal and external auditors have been implemented by the Managing Board, and periodically monitor progress of the implementation of such recommendations

#### *Financial reporting:*

##### *a) General*

- gain an understanding of the current areas of greatest financial or other significant risks and exposures and how the Managing Board is managing these effectively
- consider with the internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues
- review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the audited consolidated financial statements of Oikocredit
- ask the Managing Board and the internal and external auditors about significant risks and exposures and the plans to minimize such risks
- review any legal and compliance matters which could significantly impact the financial statements or reputation of Oikocredit

- make sure that mechanisms are established within the organization, for receiving confidential concerns of employees, regarding accounting principles and other accounting issues in the Oikocredit financial statements

#### b) Annual financial statements

- review the annual financial statements and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect appropriate accounting principles
- pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures
- focus on areas where judgment needs to be applied, for example those involving valuation of assets and liabilities, warranty, product or environmental liability, litigation reserves and other commitments and contingencies
- meet with the Managing Board and the external auditors to review the financial statements and the results of the audit
- review the other sections of the annual report (included in the financial statements) before its release and consider whether the information is understandable and consistent with members' knowledge about the organization and its operations

#### c) Internal audit

- review the scope and planning of the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made
- review the effectiveness of the internal audit function
- ensure that significant findings and recommendations made by the internal auditor are received and discussed on a timely basis
- ensure that the Managing Board responds to recommendations by the internal auditor
- good practices for meeting market expectations are made

#### d) External audit

- review the external auditors' proposed audit scope and approach and ensure that no unjustified restrictions or limitations have been placed
- review the performance of the external auditors
- consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the company
- make recommendations to the Supervisory Board/the Managing Board regarding the reappointment of external auditors
- meet separately with external auditors to discuss any matters that the committee or auditors believe should be discussed privately
- ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis
- ensure that the Managing Board responds to recommendations by the external auditors
- review the non-audit work of auditors

#### e) Compliance with laws and regulations

- review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance
- be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements
- review the findings of any examinations by regulatory agencies

#### f) Reporting responsibilities

- ensure the Supervisory Board is aware of matters, which may significantly impact the financial condition or affairs of the business
- prepare written minutes of all meetings
- report all main findings and recommendations to the General Meeting of Oikocredit

#### *Nomination committee*

Oikocredit has a nomination committee consisting of five persons, three of which are elected by the General Meeting, one of which is a member of the Supervisory Board and one is the Managing Director.

Members of the nomination committee, other than the member of the Supervisory Board and the Managing Director, shall be appointed for a period of three years and shall be eligible for reappointment for one additional term of three years. If for any reason one or more positions on the nomination committee become vacant, the remaining members shall constitute a valid nomination committee.

The nomination committee shall:

- announce at least 120 days before the General Meeting to members any vacant position(s) to be filled on the Supervisory Board, the nomination committee and the audit committee together with the required qualifications for

the positions. The announcement shall be published in an Oikocredit 'circular' or in a letter, and shall invite Members to propose candidates at least 90 days before the date of the General Meeting. A 'vacant position to be filled' includes a position whose current holder is eligible for re-election;

- make best efforts to obtain at least two candidates for each vacant position;
- review the qualifications and suitability of the proposed candidates for the Supervisory Board and the audit committee;
- for vacancies on the nomination committee, the nomination committee will collect the names and qualifications of the candidates and will distribute this information to Members, without making recommendations and without reviewing the qualifications and suitability of the candidates;
- in connection with the mailing of the provisional agenda for the General Meeting, inform the Members on the outcome of the review and recommend at least one proposed candidate for each vacancy to be filled on the Supervisory Board and the audit committee, giving clear reasoning as to why the candidates are preferred;
- develop criteria to evaluate a member of the Supervisory Board or the audit committee for a second term of three years.

#### *Policy committee*

According to article 27 of the Articles of Association, the General Meeting has the right to appoint a policy committee to evaluate the implementation of the policy of Oikocredit in broad sense.

#### *Appointment of the members of the Supervisory Board, the audit committee and the nomination committee*

According to article 24 of the Articles of Association, the provisional agenda, as described in article 19 of the Articles of Association, shall contain the definitive list of proposed candidate(s) for membership on the Supervisory Board, the audit committee and the nomination committee. The definitive list shall contain particulars in respect to the name and profession of each candidate, as well as the candidate's present and past functions insofar as these are of interest in connection with the performance of the duties for the vacancy.

At the General Meeting, no persons shall be appointed other than the candidate(s) mentioned in the aforementioned definitive list. Votes against a candidate and abstentions shall be permitted.

At a General Meeting where voting takes place to elect members of the Supervisory Board, member-representatives of the nomination committee or members of the audit committee, the candidates will be appointed if he or she gets more positive than negative votes. In a case where multiple candidates receive more positive than negative votes, the candidate(s) who received the highest number of positive votes, will be appointed. In the event candidates receive an equal number of positive votes, there shall be a run-off election between those candidates.

#### *Selection criteria of Supervisory Board members (established by the Supervisory Board)*

The most important criterion for the selection of Supervisory Board members is professional qualification. In respect of its duties, the following competencies should be represented in the Supervisory Board: financial and sector expertise, senior management or governance expertise, expertise in socioeconomic and sustainable development, investor relations/communications/capital formation/fundraising expertise, investment expertise, strategic human resources and organizational development expertise, expertise in cooperative societies and ecumenical experience. At least one member should be a financial expert with relevant knowledge and experience of financial administration and accounting developed in a financial institution.

The Supervisory Board profile, approved by the General Meeting, takes into consideration the nature, roots, size and complexity of Oikocredit as well as its duties, the desired expertise, experience and independence of its members. The Supervisory Board profile also takes into account relevant aspects such as gender, geography and background.

#### *Remuneration of the Supervisory Board*

The General Meeting approved a remuneration policy for members of the Supervisory Board on 20 June 2014. There are no service contracts providing for benefits upon termination of employment of the members of the Supervisory Board.

#### *Composition of the Supervisory Board*

The following persons were members of the Supervisory Board as at the date of approval of this Prospectus:

Ms **Jacinta Hamann De Vivero (chair since 20 June 2014)**, Supervisory Board member since 20 June 2012; resignation in 2018.

Av. Velasco Astete 1484, Int. 402 Urb. Chacarilla, Santiago de Surco, Lima, Peru.

#### *Current position*

Consultant in risk management issues, microfinance, project evaluation, analysis of financial systems, financial regulation specializing in microfinance and financial management. Leader of the project office for Pro Ecclesia Sancta (PES), Peru.

#### *Organizations/supervisory bodies or partnerships*

- former board member of Promujer Peru
- former member of board of directors of OIKOCREDIT, Ecumenical Development Co-operative Society U.A., the Netherlands.

#### *Specific areas of expertise and experience*

Risk management, financial management, credit management, investment fund management and design of enterprise for development programmes in financial, fund management and administration trusts. Holds a degree in economics and a diploma in philosophy from the Pontificia Universidad Católica del Perú.

Mr **Richard Librock**, Supervisory Board member since 20 June 2011; resignation in 2017.  
Primate's World Relief and Development Fund (PWRDF), 80 Hayden Street, Toronto, ON M4Y 3G2, Canada

*Current position*

Development Coordinator of Primate's World Relief and Development Fund (PWRDF), Toronto, Canada.

*Organizations/supervisory bodies or partnerships*

- former member of board of directors of OIKOCREDIT, Ecumenical Development Co-operative Society U.A., the Netherlands

*Specified areas of experience and expertise*

Experience in programme management and organizational development, fundraising, microfinance and sustainable agriculture.

Ms Ayaan Adam, Supervisory Board member since 20 June 2014; resignation in 2017; eligible for re-election up to 2020.  
480 Eliot Street, Milton, MA 02186, United States of America.

*Current position*

Founder and executive director of The Adam Foundation.

*Organizations/supervisory bodies or partnerships*

- former managing director of Africa Private Equity Funds – CDC Group PLC, United Kingdom.
- former chief investment officer South East Asia financial sector of International Finance Corporation, USA/India

*Specific areas of expertise and experience*

Expert in private equity and venture capital funds management. Holds a master's in finance and operational management from the MIT Sloan School of Management, USA. Holds a Bachelor of Arts in mathematics and economics from Clark University, USA.

Ms **Annette Austin**, Supervisory Board member since 28 June 2014; resignation in 2017; eligible for re-election up to 2020.  
1 Gray's Inn Square, London WC1R 5JR, United Kingdom.

*Current position*

Director - ACA Assignments Limited, United Kingdom

*Organizations/supervisory bodies or partnerships*

- former head of conduct risk management, RBS Markets & International Banking, United Kingdom
- former global chief operating officer markets, RBS Markets & International Banking, United Kingdom
- former global chief operating officer equities, RBS Global Banking and Markets, United Kingdom

*Specific areas of expertise and experience*

Strategic and operational management, programme management, leadership and culture development in medium and large organizations focused on the banking and financial services sector.

Ms **Daira Gómez Mora**, Supervisory Board member since 20 June 2014; re-elected in 2016 up to 2019.  
P.O. Box 1082-2050, San José, Costa Rica.

*Current position*

Executive director of CEGESTI, Costa Rica.

*Organizations/supervisory bodies or partnerships*

- former member of board of directors of OIKOCREDIT, Ecumenical Development Co-operative Society U.A., the Netherlands
- member of the ISO 26000 International Committee on Corporate Social Responsibility

*Specific areas of expertise and experience*

Management, economic development projects. International expert on sustainable development and social responsibility. Holds a master's in industrial management from the Catholic University of Leuven, Belgium.

Mr **Karsten Löffler (vice-chair since June 2016)**, Supervisory Board member since 20 June 2014; re-elected in 2016 up to 2019.  
Sonnemannstr. 9-11, 60314 Frankfurt, Germany

*Current position*

Head of Frankfurt School – UNEP Collaborating Centre for Climate & Sustainable Energy Finance, Frankfurt, Germany

*Organizations/supervisory bodies or partnerships*

- board member of 2° Investing Initiative Deutschland e.V.
- former member of board of directors of OIKOCREDIT, Ecumenical Development Co-operative Society U.A., the Netherlands
- board member of Oikocredit International Share Foundation, the Netherlands

*Specified areas of experience and expertise*

Management and finance.

Ms **Åsa Silfverberg**, Supervisory Board member since 20 June 2014; resignation in 2017; eligible for re-election up to 2020.

Gladsaxvagen 11, 27293 Tommarp, Sweden

*Current position*

Co-owner and supervisory board member of Hyper Island, Sweden and Facilitator of The Zone.

*Organizations/supervisory bodies or partnerships*

- former Global Manager of The Zone
- former director and board member of Hyper Island, Sweden

*Specific areas of expertise and experience*

Leadership and organizational development, HRM, business development and capacity building. Studied educational psychology and ethnology at the University of Lund, Sweden. Trained in UGL, Understanding Group and Leader - Leadership and Group dynamics, by the Swedish National Defence College and was one of the first to be certified in the English UGL version.

Ms **Carla Veldhuyzen van Zanten**, Supervisory Board member since 14 June 2013; in 2016 re-elected up to 2019. Bonner Talweg 177, 53129 Bonn, Germany.

*Current position*

Senior advisor small producer organization development for Fairtrade International.

*Organizations/supervisory bodies or partnerships*

- former member of board of directors of OIKOCREDIT, Ecumenical Development Co-operative Society U.A., the Netherlands

*Specific areas of expertise and experience*

Fair trade, socioeconomic development, sustainable production. Holds a master's in industrial design engineering from the technical University of Delft, the Netherlands.

Ms **Ruth Waweru**, Supervisory Board member since 12 June 2015; resignation in 2018; eligible for re-election up to 2021.

8632 – Code 00300 Nairobi, Kenya

*Current position*

Executive director at Liaison Consulting Limited in Kenya.

*Organizations/supervisory bodies or partnerships*

- chair audit committee of OIKOCREDIT, Ecumenical Development Co-operative Society U.A., the Netherlands
- director of Family Bank, Kenya
- director of Kenya Orients Life Assurance Company limited
- finance and personnel committee member of All Africa Conference of Churches
- founder and director of Brookhurst International school in Kenya

*Specific areas of expertise and experience*

Financial management, strategic plan development, staff and board capacity building, organizational assessments, audits and research. Holds a masters and PhD in Business Administration from the Nelson Mandela Metropolitan University South Africa.

Mr **Vincent De Waele** Supervisory Board member since 9 June 2016; resignation in 2019; eligible for re-election up to 2022.

Avenue du Gibet, 10B 1200 Brussels Belgium

*Current position*

- freelance consultant

#### *Organizations/supervisory bodies or partnerships*

- president of the Board of Oikocredit Belgium  
former business transformation director
- former fix programme director at Orange. He holds a Master of Business Administration from the Université Catholique de Louvain.

#### *Specific areas of expertise and experience*

Change management and organizational development. Holds a Master of Business Administration from the Université Catholique de Louvain

Mr **Eduardo Jimenez** Supervisory Board member since 9 June 2016; resignation in 2019; eligible for re-election up to 2020.

L8 B2 Calderon Compound Zuzuarregui Street Diliman Quezon City Philippines 1119

#### *Current position*

- Microfinance Advisor of the Bangko Sentral ng Pilipinas

#### *Organizations/supervisory bodies or partnerships*

- President/Trustee of Kabalikat para sa Maunlad na Buhay (KMBI), Inc.
- board member of World Vision International
- former Regional Coordinator for Asia of the Bangkok based, Alliance for Financial Inclusion (AFI)
- former board member Vision Fund Philippines

#### *Specific areas of expertise and experience*

Microfinance and change management. Holds a Bachelor of Science in Economics from the Polytechnic University of the Philippines and his graduate studies focused on public administration and policy at the University of the Philippines Diliman, Philippines, and at Carleton University, Canada.

#### *Potential conflicts of interest for Supervisory Board members*

The Supervisory Board implemented a conflict of interest policy in February 2014. This policy provides standards and guidance on potential conflicts of interest. There are no potential conflicts of interest for the members of the Supervisory Board between their respective duties to Oikocredit and their private interests and other duties. Supervisory Board members are not involved in the decision making in the event that a loan is given to an institution where one of the Supervisory Board members of Oikocredit is involved. None of the members of the Supervisory Board have received loans or guarantees from Oikocredit.

No members of the Supervisory Board are entitled to invest directly in Oikocredit Shares. However, it is possible for the members of the Supervisory Board to obtain and hold indirectly a limited number of depository receipts via the Oikocredit International Share Foundation, which foundation invests in the Shares issued by Oikocredit, or via Oikocredit Nederland Fonds or another Support Association. Through this indirect shareholding, no Supervisory Board member holds more than 0.1% of the outstanding Shares. As Supervisory Board members are not eligible to become direct members of Oikocredit, there are no direct voting rights in Oikocredit with respect to the Shares they hold indirectly. Members of the Supervisory Board have not been a member of the administrative, management or supervisory bodies or Partner at any time in the previous five years, except as disclosed in this Prospectus.

None of the members of the Supervisory Board have been convicted in relation to fraudulent offences for the previous five years. None of the members of the Supervisory Board have been associated, as members of the administrative, management or supervisory bodies or as senior manager, with bankruptcies, receiverships or liquidations for the previous five years. None of the members of the Supervisory Board have been involved in official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) for the previous five years. None of the members of the Supervisory Board have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the previous five years.

There are no family relationships between any of the members of the Supervisory Board, and the members of the Managing Board.

There are no service contracts providing for benefits upon termination of employment of Supervisory Board members.

#### *Managing Board*

The Supervisory Board appoints the members of the Managing Board. According to article 36 of the Articles of Association, the Managing Board shall consist of a minimum of four and a maximum of seven members. The Managing Board shall consist of a Managing Director and other MT members. All MT members are based at the Oikocredit International Office, Berkenweg 7, 3818 LA, Amersfoort.

According to article 41 of the Articles of Association, the Managing Board shall have the widest powers in regard to the management of Oikocredit. It shall have the authority to decide on all matters which are not specifically attributed and reserved to the General Meeting or the Supervisory Board. The Managing Board has the power to delegate its powers to

the proxy holders; such delegation can be made subject to conditions and limitations. The Managing Board is responsible for the day-to-day management of Oikocredit.

Oikocredit is represented by the Managing Board and moreover by two members of the Managing Board, or by a member of the Managing Board together with one other proxy holder, or by two proxy holders within the limitations of their powers. Reference is made to article 43 of the Articles of Association.

As per 31 May 2016, Mr. George David Woods resigned from his position as Managing Director. Ms Maria Lourdes Hilado Ledesma temporarily acted as Managing Director with effect of 1 June 2016 up until 1 April 2017, when the new Managing Director Thos Gieskes came in office. Per 1 October 2016 Mr Johannes Maria Franciscus Verheijen was appointed as credit director (after which appointment the Managing Board had again four members, as prescribed by article 33 of the Articles of Association).

#### *Composition of the Managing Board*

The following persons are members of the Managing Board as at the date of approval of this Prospectus:

**Mr Marinus Anthonius van Eyk**, equity and business development director since 1 August 2015. Mr van Eyk holds an MBA from Nijmegen University and has extensive international business and leadership experience, with a background in microfinance, business innovation and structured finance in emerging markets. Mr van Eyk began his career as an officer in the Netherlands Royal Air Force before joining ABN AMRO where he stayed for almost 10 years in international private banking and business development in new growth markets. Prior to joining Oikocredit, Mr van Eyk was founder and CEO of Musoni, the world's first 100% cashless MFI in Kenya.

**Mr Thos Gieskes**, Managing director since 1 April 2017, Mr Gieskes has extensive international business and leadership experience in the financial sector, particularly in rural lending and financing agribusinesses. For the majority of his career, Mr Gieskes has worked at Rabobank. In his most recent position Mr Gieskes worked for six and a half years as the CEO of Rabobank Australia and Managing Director for the Rabobank Australia & New Zealand Group. Prior to this, he was the CEO of Rabobank in Chile for seven years. Mr Gieskes holds a master's degree in development economics and a bachelor's degree in macroeconomics from the Vrije Universiteit (VU) Amsterdam. He has also worked in Nicaragua as a consultant in development finance, on behalf of the VU.

**Ms Maria Lourdes Hilado Ledesma**, investor relations & social performance director since 1 August 2015 (from 1 June 2016 also acted as interim Managing Director until 1 April 2016), formerly social performance & credit analysis director of the former Managing Board (at that time a different corporate body than the board) from 2012. Ms Ledesma holds a degree in business administration majoring in finance and management from the University of the Philippines and has 23 years of experience in development work. From January 1999 to 31 March 2012, Ms Ledesma held the following positions within Oikocredit: manager social performance, manager monitoring and regional manager Oikocredit Philippines and Cambodia. Prior to joining Oikocredit, she was consultant program development, management and valuation, projects officer Asia Partnership for Human Development based in Hong Kong and projects evaluator National Secretariat for Social Action, Justice and Peace (NASSA).

**Ms Irene Christa Corine van Oostwaard**, Chief Financial Officer – Chief Operational Officer since 20 June 2014 and board member of Maanaveeya, formerly finance director of the former Managing Board (at that time a different corporate body than the board) from November 2013. Ms van Oostwaard was appointed a member of the Managing Board of Oikocredit in November 2013 and is responsible for Oikocredit's finance and operations department. Ms van Oostwaard joined Oikocredit in 2010 as an internal auditor and became deputy director of finance, ICT & risk management in April 2013. Prior to joining Oikocredit, Ms van Oostwaard spent 11 years at PricewaterhouseCoopers accountants in the Netherlands. She is a member of the Netherlands Institute of Chartered Accountants and holds graduate and post-graduate degrees in accountancy from the Vrije Universiteit Amsterdam.

**Mr Johannes Maria Franciscus Verheijen**, credit director since 1 October 2016, Board member of Maanaveeya, formerly director of Oikocredit Nederland from 2012. Mr Verheijen holds an MBA from Neyenrode Business University. He subsequently held various managerial positions in the field of corporate finance and strategy. In 2002 he joined Triodos Bank, working on large international projects. In 2005 he was appointed as the bank's director business banking in charge of the bank loan portfolio.

#### *Remuneration of management*

The remuneration policies, as well as the remuneration of the Managing Director, are determined by the Supervisory Board, by way of its personnel committee. The personnel committee consists of the chair, the vice-chair and another member of the Supervisory Board. All Managing Board members have an employment contract for an indefinite period of time.

#### *Composition of the personnel committee*

The following persons were members of the personnel committee as at the date of approval of this Prospectus:

- Ms Jacinta Hamann de Vivero (Peru) - chair
- Mr Karsten Löffler (Germany)
- Ms Åsa Silfverberg (Sweden)

The Managing Director and all personnel at the Amersfoort office and the regional offices reporting to the Managing Director, receive a full salary and related benefits (pension and social security contributions, cost allowances, etc.).

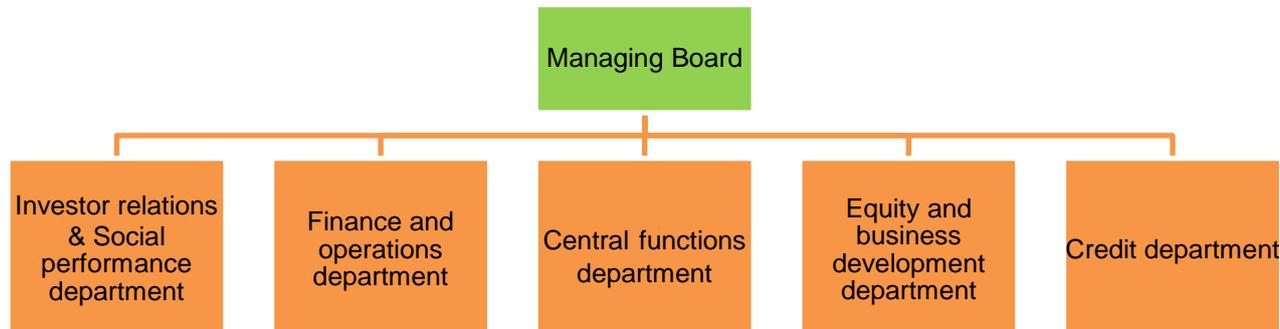
There are no service contracts providing for benefits upon termination of employment of members of the Managing Board and the Managing Director.

#### *Potential conflicts of interest of Managing Board members*

Members of the Managing Board and other employees hold a very limited number of shares, participations and depository receipts in one of the Support Associations, Oikocredit Nederland Fonds or the Oikocredit International Share Foundation, which invests in the Shares in Oikocredit. If a part of the performance reward is paid by issuing shares, participations or depository receipts, these are then issued at the nominal value under the same conditions as for other shareholders, depository receipt holders or participants. No member of the Managing Board or other employee holds any of the outstanding Shares issued by Oikocredit, as they are not eligible to become a direct member of Oikocredit. Members of the Managing Board may only acquire shares, participations or depository receipts through Support Associations, the Oikocredit Nederland Fonds, or the Oikocredit International Share Foundation. Mr Marinus Anthonius van Eyk, has a non-material amount of shares in a holding company of a portfolio company in which Oikocredit invests, which investment reflects less than 1% of Oikocredit's total investments. This potential conflict of interest is properly mitigated. Besides this, the members of the Managing Board have no (potential) conflicts of interest between their respective duties to Oikocredit and their private interests and other duties.

The members of the Managing Board have not been convicted in relation to fraudulent offences for the previous five years. The members of the Managing Board have not been associated, as members of the administrative, management or supervisory bodies or as senior manager, with bankruptcies, receiverships or liquidations for the previous five years. The members of the Managing Board have not been involved in official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) for the previous five years. The members of the Managing Board have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the previous five years.

**The organizational chart of Oikocredit is as follows:**



## **6.10 Costs**

### *Costs related to continuing issue of Shares*

Shares are continuously offered to Members. There is no upfront realistic estimation of the proceeds of the share issuance and of the number of Shares that will be issued. The reason is that Shares are issued on a continuous basis and Oikocredit cannot assess upfront how many subscriptions will be placed for the continuous offer each year.

The last three years' new Shares issued amounted to:

2016: € 106.7 million

2015: € 95.2 million

2014: € 76.3 million

The issuance of Shares incurs annual costs consisting of acquisition costs of share capital such as capital mobilization, Members' relations, promotions and so on, amounting to approximately € 7.3 million for 2016, including share administration costs within the Oikocredit International Office.

<sup>1</sup> Details are included in the financial statements 2016 (note 34, pages 63-63) incorporated by reference in this prospectus.

The one-off costs associated with producing the present Prospectus are budgeted at € 75,000. These costs are and will be reflected in the profit and loss account under operating costs. The direct costs of issuing Shares are not separately charged to Members.

The annual costs of capital mobilization and one-off costs associated with producing the present Prospectus are estimated at € 8.8 million for 2017.

## 6.11 Net income and dividends

The annual net income is calculated by subtracting all operating costs, loan losses and depreciation from the gross income of Oikocredit, in accordance with generally accepted accounting practices in the Netherlands.

Net income available for distribution is calculated by correcting the annual net income with any extraordinary costs or income not arising from normal operations and an addition to the general reserves. The remaining net income available for distribution is paid out as dividend. The policy of Oikocredit is to pay out as dividend a maximum of 2% of the nominal value of a share. Oikocredit calculates the distribution of dividends as follows: a dividend of 1/12th of the dividend percentage as approved by the General Meeting for every full calendar month that the EUR, CAD, CHF, GBP, SEK and USD Shares were registered. Dividends may be payable in the form of one or more fractions of Shares and/or in cash upon the Member's choice. Dividends made available in cash which are not claimed within five years shall be forfeited for the benefit of Oikocredit. Dividends in amounts below EUR 50, CAD 50, CHF 50, GBP 50, SEK 500, or USD 50, will not be paid out but automatically reinvested. This dividend calculation method has been applicable since 2012.

### Dividend proposal 2016

The total proposed dividend for 2016 amounts to € 17.1 million.

The proposed dividend per share for 2016 amounts to 1/12th of 2% for every full calendar month of 2016 that the EUR, CAD, CHF, GBP, SEK and USD Shares were registered.

Please be referred also to the dividend proposal in Other information on pages 79-80 in the Oikocredit consolidated financial statements 2016 as incorporated by reference.

### Dividend 2015

The total dividend for 2015 amounted to € 15 million.

The dividend per share for 2015 amounted to:

- 1/12th of 2% for every full calendar month of 2015 that the EUR, CAD, CHF, GBP, SEK and USD Shares were registered

Please be referred also to the dividend proposal in Other information on pages 79-80 in the Oikocredit consolidated financial statements 2015 as incorporated by reference.

### Dividend 2014

The total dividend for 2014 amounted to € 13.2 million.

The dividend per share for 2014 amounted to:

- 1/12th of 2% for every full calendar month of 2014 that the EUR, CAD, GBP, SEK and USD Shares were registered
- 1/12th of 1% for every full calendar month of 2014 that the CHF Shares were registered

The General Meeting, after consideration of the Managing Board's proposal, decides on the allocation of annual net income in June for the year following the financial year, upon which the dividend payable is made available as Shares or fractions of Shares issued to the Members or in cash (see also articles 45 and 46 of the Articles of Association).

## 6.12 Reporting

Oikocredit is legally required to have its consolidated financial statements prepared, audited by its external auditors and reviewed by the audit committee no later than six months after the end of the financial year, but aims to do this within three months after year end. The financial year is equal to the calendar year. The audit committee is a committee appointed by the Supervisory Board and consists of at least two persons. The annual accounts, including the audit report, is presented to the General Meeting by 30 June of the year following the financial year concerned, and shall be made available in print to the Members immediately afterwards.

Assets and liabilities are valued in the annual accounts of Oikocredit in accordance with Generally Accepted Accounting Practices (GAAP) in the Netherlands.

Every Member annually receives:

- the annual report and audited consolidated financial statements of Oikocredit;

- a Members' circular in January detailing the resolutions of the Supervisory Board during the November Supervisory Board meeting of the previous year and the latest information on Oikocredit;
- a provisional agenda with a proxy attached in anticipation of the General Meeting;
- request for Supervisory Board and audit committee nominations;
- the final agenda of the General Meeting;
- a dividend announcement, which is a letter detailing the dividend payable per share;
- a Members' circular in September including the minutes of the last General Meeting and a circular detailing the most important resolutions made by the Supervisory Board during the June meeting.

Each Member also has access to Oikocredit's website: <http://www.oikocredit.coop>

## 7. Tax aspects of participation in Oikocredit

This section provides a brief summary of the most relevant Dutch tax implications of being a member of Oikocredit and a holder of shares issued by Oikocredit. The summary of the Dutch tax implications is based on current Dutch tax law, case law and policy rules, all as in effect on the date of publication of this prospectus. Future changes to the Dutch tax regime, with or without retroactive effect, could affect the tax implications as described in this section.

The information below is not to be regarded as specific tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of shares. Prospective investors are strongly advised to inform themselves as to the overall tax consequences of purchasing, holding and/or selling shares.

### 7.1 Tax position of Oikocredit

#### *Corporate income tax*

It has been agreed with the Dutch tax authorities that Oikocredit is exempt from Dutch corporate income tax, provided that the following conditions continue to be met by Oikocredit:

- the nature of the activities of Oikocredit remain unchanged, and;
- funds attracted from non-members do not exceed 10% of the funds contributed by members.

Nevertheless Oikocredit is in discussion with the Dutch tax authorities about its corporate tax position. Any corporate income tax due as a result of these discussions is expected to be of a relatively limited size.

#### *Dividend withholding tax*

The Dutch tax authorities have confirmed that no dividend withholding tax is due on dividends distributed by Oikocredit to its holders of shares, either Dutch residents or non-Dutch residents.

#### *Gift and inheritance tax*

Donations and inheritances received by Oikocredit are subject to gift or inheritance tax if the donor or deceased is a (deemed) resident of the Netherlands for Dutch gift and inheritance tax purposes. The applicable tax rates vary from 30 to 40% (percentages applicable in 2017). An annual exemption from inheritance or gift tax up to an amount of € 2,129 (2017) applies per donor or deceased. Donations and inheritances received by Oikocredit are not subject to Dutch gift and inheritance tax, if the donor or deceased is not a (deemed) resident of the Netherlands for gift and inheritance tax purposes.

#### *VAT*

The activities of Oikocredit are generally exempt from Dutch VAT.

### 7.2 Tax position of shareholders

#### *Dutch residents*

As the (prospective) holders of shares are mainly churches and church-related organizations, they will not be subject to Dutch corporate income tax on dividends from and capital gains on the shares, provided that they:

- are not subject to corporate income tax as a consequence of their legal form; and
- do not carry on a trade or business to which the shares are attributable.

If a holder of shares is subject to Dutch corporate income tax, profits from the shares should not be taxable because of the participation exemption. It is not definitely clear, however, whether the participation exemption applies, as Oikocredit is regarded as an association that does not carry on a trade or business for its own tax position rather than a cooperative association. In case the participation exemption would not apply, dividend received from Oikocredit and capital gains realised on the disposal of shares will be taxable at the standard Dutch corporate income tax rates of up to 25% (rates applicable in 2017).

In view of article 4 of the articles of association, individuals are in practice excluded from becoming or being a member and thus a holder of shares. Therefore we will refrain from describing the Dutch personal income tax aspects of owning shares.

#### *Non-Dutch residents*

Prospective members who are tax resident outside the Netherlands should consult their own professional advisors as to the implications of their subscribing for, purchasing, holding, and/or selling shares under the tax laws of their jurisdiction.

In general, Dutch corporate income taxation will only arise in case the holder of shares owns a substantial interest in Oikocredit with the main purpose to evade personal income tax or dividend withholding tax at the level of another person and which is put into place without valid commercial reasons that reflect economic reality. A substantial interest will generally be present if a holder of shares owns an interest of at least 5% in the annual profit or the liquidation proceeds of Oikocredit. The tax due may be mitigated if a tax treaty is in place between the Netherlands and the resident country of the holder of shares.

Furthermore, Dutch corporate income taxation will arise in case the holder carries on a business, or is deemed to carry on a business or part thereof, for example pursuant to a co-entitlement to the net value of an enterprise (medegerechtigde) through a permanent establishment or a permanent representative in The Netherlands to which the shares are attributable, unless the participation exemption applies to the profits from the shares.

## Appendix 1

### Partner Funding criteria

- the enterprise supported must benefit disadvantaged people
- benefits must be widely spread and not result in the enrichment of a few organizers or investors
- the enterprise must contribute to the social and economic advancement of the larger community in which it is located
- special attention is paid to the ecological impact and the protection of animals and species
- the cooperative structure is favoured where applicable because disadvantaged people can participate directly in the operation and management of the business
- preference is given to enterprises in which women are direct beneficiaries and in which they participate in decision-making, in structures and procedures related to the concept, organization, implementation, control and evaluation
- the enterprise must be economically viable, with appropriate management and technical leadership, and become self-sustaining within a reasonable period of time, thus allowing Oikocredit's capital participation, loan or guarantee to be phased out
- there must be a clear need for foreign investment which can be provided within terms that can secure the necessary government approvals and that are beneficial to the Partners



# Membership and Share application form

**Name**

**Address**

**Postal code**

**Town/city**

**Country**

**Representative**

**Telephone**

**Telefax**

**Email**

**Website**

*Please use **black ink** and **BLOCK CAPITALS***

**Bank account details**  
*(for receipt of dividend and redemptions and for inclusion in the register of members)*

**Account name**

**IBAN**

**BIC-code**

**Bank name**

**Bank Address**

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**Please tick what category your organization belongs to:**

Church                       Church-related

Support Association        Project Member

**The Foreign Account Tax Compliance Act and Common Reporting Standard**  
*(see list of applicable definitions on page 3).*

*By accepting an investment we are required by law to assess investors' tax status relating to FATCA and CRS in accordance with agreements between the US, Dutch, and other OECD governments. Please complete the following to ascertain whether we are required to issue you with the FATCA/CRS Assessment Form for this purpose.*

**a) Does your organization undertake activities in the United States (US)?**  
 Yes    No

**b) Was your organization incorporated in the US?**  
 Yes    No

**c) (i) Does your organization have any **controlling persons that are US persons** (being either an individual or another organization)?**  
 Yes    No

**(ii) Does your organization have any **controlling persons** that are, exclusively or additionally, tax resident in any country other than the Netherlands or the US (being either an individual or another organization)?**  
 Yes    No

**d) Is your organization a **not-for-profit organization**?**  
 Yes    No

**e) Is your organization a **financial institution**?**  
 Yes    No

If you answered '**yes**' to **e**) please confirm:  
i) your organization's **GIIN** (*Global Intermediary Identification Number*):

ii) that your organization is a **certified deemed compliant financial institution**;  
 Yes    No

**f) Is your organization tax resident in the Netherlands?**  
 Yes    No

**g) Is your organization, exclusively or additionally, tax resident in any other country than the Netherlands or the US?**  
 Yes    No

If you answered '**yes**' to **g**), please confirm that your organization:  
i) is **tax resident in**  
\_\_\_\_\_ and its **Tax Identification Number** is  
\_\_\_\_\_

ii) is a **specified investment entity**  
 Yes    No

We need to issue you a **FATCA Assessment Form** if you have answered:  
• '**yes**' to questions **a**), **b**) or **c**)(i);  
• '**no**' to questions **d**) or **e**);  
• '**yes**' to question **e**) but are unable to confirm **e**i) and **e**ii)

We need to issue you a **CRS Assessment Form** if you have answered:  
• '**yes**' to question **c**)(ii);  
• '**no**' to questions **d**) or **e**);  
• '**yes**' to question **g**) but are unable to confirm **g**i) and answered '**yes**' to **g**ii)

*Please turn >*

**Affiliations** (applicable to churches)

- Roman-Catholic Church
- World Council of Churches (WCC)
- Lutheran World Federation (LWF)
- World Alliance of Reformed Churches (WARC)
- Other umbrella organization, if yes, which?

Please forward an evidence for your affiliation. If the applying church is not a member of Roman Catholic Church, WCC, LWF or WARC, please attach a copy of church order.

**Denomination** (applicable to church-related organizations)

- Roman-Catholic Church
- World Council of Churches (WCC)
- 
- Ecumenical
- Other
- 

Please attach your articles of incorporation.

We apply to purchase Oikocredit shares to the value of €/€\$   
(the minimum investment is €/€\$ 200 and there is no maximum).  
If you prefer another currency, please check with Oikocredit.

We will pay the total amount of our investment to Oikocredit in the following way (please tick box):

- by direct bank transfer to:
- Account name: Oikocredit  
Reference: Shares Oikocredit  
Bank: Rabobank-Netherlands, P.O.Box 17100,  
3500 HG Utrecht, Netherlands  
**IBAN:** NL49 RABO 0300 0562 57  
**BIC-code:** RABONL2U
- by enclosing a cheque made payable to **Oikocredit**, address below.

Please indicate how you would like to use the dividends on the shares by ticking one of the three alternatives below.

Until further notice we wish our dividend to be:

- automatically reinvested in (fractions of) Oikocredit Shares
- paid into our bank account mentioned above  
(for dividends over €/€\$ 50 only)
- passed on as a gift to the Oikocredit International Support Foundation

Oikocredit will confirm receipt of your investment and inform you about your membership number.

**Declaration**

We wish to become a member of Oikocredit and to purchase shares issued by Oikocredit. We consent to Oikocredit holding information about us in accordance with Data Protection law.

We subscribe to the objectives of Oikocredit and have taken notice of the contents of the prospectus and agree to the terms and conditions as described in the prospectus. We commit ourselves to an active membership (see attachment) and inform our constituency about the work and mission of Oikocredit.

The information contained in this application form is correct and we will inform Oikocredit of any change affecting the information we have given.

Signature:  Date:

Function:

Information regarding the mission and work of Oikocredit and the prospectus can be obtained at the Oikocredit website [www.oikocredit.coop/prospectus](http://www.oikocredit.coop/prospectus) and at the Oikocredit International Office and will be sent to you upon request.

Please return the completed application form (and attachment), with accompanying cheque (if applicable) to: **Oikocredit – PO Box 2136 – 3800 CC Amersfoort – The Netherlands – Tel: 0031 33 422 40 40 – Fax: 0031 33 465 03 36 – E-mail: [memberinfo@oikocredit.org](mailto:memberinfo@oikocredit.org)**

[Next page >](#)

## Definitions to The Foreign Account Tax Compliance Act and Common Reporting Standard

c)

### A controlling person is considered an individual who:

- owns an interest of more than 25% of the share capital in the entity;
- can exercise more than 25% of the voting power at a shareholders meeting of the entity;
- has direct or indirect control or power of decisions in the entity;
- is a beneficiary of 25% or more of the share capital of the entity; or
- has particular control over 25% or more of the share capital of the entity.

### An organization is a US person if:

- the entity undertakes activities in the United States (excluding the US territories of Puerto Rico, Guam, American Samoa, Northern Marianas and United States Virgin Islands);
- the entity is incorporated under the laws of the United States or one of its separate states;
- the entity is a trust and meets the following two requirements:
  - a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust; and
  - one or more US persons have the authority to control all substantial decisions of the trust; or
  - the entity is an organization that manages the estate of one or more US persons.

d)

### A not-for-profit organization is:

- a non-profit organization with only a religious, charitable, scientific, artistic, cultural, athletic, or educational purpose; or a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare; and
- exempt from income tax in its jurisdiction of residence; and
- no persons have ownership or any beneficial interest in the entity's income or assets; and
- the laws of the entity's jurisdiction of residence or the entity's formation documents:
  - do not permit any income or assets of the entity to be distributed to, or applied for the benefit of, a private person or non-charitable entity; and
  - require that upon the entity's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization.

e)

### A financial institution is one of the following:

**Custodial institution**—holds as a substantial portion of its business, financial assets for the account of others (mostly clients) and of which the gross income during the shortest of the periods referred to below is at least 20% attributable to holding financial assets and related financial services. The periods are:

- three years prior to the current year and;
- the period since the establishment of the entity.

**Depository institution**—accepts deposits in the ordinary course of a banking or similar business.

**Investment entity**; either

1. conducts as a business one or more of the following on behalf of a customer:

- trading in money market instruments and assets.
- individual and collective portfolio management; or
- otherwise investing, administering, or managing funds, money, or financial assets on behalf of other persons; or

2. operates as a private equity fund, venture capital fund, an acquisition fund that is funded with debt or any other investment fund that has as its objective entity financing or making acquisitions and that subsequently holds interest in such entities for investment purposes.

**Specified insurance company**—conducts an insurance business or operates as a holding company of a group that includes an insurance company, and that issues, or is obligated to make payments with respect to, insurance products or annuity contracts with a cash value.

g)

**Specified Investment Entity:** An investment entity that is not tax resident in

- a EU country; or
- in a country that has adopted the Common Reporting Standard and that has concluded a (multiple) Competent Authority Agreement with the Netherlands. For a list of countries, go to [belastingdienst.nl](http://belastingdienst.nl) and search for 'CRS'