

Continuous issuance of Shares with a Nominal Value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000, or USD 200 each in the capital of:

**OIKOCREDIT, Ecumenical Development Cooperative Society U.A.
(the “Cooperative”)**

*Incorporated in the Netherlands as a cooperative society with excluded liability
having its registered office in Amersfoort, the Netherlands.*



Photo of a coffee plantation supported by Oikocredit partner Ecookim, a coffee cooperative in Côte d'Ivoire

A copy of this prospectus can be obtained from the issuer at:

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*This prospectus is valid for a period of 12 months after 3 June 2019 (date of approval) by the
Authority for the Financial Markets (Autoriteit Financiële Markten) in the Netherlands.*

1. General information about the issuer

The definitions as included in section 5 of this Prospectus shall fully apply to the definitions used in this summary, unless the context explicitly provides otherwise.

By continuously issuing Shares to its 558 Cooperative Members (as at 31 December 2018), the Cooperative mobilises the capital needed to carry out its mission of development financing through the funding of organisations that are engaged in economic activity or engaged in enterprises which provide both a financial and social return, mostly in low-income countries (“Partners”).

The Shares are continuously offered to Members and organisations eligible to be Members. There is no realistic estimation of the proceeds of Shares issued and how many Shares will be issued. The number of New Shares issued can be derived from the annual audited consolidated financial statements of the Cooperative, and in general is not publicly announced separately. Participation in the Cooperative is restricted to organisations that meet the criteria set up in the Articles of Association of the Cooperative. Primarily these are church organisations and the Support Associations of the Cooperative. For more information, see section 7.9, ‘Participation in the Cooperative’. There are other local ways to participate in the Cooperative indirectly via the Support Associations, the Oikocredit International Share Foundation and other organisations such as certain social banks which support the mission of the Cooperative. Full details can be found on the website: www.oikocredit.coop. The Cooperative had approximately 57,000 investors as at 31 December 2018.

The Shares are in book entry form, meaning that the Cooperative 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 issued and registered 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 the Cooperative, the Managing Board, following the prior approval of the Supervisory Board can decide to issue Shares in currencies other 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 in principle 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 of the Cooperative issues and redeems Shares at its discretion in accordance with the Cooperative’s Articles of Association. Currently, the Managing Board is preparing a policy (the Member Share Issuance and Redemption policy) which is to be considered as a further elaboration of the Articles of Association in relation to the issuing and redemption of Shares. The Managing Board expects to apply this policy with effect from Q4 2019.

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 decision of the Managing Board.

Prospective investors are explicitly informed that owning and redeeming Shares entail financial risks and that they should therefore read and carefully review the content of this Prospectus (including the information incorporated by reference). In making an informed investment decision, investors must rely on their own analysis of the Cooperative and its Shares, including the merits and risks involved. The risks summarised in this Prospectus are distinctive and characteristic for the Cooperative’s operations and organisation. These risks may have a material impact on the Cooperative’s future financial performance and risks related to the Shares. Please refer to section 4 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*, the “AFM”) in the Netherlands for the purposes of Directive 2003/71/EC (the “Prospectus Directive”) on 3 June 2019 (the “Approval Date”). The Prospectus is subsequently “passported” to several EU member states with formal notification of the approval of the Prospectus by the Dutch AFM given to the financial regulatory authorities in those countries (listed in section 6.3).

Pursuant to this Prospectus, Shares can be offered by the Cooperative until 3 June 2020. In the meantime, changes may occur in the financial position or the activities of the Cooperative. In accordance with article 5:23 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*), the Cooperative shall make such information publicly available by issuing a supplement to this Prospectus. Supplements will be posted on the website: <https://www.oikocredit.coop/prospectus>.

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3. Summary

The definitions as included in section 5 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 Cooperative Society U.A. (the “Cooperative”).																								
B.2	Domicile, legal form, legislation and country of incorporation of the issuer	The Cooperative is a cooperative society with excluded liability (<i>coöperatie met uitsluiting van aansprakelijkheid</i>) incorporated under the laws of and domiciled in the Netherlands. The Cooperative 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>The Cooperative was founded in 1975 as an initiative of the World Council of Churches to provide churches and church-related organisations with an investment tool aimed at supporting people in low-income countries.</p> <p>The Cooperative's mission is: challenge all to invest responsibly. It provides financial services and supports organisations to improve the quality of life of low-income people or communities in a sustainable way. The Cooperative maintains its ambition to serve low-income people and communities. We will do so in markets where need and opportunity are greatest and where we can maximise social impact, while safeguarding the environment and generating fair financial returns.</p> <p>The Cooperative's principal tool in achieving its mission is providing Partner Funding. In general the Cooperative provides loans and other types of financing (equity, quasi-equity - such as, but not restricted to convertible loans - 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. The Cooperative supports other cooperatives and comparable organisations, as well as financial intermediaries such as MFIs. Through these MFIs the Cooperative can reach more individuals or small groups of people.</p> <p>The Partner Funding by the Cooperative mainly takes the form of loans. Direct loans or financing amounts provided by the Cooperative start from € 50,000 with an average loan repayment period of approximately four years. Loans or other financing amounts of € 10,000,000 and above require Supervisory Board approval.</p> <p>The active Partner portfolio consists of approved funding of approximately € 1.2 billion to 684 Partners in 69 countries. Of this approved amount, approximately € 1,047 million was outstanding as at 31 December 2018. The attached table shows the principal markets in which the Cooperative operates.</p> <table border="1"> <thead> <tr> <th>Countries invested in (> 4% of total outstanding)</th> <th>31-12-18</th> <th>31-12-17</th> <th>31-12-16</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>12%</td> <td>10%</td> <td>9%</td> </tr> <tr> <td>Ecuador</td> <td>7%</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Bolivia</td> <td>7%</td> <td>7%</td> <td>8%</td> </tr> <tr> <td>Cambodia</td> <td>7%</td> <td>6%</td> <td>5%</td> </tr> <tr> <td>Paraguay</td> <td>4%</td> <td>5%</td> <td>6%</td> </tr> </tbody> </table>	Countries invested in (> 4% of total outstanding)	31-12-18	31-12-17	31-12-16	India	12%	10%	9%	Ecuador	7%	6%	6%	Bolivia	7%	7%	8%	Cambodia	7%	6%	5%	Paraguay	4%	5%	6%
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		<p>The credit portfolio made up the largest part (84.5%) of the Cooperative's development financing portfolio (equity comprises 15.5%).</p> <p>The Cooperative also supports Partners with direct equity investments. As at 31 December 2018 15.5% of the total development portfolio consisted of these equity investments. As an active shareholder and through board representation, the Cooperative helps Partners enhance their social and financial performance and organisational sustainability.</p> <p>In capacity building, the Cooperative's three global programmes continued to develop and innovate, aiming to strengthen agricultural cooperatives and associations and financial intermediaries for the benefit of farmer members and low-income borrowers.</p>
B.4a	<p><i>Significant trends affecting the issuer and industries in which it operates</i></p>	<p>In 2018 the Cooperative expanded the Managing Board to include Petra Lens, Director of Human Resources and also added a Director of IT & Operations. Irene van Oostwaard, Director of Finance, left the organisation in December 2018. Director of Risk, Laura Pool, took on interim responsibility for Finance in addition to her role as Director of Risk. Following the departure of Director of Credit Hann Verheijen as a result of the merger of the Credit and Equity departments in 2018, Bart van Eyk Director of Equity took responsibility for both Credit and Equity as Director of Investments. On 1 March 2019 Patrick Stutvoet took up the position of Director of IT and Operations.</p> <p>In early 2018 the Cooperative communicated its decision to focus on offering loans, equity investments and capacity building in 33 countries in Africa, Asia, and Latin America and the Caribbean going forward. This will be done through a new operating model which is envisioned to provide better services, improve financial sustainability and ultimately deliver the Cooperative's mission more efficiently and effectively. Close proximity to Partners is an important element of the Cooperative's way of working, and distinguishes the Cooperative from its many competitors. Local presence and knowledge are important ingredients in the Cooperative's success and will be crucial in delivering on its catalyst ambitions in the future. The Cooperative has therefore decided to continue work with regional offices, country offices and one central office. This allows the Cooperative to make the best possible use of resources while staying close to Partners across all the 33 focus countries.</p> <p>The decision to focus on certain regions means that the Cooperative has stopped providing new loans, equity investments and capacity building in 31 countries, mainly in Eastern Europe and Central Asia and a select number of others in Africa where it had limited exposure. When this decision was made, these countries accounted for 14% of the Cooperative's portfolio and 16% of its Partners. The Partners concerned will continue to be supported from the Cooperative's office in Amersfoort until the end of existing commitments.</p> <p>A small number of the Cooperative's Partners, mainly funds and microfinance networks, are domiciled in countries outside of the Cooperative's focus regions but do business and/or channel funds to our growth countries. We no longer actively seek investments in funds, but we do plan to continue working with holding companies (e.g. in renewable energy or microfinance networks). This means the number of non-focus countries could change, depending on where these holding companies are located. The Cooperative currently has Partners in 10 non-focus countries: Australia, the Cayman Islands, France, Germany, Luxembourg, Mauritius, the Netherlands, the United Kingdom, the United States of America and Singapore.</p> <p>There have also been changes on the inflow side of the Cooperative's work. To ensure capital is raised in the most effective and efficient way, the Cooperative closed the National Support Office in the United Kingdom & Ireland at the end of 2018 and closed the office in Canada in Q1 2019. This was a necessary cost efficiency measure. Both offices attracted investors and raised the Cooperative's profile in these countries over the years despite facing several challenges. Members and investors in these countries will continue to be served from the Cooperative's offices in Amersfoort, the Netherlands.</p> <p>In addition to the decision to focus on specific regions, the Cooperative decided to focus on three sectors: financial inclusion, agriculture and renewable energy.</p> <p>Financial inclusion</p> <p>Financial inclusion remains the Cooperative's leading development financing sector, and in 2018 the Cooperative started work to update its financial inclusion strategy. The strategy calls for working with MFIs as core partners while diversifying and increasing support for lenders to small and medium enterprises (SMEs) that stimulate job creation. It also calls for more support to Partners embracing digitalisation and fintech (financial technology) to reach underserved communities. More than ever before, capacity building support for Partners remains an important value-add contribution by the Cooperative to the development of this sector.</p> <p>The financial inclusion markets continue to mature, with growing demand for larger loans, competitive pressures and increasing regulation in many countries. There is a rise in mobile-device adoption, internet connectivity, and many other developments in technology-based provision of responsible financial services to low-income people and SMEs. In 2018, the Cooperative supported the development of guidelines for investing in responsible digital financial inclusion.</p>

Agriculture

The agriculture sector is important to the Cooperative because of its capacity to reduce rural unemployment and poverty and to strengthen food security in developing countries.

The Cooperative has identified nine crops that it will invest in to maximise its expertise and value-add for partners. Core subsectors continue to include coffee, cacao, grains, fruits, vegetables and nuts.

Agriculture continues to be a challenging sector, where the Cooperative seeks to find the right balance between financial returns, targeting underserved market segments and high-impact business models. Blended finance, the combination of public and private funds, and the combination of funds with different risk profiles, is seen as a potential bridge to underserved segments such as smaller loans to first-time borrowers. The high proportion of loans at risk is a further challenge in this sector.

Renewable energy

In the renewable energy sector, declining costs of solar equipment are catalysing development and driving growth. Cheap solar and innovative business models are revolutionising energy access in least developed countries, while both demand for and availability of funding for clean energy are accelerating in emerging markets.

The Cooperative's renewables strategy focuses on projects such as micro grids and solar home systems that improve access to energy for low-income communities and clean cook stoves.

Challenges

2018 was a year of change and renewal for the Cooperative. After updating its global strategy in response to the emerging challenges of a rapidly changing world, the Cooperative began its transition to become an even more effective organisation – refining the sectors and markets in which it is active while reaffirming the values and qualities which have made the Cooperative a leader in social impact investing for more than four decades.

Political tensions, reduced government spending and the continued interest rate cap regime in some countries in Africa continue to make it difficult for the Cooperative to do business and support Partners.

The migration crisis in Venezuela and much of Central America, high inflation, high interest rates, the currency crisis in Argentina, and political uncertainty in Argentina, Bolivia, Brazil, Mexico and Nicaragua continue to impact on the work of Partners in Latin America.

Furthermore, the combination of a prolonged low-interest rate environment and increased competition and liquidity in some of the markets where the Cooperative is active continues to put the Cooperative's results under pressure even as it has identified opportunities and taken action to become more efficient, improve its processes and grow its portfolio to ensure long-term financial sustainability.

Responding to the above-mentioned challenges, the Cooperative began to implement its updated strategy across the development financing portfolio in 2018 – first deciding on the sectors and markets to focus on. Within the three focus sectors of financial inclusion, agriculture and renewable energy, further prioritisation of sub-sectors will be carried out based on the Cooperative's expertise to best support its Partners. The Cooperative has also introduced a new operating model with fewer offices organised in three regions: Africa, Asia and Latin America, ensuring that it maintains the proximity with Partners that has been a critical element of the Cooperative's success all these years.

The Cooperative is working to reduce complexity not only in its organisational structure but in its processes and build a culture of continuous improvement and feedback with the introduction of the methodology of Lean Six Sigma.

Despite 2018 being a year of change, the Cooperative achieved improved income after taxation compared to 2017, as both lendable funds and the investment portfolio grew. Total outstanding loans and investments passed \$1 billion for the second time in the Cooperative's history (the first was in 2016). High environmental, social and governance (ESG) standards were upheld in growing the development finance portfolio with new Partners scoring higher on the Cooperative's ESG scorecard. Support for this growth came primarily from the Cooperative's members and investors.

The Cooperative developed the Environmental, Social and Governance (ESG) Scorecard in 2009, taking the values and principles of the Cooperative and the general criteria established for the financing of projects. The scorecard has been reviewed and updated over the years to reflect current thinking on the social performance management standards as defined by the Social Performance Task Force (SPTF) and the guidelines set by the Smart Campaign. The SPTF is a platform of over 400 microfinance institutions, funders, academic and research institutions and rating agencies focusing on microfinance. The task force defined the Universal Standards for Social Performance Management to which the Cooperative's ESG scorecard is aligned. The Smart Campaign is an organisation which sets guidelines to help Micro Finance Institutions to integrate good client protection principles throughout the credit process.

In other fields – for example SME financing and agriculture, the Cooperative has collaborated with other organisations such as the Council for Smallholder Agriculture to develop a similar ESG

		<p>scorecard. This scorecard reflects the funders' priorities and devotes attention to matters such as outreach of the funding, benefit to end-clients and the promotion of environmental welfare.</p> <p>As a result of the Cooperative's new hedging and risk management policies, currency fluctuations have had far less impact on the results of the Cooperative. Some credit risks have increased nevertheless, particularly due to economic instability in Latin America and the Caribbean, where a significant part of our portfolio is invested.</p> <p>The Cooperative's ambition is clear: to serve low-income people and communities, in markets where need and opportunity are greatest and where the Cooperative can maximise social impact, while safeguarding the environment and generating fair financial returns.</p>
B.5	<p><i>Description of the Cooperative Group and position of the issuer therein</i></p>	<p>The Cooperative forms the head of a group, as defined in section 2:24b of the Dutch Civil Code (<i>Burgerlijk Wetboek</i>). The Group includes the Cooperative itself, including its offices abroad, and its subsidiaries and other entities in which the Cooperative 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.</p> <p>The Cooperative operates directly in the following countries, through its offices or its subsidiaries or through other entities of the Group, whose offices may or may not have legal status according to the laws of the country concerned: Brazil, Costa Rica, Ecuador, Ghana, Guatemala, India, Côte d'Ivoire, Kenya, Mexico, Nigeria, Paraguay, Peru, the Philippines and Uruguay.</p> <p>The Cooperative also has offices (called "National Support Offices") in Austria, France and Germany. These offices raise awareness of the Cooperative, build strategic partnerships and liaise with the Support Associations (if applicable). In the course of 2018, the office in the United Kingdom & Ireland was closed and the office in Canada closed in Q1 of 2019.</p> <p>Material entities</p> <p>The following entities within the Cooperative 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"> • Maanaveeya Development & Finance Private Limited, India. A wholly owned subsidiary of the Cooperative in India which conducts its development financing activities in India. • Finance Company Oikocredit Ukraine, Ukraine (in liquidation). A wholly owned subsidiary of the Cooperative in Ukraine which conducts its development financing activities in Ukraine. • Oikocredit International Support Foundation, the Netherlands. The Oikocredit International Support Foundation (ISUP) was established on 10 March 1995, in Amersfoort, as a foundation (<i>stichting</i>) under the laws of the Netherlands. The main purpose of ISUP 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, the Netherlands (LIC Loan Fund). The Cooperative 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 (<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 will not be listed on any stock exchange. The Cooperative acts as fund manager of the Low Income Countries Loan Fund. In June 2017 the LIC Fund reached the end of its five-year investment period. In November 2017 the terms and conditions of the LIC Loan Fund were amended to allow for the distribution of distributable assets. Since December 2017 and until the end of the life of the LIC Loan Fund on 30 June 2022, distributable assets are distributed to the participants of the LIC Loan Fund in proportion to the capital contributions made by the participants. Participants are the persons that are holders of participations in the LIC Loan Fund admitted as such to the fund by the Cooperative, subject to the unanimous approval of the meeting of participants.
B.6	<p><i>Persons who, directly and indirectly, have a notifiable interest in the company's capital or voting rights</i></p>	<p>Not applicable; there is no obligation under Dutch Law or under the Articles of Association that Members need to disclose their interest in the Cooperative.</p>
	<p><i>Whether major shareholders have different voting rights</i></p>	<p>Not applicable. All Members have equal voting rights: every Member has one vote, regardless of the size of their shareholding.</p>
	<p><i>Direct and indirect ownership of or control over the</i></p>	<p>The Cooperative is not aware of any party or parties that directly or indirectly control the voting at any General Meeting of Members, nor is the Cooperative aware of any arrangement that may result in a change of control of the organisation.</p>

	<i>company and nature of such control</i>																																																																															
B.7	Selected historical key financial information of the issuer for each financial year covered by the historical key financial information	<p>In 2018 the Cooperative's income after taxation showed a marked improvement on the previous year. The Cooperative achieved a significantly reduced loss in 2018 of € 1.3 million, contrasted with a loss of € 20.0 million in 2017, albeit still a modest net result. Local currency losses decreased substantially, and we drew on only € 2.8 million from the local currency risk fund, compared with € 38.5 million in 2017. Income after releases from funds was positive at € 1.3 million (2017: € 18.4 million), including the drawdown from the local currency risk fund. Total operating income rose from € 27.9 million to € 52.7 million. There were no large unforeseen gains or losses. Under the Cooperative's new hedging policy, hedging costs more than doubled to € 27.3 million (2017: € 11.5 million), but this expenditure significantly reduced exchange rate risks. The cost are largely priced in when loans in local currencies are provided.</p> <p>Additions to loss provisions increased from € 7.4 million to € 11.5 million, and impairments from € 0.2 million (release) to € 3.5 million (addition), partly in line with overall portfolio growth but also to address increased risk in the credit portfolio in Latin America.</p> <p>In 2018, despite challenging circumstances including the fact of a lower dividend over 2017 (1%, down from 2% dividend paid in 2017 over 2016) the Cooperative saw a gross inflow of € 99.2 million and net inflow of lendable funds (gross inflow minus redemptions) of € 77.9 million. Overall, the Cooperative's total lendable funds grew by 6.9% to € 1,082.5 million, a result that owes much to the hard work of the Cooperative's inflow network.</p> <p>The following information is derived from the audited consolidated financial statements for the years 2018, 2017 and 2016, contained in the annual reports 2018, 2017 and 2016 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="491 1010 1567 2042"> <thead> <tr> <th data-bbox="497 1010 1007 1039">CONSOLIDATED BALANCE SHEET</th> <th data-bbox="1007 1010 1198 1039">31-12-18</th> <th data-bbox="1198 1010 1390 1039">31-12-17</th> <th data-bbox="1390 1010 1560 1039">31-12-16</th> </tr> <tr> <td data-bbox="497 1039 1007 1068">(before appropriation of net income)</td> <td data-bbox="1007 1039 1198 1068">EUR ,000</td> <td data-bbox="1198 1039 1390 1068">EUR ,000</td> <td data-bbox="1390 1039 1560 1068">EUR ,000</td> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="497 1128 1560 1158">NON-CURRENT ASSETS</td> </tr> <tr> <td data-bbox="497 1158 1007 1187">Intangible fixed assets</td> <td data-bbox="1007 1158 1198 1187">458</td> <td data-bbox="1198 1158 1390 1187">1,132</td> <td data-bbox="1390 1158 1560 1187">1,024</td> </tr> <tr> <td data-bbox="497 1240 1007 1270">Tangible fixed assets</td> <td data-bbox="1007 1240 1198 1270">4,886</td> <td data-bbox="1198 1240 1390 1270">2,247</td> <td data-bbox="1390 1240 1560 1270">1,328</td> </tr> <tr> <td colspan="4" data-bbox="497 1323 1560 1352">Financial assets</td> </tr> <tr> <td colspan="4" data-bbox="497 1352 1560 1382">Development financing:</td> </tr> <tr> <td data-bbox="497 1382 1007 1411">Total development finance outstanding</td> <td data-bbox="1007 1382 1198 1411">1,046,583</td> <td data-bbox="1198 1382 1390 1411">981,664</td> <td data-bbox="1390 1382 1560 1411">1,047,226</td> </tr> <tr> <td data-bbox="497 1411 1007 1440">Less: - loss provision and impairments</td> <td data-bbox="1007 1411 1198 1440">(75,989)</td> <td data-bbox="1198 1411 1390 1440">(69,329)</td> <td data-bbox="1390 1411 1560 1440">(77,513)</td> </tr> <tr> <td></td> <td data-bbox="1007 1440 1198 1469">970,594</td> <td data-bbox="1198 1440 1390 1469">912,335</td> <td data-bbox="1390 1440 1560 1469">969,713</td> </tr> <tr> <td data-bbox="497 1523 1007 1552">Term investments</td> <td data-bbox="1007 1523 1198 1552">149,015</td> <td data-bbox="1198 1523 1390 1552">149,851</td> <td data-bbox="1390 1523 1560 1552">112,807</td> </tr> <tr> <td data-bbox="497 1552 1007 1581">Other financial assets</td> <td data-bbox="1007 1552 1198 1581">4,939</td> <td data-bbox="1198 1552 1390 1581">3,220</td> <td data-bbox="1390 1552 1560 1581">998</td> </tr> <tr> <td></td> <td data-bbox="1007 1581 1198 1610">1,124,548</td> <td data-bbox="1198 1581 1390 1610">1,065,406</td> <td data-bbox="1390 1581 1560 1610">1,083,518</td> </tr> <tr> <td data-bbox="497 1664 1007 1693">Total non-current assets</td> <td data-bbox="1007 1664 1198 1693">1,129,892</td> <td data-bbox="1198 1664 1390 1693">1,068,785</td> <td data-bbox="1390 1664 1560 1693">1,085,870</td> </tr> <tr> <td colspan="4" data-bbox="497 1747 1560 1776">CURRENT ASSETS</td> </tr> <tr> <td data-bbox="497 1776 1007 1805">Receivables and other current assets</td> <td data-bbox="1007 1776 1198 1805">53,724</td> <td data-bbox="1198 1776 1390 1805">31,936</td> <td data-bbox="1390 1776 1560 1805">27,958</td> </tr> <tr> <td data-bbox="497 1805 1007 1834">Cash and banks</td> <td data-bbox="1007 1805 1198 1834">109,327</td> <td data-bbox="1198 1805 1390 1834">119,324</td> <td data-bbox="1390 1805 1560 1834">95,447</td> </tr> <tr> <td data-bbox="497 1834 1007 1863">Total</td> <td data-bbox="1007 1834 1198 1863">163,051</td> <td data-bbox="1198 1834 1390 1863">151,260</td> <td data-bbox="1390 1834 1560 1863">123,405</td> </tr> <tr> <td data-bbox="497 1917 1007 1946">TOTAL</td> <td data-bbox="1007 1917 1198 1946">1,292,943</td> <td data-bbox="1198 1917 1390 1946">1,220,045</td> <td data-bbox="1390 1917 1560 1946">1,209,275</td> </tr> </tbody> </table>			CONSOLIDATED BALANCE SHEET	31-12-18	31-12-17	31-12-16	(before appropriation of net income)	EUR ,000	EUR ,000	EUR ,000	NON-CURRENT ASSETS				Intangible fixed assets	458	1,132	1,024	Tangible fixed assets	4,886	2,247	1,328	Financial assets				Development financing:				Total development finance outstanding	1,046,583	981,664	1,047,226	Less: - loss provision and impairments	(75,989)	(69,329)	(77,513)		970,594	912,335	969,713	Term investments	149,015	149,851	112,807	Other financial assets	4,939	3,220	998		1,124,548	1,065,406	1,083,518	Total non-current assets	1,129,892	1,068,785	1,085,870	CURRENT ASSETS				Receivables and other current assets	53,724	31,936	27,958	Cash and banks	109,327	119,324	95,447	Total	163,051	151,260	123,405	TOTAL	1,292,943	1,220,045	1,209,275
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GROUP EQUITY AND FUNDS			
Member capital ¹	1,082,492	1,012,421	912,968
General and other reserves and funds	96,087	91,680	122,208
Undistributed net income for the year	1,270	18,439	29,003
	1,179,849	1,122,540	1,064,179
Third-party interests	1,664	2,703	4,959
Total group equity and funds	1,181,513	1,125,243	1,069,138
PROVISIONS	1,801	1,582	-
LIABILITIES			
Non-current liabilities	56,808	56,934	39,877
Current liabilities	52,821	36,286	100,260
	109,629	93,220	140,137
TOTAL	1,292,943	1,220,045	1,209,275

¹ As from 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. 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.

CONSOLIDATED INCOME STATEMENT	2018	2017	2016
	EUR ,000	EUR ,000	EUR ,000
INCOME			
Interest and similar income			
Interest on development financing portfolio	83,010	80,726	77,216
Interest on term investments	2,506	2,548	3,466
Revaluation of term investments	(3,468)	(858)	(1,088)
Total interest and similar income	82,048	82,416	79,594
Interest and similar expenses			
Interest expenses	(2,492)	(2,068)	(1,544)
Total interest and similar expenses	(2,492)	(2,068)	(1,544)
Income from equity investments			
Result from sale of equity investments	(513)	4,395	19,245
Dividends	2,165	2,465	1,946
Total income from equity investments	1,652	6,860	21,191
Grant income	1,068	894	796
Other income and expenses			
Exchange rate differences	(2,353)	(48,699)	10,227
Hedge premiums and provisions	(27,291)	(11,489)	(5,456)
Other	37	19	54
Total other income and expenses	(29,607)	(60,169)	4,825

	TOTAL OPERATING INCOME	52,669	27,933	104,862
	GENERAL AND ADMINISTRATIVE EXPENSES			
	Personnel	(23,687)	(23,083)	(20,380)
	Travel	(1,008)	(1,116)	(1,286)
	General and other expenses	(12,386)	(13,359)	(12,299)
	TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(37,081)	(37,558)	(33,965)
	ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS			
	Additions to loss provisions	(11,542)	(7,354)	(18,250)
	Impairments on equity investments	(3,483)	237	(8,697)
	TOTAL ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS	(15,025)	(7,117)	(26,947)
	INCOME BEFORE TAXATION	563	(16,742)	43,950
	Taxes	(1,856)	(3,238)	(1,865)
	INCOME AFTER TAXATION	(1,293)	(19,980)	42,085
	Third-party interests	(96)	(136)	(279)
	Additions to and releases from funds	2,659	38,555	(12,803)
	INCOME FOR THE YEAR AFTER ADDITION TO FUNDS	1,270	18,439	29,003
	CONSOLIDATED CASH FLOW STATEMENTS	2018	2017	2016
		EUR ,000	EUR ,000	EUR ,000
	Income before taxation	563	(16,742)	43,950
	Adjusted for non-cash items			
	Value adjustments loans, equity and receivables	18,938	(2,191)	24,159
	Unrealised revaluation term investments	3,468	727	1,088
	Depreciation tangible fixed assets	1,303	1,091	581
	Taxes	(2,410)	(3,249)	(1,774)
	Exchange adjustments	(9,611)	61,656	(30,125)
	Changes in:			
	Development financing (disbursements and repayments)	(70,728)	(41,453)	(128,788)
	Other financial assets	87	287	(8)
	Receivables and other current assets	(21,854)	3,589	(2,816)
	Provisions	219	1,582	0
	Current liabilities	16,716	(48,177)	38,289
	Cash flow from operating activities	(63,309)	(42,875)	(55,444)
	Term investments	(2,621)	(37,826)	6,187
	Intangible fixed assets	(12)	(325)	(91)

		Tangible fixed assets	(3,256)	(1,349)	(1,037)
		Cash flow from investing activities	(5,889)	(39,500)	5,059
		Member capital (issue and redemptions)	70,071	99,453	106,691
		Dividend paid on member capital	(9,609)	(16,706)	(15,005)
		Loans and notes	(126)	21,113	11,932
		Third-party interests	(1,135)	2,392	0
		Cash flow from financing activities	59,201	106,252	103,618
		CHANGES IN CASH AND BANKS	(9,997)	23,877	53,233
			2018	2017	2016
		Movements in members' equity and reserves Society	EUR ,000	EUR ,000	EUR ,000
		Balance as at 31 December previous year	1,105,461	1,008,545	887,491
		New members' capital issued (net)	70,071	99,453	106,691
		Exchange rate differences	(1,767)	(4,275)	365
		Dividends to members	(9,608)	(17,145)	(15,005)
		Adjustments prior years	-	444	-
		Undistributed net income for the year	1,270	18,439	29,003
		Balance as at 31 December	1,165,427	1,105,461	1,008,545
			2018	2017	2016
		Reconciliation between members' equity and reserves Society and consolidated equity and funds	EUR ,000	EUR ,000	EUR ,000
		Members' equity and reserves according to Society Financial Statements	1,165,427	1,105,461	1,008,545
		Reclassification of members' capital to non-current liabilities	-	-	-
		Reserves and funds Oikocredit International Support Foundation	14,422	17,079	55,634
		Revaluation result hedges share capital	-	-	-
		Third-party interests	1,664	2,703	4,959
		Group equity and funds according to consolidated financial statements	1,181,513	1,125,243	1,069,138
B.7	<i>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</i>	<p>In 2018 the Cooperative's income after taxation showed a marked improvement on the previous year, with a significantly reduced loss in 2018 of € 1.3 million, contrasted with a loss of € 20.0 million in 2017, albeit still a modest net result. Local currency losses decreased substantially, and only € 2.8 million was drawn from the local currency risk fund, compared with € 38.5 million in 2017. Income after releases from funds was positive at € 1.3 million (2017: € 18.4 million), including the drawdown from the local currency risk fund. Total operating income rose from € 27.9 million to € 52.7 million. There were no large unforeseen gains or losses. Under the Cooperative's new hedging policy, hedging costs more than doubled to € 27.3 million (2017: € 11.5 million), but this expenditure significantly reduced exchange rate risks. The cost are largely priced in when loans in local currencies are provided.</p> <p>Additions to loss provisions increased from € 7.4 million to € 11.5 million, and impairments from € 0.2 million (release) to € 3.5 million (addition), partly in line with overall portfolio growth but also to address increased risk in the credit portfolio in Latin America.</p> <p>Increased cost awareness and tight cost control kept operational expenditure below 2017 levels. Despite investing in the organisation's future fitness through implementation of the updated strategy, operating costs decreased by 1.3% to € 37.1 million. Excluding one-off costs related to implementation of the updated strategy, operational expenditure decreased by 3.7% to € 34.6 million.</p>			

		General and administrative expenses fell both in absolute terms and in relation to total assets (-2.9 %) and portfolio size (-3.5%).
B.8	<i>Selected key pro forma financial information</i>	Not applicable. No pro forma financial information is included in the Prospectus.
B.9	<i>Profit forecast</i>	Not applicable. No profit forecast is included in the Prospectus.
B.10	<i>Nature of any qualifications in the audit report on the historical financial information</i>	Not applicable. The auditor's reports on the published consolidated financial statements for the financial years ended 31 December 2018, 2017 and 2016 are unqualified.
B.11	<i>Explanation if insufficient working capital</i>	Not applicable. The Cooperative Group is of the opinion that it has sufficient working capital for its present requirements, which is for at least the next 12 months from the Approval Date of the Prospectus.
Section C – Securities		
C.1	<i>Description of type and class of shares</i> <i>Security identification number</i>	Shares are registered Shares in the capital of the Cooperative 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	<i>Currency of the shares</i>	The Shares are denominated in EUR, CAD, CHF, GBP, SEK, or USD or in any other currency as resolved by the Managing Board, following the prior approval of the Supervisory Board.
C.3	<i>Number of shares issued and fully paid, par value per share</i> <i>Number of shares issued and not fully paid</i>	As at 31 May 2019, all 5,479,380 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. The Cooperative has not issued Shares that are not fully paid.
C.4	<i>Rights attached to the shares</i>	<p>Shares are governed by, and shall be construed in accordance with, the laws of the Netherlands. Shares are in principle continuously issued at their Nominal Value, and there is no limit to the number of Shares that can be issued. The offer may be revoked or suspended by the Managing Board at its discretion in line with the Articles of Association (and as expected as of Q4 2019 the situations as mentioned in the Member Share Issuance and Redemption policy, please see below).</p> <p>All Shares entitle the holder to a dividend proportional to the Nominal Value of the Shares. Members represented at the General Meeting, having considered the recommendation of the Managing Board, decide on the allocation of the net profit. Dividends are paid either by allotting additional fractions of Shares or in cash.</p> <p>Provided at least one Share is held, fractions of Shares may also be issued. 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 the Cooperative from its Members.</p> <p>When Shares are issued to new Members, the shareholdings of existing Members may dilute the financial position of the existing Members as the issuing of Shares to new Members could affect potential future earnings per Share negatively. Also, new Members will receive one vote at the General Meeting. The amount and percentage of the 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>Shares will be redeemed by the Cooperative taking into account the conditions mentioned in article 13 of the Articles of Association which are set out below. The Cooperative will also take into account the Member Share Issuance and Redemption policy, which is expected to apply in Q4 2019.</p> <ul style="list-style-type: none"> • Shares shall be redeemed, if a Member has ceased to be a Member of the Cooperative, 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 the Cooperative; • 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 the Cooperative, 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. <p>In June 2018 the General Meeting of the Cooperative approved the proposal of the Managing Board to take out the five year redemption period of article 13.1 and 13.2 of the Articles of Association of the Cooperative. This amendment implies that, in principle, any redemption request might be delayed</p>

		<p>indefinitely by the Cooperative. The approved amendment is included by integration of a transition clause in the Articles of Association through a notarial deed dated 30 July 2018. In summary, the transition clause states that when the conditions as mentioned below are met, the changes to article 13 of the Articles of Association will become effective. Until such time these amendments are put in place, redemption requests can be delayed, but only for a maximum period of five years.</p> <p>In accordance with the transition clause in the Articles of Association of the Cooperative the changes will only become effective if the following conditions are met:</p> <ol style="list-style-type: none"> 1. a Managing Board resolution to this change (which also includes the intended date of execution of the deed referred to under 3)); and 2. approval by the Supervisory Board of the resolution referred to under 1); and 3. the execution of a notarial deed recording the fulfilment of the conditions precedent referred to under 1) and 2). Article 13 will be effective upon execution of the deed. <p>The Managing Board of the Cooperative issues and redeems Shares at its discretion in accordance with the Cooperative's Articles of Association. Currently, the Managing Board is preparing a policy (the Member Share Issuance and Redemption policy) which is to be considered as a further elaboration of the Articles of Association in relation to the issuing and redemption of Shares. The policy was presented to Members as part of a consultation process. The Managing Board will present the policy at the General Meeting of 2019. The policy outlines the circumstances under which redemptions or the issuance of Shares may be stopped/suspended, revoked or resumed by the Managing Board. The Managing Board expects to apply this policy as of Q4 2019.</p>
C.5	<i>Restrictions on free transferability of the shares</i>	Members may freely transfer their Shares to other Members upon written notice to the Cooperative (article 14 of the Articles of Association). As the Articles of Association determine that only Members may hold Shares (based on articles 5 and 9 of the Articles of Association), it is not possible for Members to transfer the Shares to non-Members.
C.6	<i>Listing and admission to trading of shares and regulated markets</i>	Not applicable. The Shares will not be listed nor admitted to trading.
C.7	<i>Dividend policy</i>	<p>The allocation of the 2018 annual net income will be decided by the General Meeting in June 2019, 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>The Cooperative'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 the Cooperative. 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 2018 the Managing Board proposed a dividend that amounts to € 10.6 million. The proposed dividend per share for 2018 amounts to 1/12th of 1% for every full calendar month of 2018 that the EUR, CAD, CHF, GBP, SEK and USD, Shares were registered. It is up to the General Meeting in June 2019 to adopt the proposal of the Managing Board and to approve the dividend.</p>
Section D – Risks		
D.1	<i>Key risks specific to the issuer or its industry</i>	The following provides a brief overview of the important risk factors involved in the Cooperative's work. It should be noted that although the Cooperative believes that the risks and uncertainties described below are the Cooperative's material risks and uncertainties, these may not be the only ones the Cooperative faces. Additional risks and uncertainties not presently known to the Cooperative, or that the Cooperative currently deems immaterial, may also have a material adverse effect on the Cooperative's business, results of operations or the financial condition and could negatively affect the Net Asset Value of the Shares.

Key risks specific to the Cooperative as issuer and its industry

The events outlined in the following paragraphs may negatively impact the growth possibilities of the Cooperative as well as the financial results. These events may therefore have a negative impact on the dividend to be paid out on the Shares, and may impact the Net Asset Value of the Shares.

Financial risk

Credit risk

A change in the credit quality of a counterparty to which the Cooperative has granted loans (for example due to: specific counterparty risks, the nature of activities or the sector in which the counterparty conducts its business), can affect the value of the Cooperative's position. A part of our development financing may also be concentrated in certain sectors. If problems occur within a certain sector (for example, 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 .

Credit risk also includes country risk. Country risk arises from country-specific events that have an impact on the exposure on Partners in a specific country, such as those of a political or macroeconomic nature from time to time in conjunction with (extreme) inflation or devaluation. All investments in low-income countries involve country risk. The top 10 of countries with the highest capital outstanding as at 31 December 2018 is shown in the graph on the right.

Equity risk

Equity investments have different risk characteristics compared with loans: there is a usually longer lock-up period of capital and no steady cash flow through instalments and interest payments. There are changes in the valuation of the equity stakes influencing the value of the portfolio, specific business and market risks, sector risks, reputational risks and country and currency risks. In general, equity risk is higher than the credit risk of a company because of the junior position of equity, meaning that the value of equity decreases significantly up to total loss in case the risk of default of a Partner increases or a Partner actually defaults. As at 31 December 2018, 16% of the Cooperative's financing activities were done in the form of equity.

Liquidity risk

Liquidity risk refers to the risk that the Cooperative will encounter lower cash buffers or difficulty in raising funds and as such is unable to meet its commitments to its Members (for example not being able to redeem all the Shares, when requested), Partners (for example not being able to meet loan or investment commitments) and other counterparties. Non-payment from Partners could also have a negative impact on the liquidity position of the Cooperative. As at 31 December 2018, the Cooperative had a 17.3% liquidity ratio, which is considered an adequate buffer for liquidity management purposes.

Foreign currency risk

Currency risk is defined as the risk that the value of the Cooperative's currency positions will fluctuate due to changes in foreign currency exchange rates. Significant currency risks exist, as the Cooperative's available Member capital is predominantly denominated in euro while 45% of the amounts outstanding in development financing were denominated in US dollars and 48% in local currencies, with 7% in euro, as at 31 December 2018.

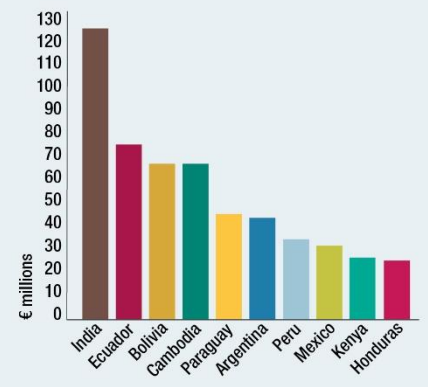
Declining exchange rates of for example the US dollar, or domestic currencies versus the euro may negatively impact the financial results and the reserves and may therefore have a negative impact on the dividend to be paid out on Shares, as well as on the Net Asset Value .

Interest rate risk

Changes in market interest rates will cause fluctuations in the value of the Cooperative's development financing and Term Investment portfolio. This may negatively impact the financial results and

10 countries with highest capital outstanding

As at 31 December 2018



		<p>therefore may have a negative impact on the dividend to be paid out on Shares, as well as on the Net Asset Value of the Shares. Like other investors in development financing the Cooperative faces the current risk of a prolonged period of low market interest rates which may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on Shares, as well as on the Net Asset Value.</p> <p>The main sources of interest rate risk within the Cooperative relate to:</p> <ul style="list-style-type: none"> • the exposure to movements in the European interest rate environment; • the exposure to the United States interest rate environment caused by a duration mismatch between the US dollar hedging and the underlying loan exposure, and • a duration mismatch between local currency hedging and the underlying loan exposure caused by the fact that for some frontier market currencies it is not possible to hedge the duration of the loan portfolio effectively. <p>Non-financial risk</p> <p>Compliance risk</p> <p>Compliance risk is the risk related to the failure to comply with laws/regulations, internal rules/policies, and good business practices. Such failures may lead to regulatory sanctions, financial losses, and reputational damage.</p> <p>Reputational risk</p> <p>As the Cooperative is dependent on its Members for (new) share capital, damage to the Cooperative's reputation could seriously affect future capital inflow or might impel Members to cease their membership and/or to make a redemption request and thus could also affect the ability to finance new activities.</p> <p>Strategic risk</p> <p>Strategic risk can be defined as the risk of losses caused by a failure to respond well to changes in the business environment or implementation of strategy, and can potentially have a major impact on the Cooperative's financial situation and ability to meet its strategic objectives. Strategic choices could lead to fewer opportunities to invest because of (local) competition in social impact investments. This in turn could lead to less income for the Cooperative, through decreased margins, or because fewer investment opportunities are available. This could negatively affect the financial return for the investor in Shares of the Cooperative.</p> <p>Strategic issues that had an impact in 2017 and are expected to have an impact on the organisation for the years to come, are the low interest rate and high liquidity environment globally and accordingly increased competition that requires improved operational efficiency as well as a global increase in regulations that need to be complied with.</p> <p>The Cooperative conducted a review of its strategy in 2017. The implementation started in November 2017. In the first phase of implementation, the Cooperative sharpened its focus on specific countries within Latin America, Africa and Asia. The focus in the second phase is on efforts on core organisational priorities, reducing complexity and increasing efficiency through a review of processes and the operating model. Strengthening the capabilities of the organisation, its people and its systems will be key.</p>
D.3	Key risks specific to the shares	<p>The following are risks specific to the Shares:</p> <p>Dividend risk</p> <p>Dividend can vary and is not certain. The key risks specific to the Cooperative as issuer and its industry may have a negative impact on the amount of dividend to be paid out on the Shares.</p> <p>Shares are in principle issued on a continuous basis and the number of Shares that can be offered is unlimited; distributable income may be diluted in case the additional funds cannot be invested at least at the average yield of the existing portfolio.</p> <p>Risk that redemption of Shares will be below the Nominal Value</p> <p>Shares can be redeemed by the Cooperative. Shares will be redeemed by the Cooperative taking into account the conditions mentioned in article 13 of the Articles of Association, which are as set out below. The Cooperative will also take into account the Member Share Issuance and Redemption policy, which is expected to apply in Q4 2019 (please be referred below).</p>

		<ul style="list-style-type: none"> • Shares shall be redeemed, if a Member has ceased to be a Member of the Cooperative, 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 the Cooperative; • 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 the Cooperative, 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. <p>Risk of delay in redemption</p> <p>The aforementioned article 13 of the Articles of Association states that a request for redemption could be delayed for up to five (5) years and the value of Shares could have reduced in that time waiting for redemption. Members cannot sell their Shares since there is no market for the Shares.</p> <p>In June 2018 the General Meeting approved the proposal of the Managing Board to take out the five-year redemption period of articles 13.1 and 13.2 of the Articles of Association of the Cooperative. This amendment implies that, in principle, any redemption request might be delayed indefinitely by the Cooperative. The approved amendment is included by integration of a transition clause in the Articles of Association through a notarial deed dated 30 July 2018. In summary, the transition clause states that when the conditions as mentioned below are met, the changes to article 13 of the Articles of Association will become effective. Until such time these amendments are put in place, redemption requests can be delayed, but only for a maximum period of five years.</p> <p>In accordance with the transition clause in the Articles of Association of the Cooperative the changes will only become effective if the following conditions are met:</p> <ol style="list-style-type: none"> 1. a Managing Board resolution to this change (which also includes the intended date of execution of the deed referred to under 3)); and 2. approval by the Supervisory Board of the resolution referred to under 1); and 3. the execution of a notarial deed recording the fulfilment of the conditions precedent referred to under 1) and 2). Article 13 will be effective upon execution of the deed. <p>The Managing Board of the Cooperative issues and redeems Shares at its discretion in accordance with the Cooperative's Articles of Association. Currently, the Managing Board is preparing a policy (the Member Share Issuance and Redemption policy) which is to be considered as a further elaboration of the Articles of Association in relation to the issuing and redemption of Shares. The policy was presented to Members as part of a consultation process. The Managing Board will present the policy at the General Meeting of 2019. The policy outlines the circumstances under which redemptions or the issuance of Shares may be stopped/suspended, revoked or resumed by the Managing Board. The Managing Board expects to apply this policy as of Q4 2019.</p>
Section E – Offer		
E.1	<i>Total net proceeds and estimated total expenses of the issuing of shares, including expenses charged to the investor</i>	<p>The total amount of the net proceeds is dependent upon the number of Shares sold to the Members of the Cooperative, numbering 558 Members as at 31 December 2018. 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 of the proceeds of the share issue and how many Shares will be issued. The maximum cost involved in the issuing of Shares is approximately € 6.4 million.</p> <p>Not applicable. No expenses have been/will be charged to the investors of the Cooperative in relation to the offering of Shares.</p>
E.2a	<i>Reasons for offering and use of proceeds, estimated net amount of the proceeds</i>	<p>The reason for the offering is to generate capital. The capital generated by the issuing of Shares is used for funding of activities in the ordinary course of business for the Cooperative. 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	<i>Terms and conditions of the offering</i>	<p>Membership of the Cooperative is open to eligible organisations, as governed by the Articles of Association. The Members and eligible organisations are:</p> <ul style="list-style-type: none"> • Member churches of the World Council of Churches; • Churches that are not members of the World Council of Churches;

		<ul style="list-style-type: none"> • Sub-divisions of churches and councils of churches; • Church-related organisations; • Support Associations; • Partner members who are invited by the Supervisory Board (SB); • Other organisations invited by the SB. Additionally these organisations invited to apply must: <ul style="list-style-type: none"> ○ have a mission and objectives that closely align with the Cooperative’s mission; ○ be democratically organised to reflect the views of their constituency or membership; and ○ invest at least € 50,000 in Shares. <p>Support Associations are established locally within a country or region and can offer individuals and church congregations or parishes an opportunity to invest indirectly in the Cooperative. The OISF is a Member of the Cooperative established to enable non-Member individuals and non-Member organisations to invest indirectly in the Cooperative.</p> <p>Any interested party that meets the membership criteria of the Cooperative may at any time submit an application for membership of the Cooperative 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 the Cooperative. 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, after consultation with the Supervisory Board informs new Members of their acceptance in writing. Shares are issued on the date the amounts for share capital are received by the Cooperative from its Members. Shares are governed by, and shall be construed in accordance with, the laws of the Netherlands.</p>
E.4	<i>Any interest material to the offering (including conflicting interests)</i>	Not applicable. As far as the Cooperative 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	<i>Name of the offering entity Lock-up agreements, parties involved, period</i>	The Cooperative issues and offers the Shares. Not applicable. There are no lock-up agreements.
E.6	<i>Amounts and percentage of dilution resulting from the offer</i>	When Shares are issued to new Members, the shareholdings of existing Members may dilute the financial position of the existing Members as the issuing of Shares to new Members could affect potential future earnings per Share negatively. Also, new Members will receive one vote at the General Meeting. The amount and percentage of the 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	<i>Estimated expenses charged to the investors by the issuer</i>	Not applicable. No expenses have been/will be charged to investors by the Cooperative in relation to the offering of Shares.

4. Risk factors

The definitions as included in section 5 of this Prospectus shall fully apply to this section “Risk factors”, unless the context explicitly provides otherwise. Interested parties are expressly advised to note that participation in the Cooperative involves financial risk.

The following provides a brief overview of the important risk factors involved in the Cooperative’s work. It should be noted that although the Cooperative believes that the risks and uncertainties described below are the Cooperative’s material risks and uncertainties, these may not be the only ones the Cooperative faces. Additional risks and uncertainties not presently known to the Cooperative, or that the Cooperative currently deems immaterial, may also have a material adverse effect on the Cooperative’s business, results of operations or the financial condition and could negatively affect the price of the Shares.

4.1 Key risks specific to the Cooperative as issuer and its industry

The events outlined in the following paragraphs may negatively impact the growth possibilities of the Cooperative as well as the financial results. These events may therefore have a negative impact on the dividend to be paid out on the Shares, and therefore may impact the Net Asset Value of the Shares.

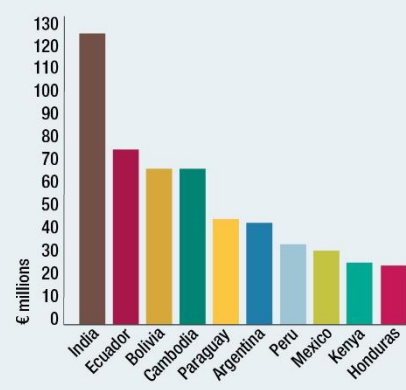
Financial risk

Credit risk

A change in the credit quality of a counterparty to which the Cooperative has granted loans (for example due to: specific counterparty risks, the nature of activities or the sector in which the counterparty conducts its business), can affect the value of the Cooperative’s position. A part of our development financing may also be concentrated in certain sectors. If problems occur within a certain sector (for example, 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.

Credit risk also includes country risk. Country risk arises from country-specific events that have an impact on the exposure in a specific country, such as those of a political or macroeconomic nature from time to time in conjunction with (extreme) inflation or devaluation. All investments in low-income countries involve country risk. The top 10 of countries with the highest capital outstanding as at 31 December 2018 is shown in the graph on the right.

10 countries with highest capital outstanding
As at 31 December 2018



Equity risk

Equity investments have different risk characteristics compared with loans: there is a longer lock-up period of capital and no steady cash flow through instalments and interest payments. There is a risk in equity investment stake-changes influencing the value of the portfolio, specific business and market risks, sector risks, reputational risks and country and currency risks. In general, equity risk is higher than the credit risk of a company because of the junior position of equity, meaning that the value of equity decreases significantly up to total loss in case the risk of default of a Partner increases or a Partner actually defaults. As at 31 December 2018, 16% of the Cooperative’s financing activities were done in the form of equity.

Liquidity risk

Liquidity risk refers to the risk that the Cooperative will encounter difficulty in raising funds and as such is unable to meet its commitments to its Members (for example not being able to redeem all the Shares, when requested), Partners (for example not being able to meet loan or investment commitments) and other counterparties. Non-payment from Partners could also have a negative impact on the liquidity position of the Cooperative. As at 31 December 2018, the Cooperative had a 17.3% liquidity ratio.

Foreign currency risk

Currency risk is defined as the risk that the value of the Cooperative’s currency positions will fluctuate due to changes in foreign currency exchange rates. Significant currency risks exist, as the Cooperative’s available Member capital is predominantly denominated in euro while 45% of the amounts outstanding in development financing were denominated in US dollars and 48% in local currencies, with 7% in euro, as at 31 December 2018.

Declining exchange rates of for example the US dollar, or domestic currencies versus the euro may negatively impact the financial results and the reserves and may therefore have a negative impact on the dividend to be paid out on Shares, as well as on the Net Asset Value.

Interest rate risk

Changes in market interest rates will cause fluctuations in the value of the Cooperative's development financing and Term Investment portfolio. This may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on Shares, as well as on the Net Asset Value of the Shares. Like other investors in development financing the Cooperative faces the current risk of a prolonged period of low market interest rates which may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on Shares, as well as on the Net Asset Value.

Non-financial risk

Compliance risk

Compliance risk is the risk related to the failure to comply with laws/regulations, internal rules/policies, and good business practices. Such failures may lead to regulatory sanctions, financial losses, and reputational damage;

Reputational risk

As the Cooperative is dependent on its Members for (new) share capital, damage to the Cooperative's reputation could seriously affect future capital inflow or might impel Members to cease their membership and/or to make a redemption request which could also affect the ability to finance new activities.

Strategic risk

Strategic risk can be defined as the risk of losses caused by a failure to respond well to changes in the business environment or implementation of strategy, and can potentially have a major impact on the Cooperative's financial situation and ability to meet its strategic objectives. Strategic choices could lead to fewer opportunities to invest because of (local) competition in social impact investments. This in turn could lead to less income for the Cooperative, through decreased margins to stay competitive, or because fewer investment opportunities are available to act on. This could negatively affect the financial return for the investor in Shares of the Cooperative.

Strategic issues that had an impact in 2017 and are expected to have an impact on the organisation for the years to come, are the low interest rate and high liquidity environment globally and accordingly increased competition that requires improved operational efficiency as well as a global increase in regulations that need to be complied with.

The Cooperative conducted a review of its strategy in 2017. The implementation started in November 2017 and continued in 2018. In the first phase of implementation, the Cooperative sharpened its focus on specific countries within Latin America, Africa and Asia and it stopped providing new financing to Partners in Eastern Europe and Central Asia (EECA). The second phase of the implementation has started with reducing complexity and increasing efficiency through a review of its processes and operating model. Strengthening the capabilities of the organisation, its people and its systems will be key.

4.2 Key risks specific to the Shares issued by the Cooperative

The following are risks specific to the Shares:

Dividend risk

Dividend can vary and is not certain. The key risks specific to the Cooperative as issuer and its industry may have a negative impact on the amount of dividend to be paid out on the Shares.

Shares are in principle issued on a continuous basis and the number of Shares that can be offered is unlimited, distributable income may be diluted in case the additional funds cannot be invested at least at the average yield of the existing portfolio. Balancing in- and outflow of the Cooperative's capital is important to avoid unnecessary cash positions with a lower return. High cash positions could negatively impact the amount of dividend per share to be paid out.

Risk that redemption of Shares will be below the Nominal Value

Shares can be redeemed by the Cooperative. Shares will be redeemed by the Cooperative taking into account the conditions mentioned in article 13 of the Articles of Association, which are set out below. The Cooperative will also take into account the Member Share Issuance and Redemption policy, which is expected to apply in Q4 2019 (please see below).

- Shares shall be redeemed, if a Member has ceased to be a Member of the Cooperative, 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 the Cooperative;
- 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 the Cooperative, 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.

Risk of delay in redemption

The aforementioned article 13 of the Articles of Association states that a request for redemption could be delayed for up to five (5) years and the value of Shares could have reduced in that time waiting for redemption. Members cannot sell their Shares since there is no market for the Shares.

In June 2018 the General Meeting of the Cooperative approved the proposal of the Managing Board to take out the five-year redemption period of articles 13.1 and 13.2 of the Articles of Association of the Cooperative. This amendment implies that, in principle, any redemption request might be delayed indefinitely by the Cooperative. The approved amendment is included by integration of a transition clause in the Articles of Association through a notarial deed dated 30 July 2018. In summary, the transition clause states that when the conditions as mentioned below are met, the changes to article 13 of the Articles of Association will become effective. Until such time these amendments are put in place, redemption requests can be delayed, but only for a maximum period of five years.

In accordance with the transition clause in the Articles of Association of the Cooperative the changes will only become effective if the following conditions are met:

1. a Managing Board resolution to this change (which also includes the intended date of execution of the deed referred to under 3); and
2. approval by the Supervisory Board of the resolution referred to under 1); and
3. the execution of a notarial deed recording the fulfilment of the conditions precedent referred to under 1) and 2). Article 13 will be effective upon execution of the deed.

The Managing Board of the Cooperative issues and redeems Shares at its discretion following the Cooperative's Articles of Association. Currently, the Managing Board is preparing a policy (the Member Share Issuance and Redemption policy) which is to be considered as a further elaboration of the Articles of Association in relation to the issuing and redemption of Shares. The policy was presented to Members as part of a consultation process. The Managing Board will present the policy at the General Meeting of 2019. The policy outlines the circumstances under which redemptions or the issuance of Shares may be stopped/suspended, revoked or resumed by the Managing Board. The Managing Board expects to apply this policy as of Q4 2019.

5. Definitions

In this Prospectus and in the general introduction, unless the context otherwise requires, the following terms shall have the following meanings:

“Appendix”	An appendix to this Prospectus which forms an integral part of this Prospectus.
“Approval Date”	The date of approval of the Prospectus by the Authority for the Financial Markets (Autoriteit Financiële Markten) in the Netherlands.
“Articles of Association”	The Cooperative’s articles of association, as incorporated by reference in this Prospectus and can be read at: www.oikocredit.coop/articles-of-association .
“Cooperative”	OIKOCREDIT, Ecumenical Development Cooperative Society U.A., which has its registered office in Amersfoort, the Netherlands.
“Cooperative Group”, or “the Group”	The economic unit in which the Cooperative and other legal entities and commercial partnerships are organisationally connected within the meaning of article 2:24b of the Dutch Civil Code. See section 7.6 for details.
“Financial Institution (FI)”	Financial institutions are organisations or intermediaries such as microfinance Institutions, duly registered non-bank financial institutions, banks, savings and credit cooperatives or other entities duly organised to provide access to credit, savings and other financial services to individuals and micro and small to medium enterprises (SME).
“General Meeting”	The general meeting of members (<i>algemene ledenvergadering</i>) of the Cooperative as mentioned in article 15 of the Articles of Association.
“Managing Board”	The Cooperative’s managing board (<i>bestuur</i>) as mentioned in articles 35-46 of the Articles of Association.
“Managing Director”	The managing director (MD) of the Cooperative as mentioned in article 38 of the Articles of Association.
“Member”	A member (and shareholder) of the Cooperative as mentioned in article 5 of the Articles of Association.
“Micro Finance Institution (MFI)”	Microfinance institution, which provides financial services to low-income people and other disadvantaged people.
“Net Asset Value (per Share)”	The current value of a Share as calculated by the Cooperative. See section 7.9 for details. Note the redemption value can never be higher than the Nominal Value.
“Nominal Value (per Share)”	The value of the Share when issued – in Euro this is € 200. Other currencies are available.
“Oikocredit International Office”	The Cooperative’s head office in the Netherlands, which coordinates and supports the Cooperative’s activities worldwide.
“Oikocredit International Share Foundation (OISF)”	OISF is a Member of the Cooperative established to enable non-Member individuals and non-Member organisations to invest indirectly in the Cooperative. To achieve its purpose, OISF conducts no activities other than acquiring and administering Shares in the interest of the holders (<i>ten titel van beheer</i>), issuing Depository Receipts to holders and activities directly related to the foregoing and therefore functions as an administrative office (<i>administratiekantoor</i>) for the Cooperative.
“Oikocredit International Support Foundation (ISUP)”	Provides mainly capacity building grants to our Partner organisations, by raising donations from the Members, investors and others. Funds made available to ISUP also enable the Cooperative to make local currency investments and work with partners deemed too risky by other investors.

“Oikocredit Nederland Fonds”	An investment fund incorporated by Oikocredit Nederland, having its registered office in Utrecht, the Netherlands.
“Oikocredit Nederland”	The Cooperative’s support association in the Netherlands (<i>Oikocredit Ontwikkelingsvereniging Nederland</i>), having its registered office in Utrecht, the Netherlands.
“Partner Funding”	Partners financed by the Cooperative, referred to in the audited consolidated financial statements of the Cooperative as “outstanding development financing”.
“Partner(s)”	Organisations to which the Cooperative has provided funding and that are engaged in economic activity or engaged in enterprises which provide both a financial and social return mostly in low-income countries.
“Prospectus”	This prospectus of the Cooperative, including any Appendix and any supplements to be made publicly available via the Cooperative’s website www.oikocredit.coop .
“Shares”	Shares in the capital of the Cooperative, as mentioned in the Articles of Association.
“Society”	When referring to the Cooperative, 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>).
“Supervisory Board” or “SB”	The Cooperative’s supervisory board (<i>raad van toezicht</i>) as mentioned in articles 29-33 of the Articles of Association.
“Support Association” or “SA”	Support associations (legal entities independent from the Cooperative), 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 organisations an opportunity to invest indirectly in the Cooperative (in that event the SA being a Member of the Cooperative). Not all the Support Associations directly raise investment for the Cooperative, and they focus on raising general awareness of the Cooperative’s work in developing countries, as well as wider development education.
“Term Investment” or “TI”	The term investment portfolio of the Cooperative 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.

6. Notices to investors

Section 5 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 7.1 of this Prospectus and section 8 on the tax aspects of participation in the Cooperative.

6.1 General

Prospective investors are expressly informed that an investment in Shares entails certain risks and that they should therefore read and carefully review the content of this Prospectus (including the information incorporated by reference). The risks of the Cooperative's operations described in this Prospectus may have a material impact on the Cooperative's future financial performance and on the possible return on Shares. Each prospective investor should consult his or her own bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Shares, to among other things consider the consequences of the purchase, ownership and disposition of the Shares.

6.2 Responsibility statement

This Prospectus is made available by the Cooperative. The Cooperative accepts responsibility for the information contained in this Prospectus. The Cooperative 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 the Cooperative 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 the Cooperative.

Neither this Prospectus, nor any other information supplied in connection with the issue of the Shares, should be considered as a recommendation by the Cooperative 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 the Cooperative. 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 7.1 of this Prospectus). This Prospectus should be read and understood on the basis that such documents are incorporated in and form an 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 the Cooperative's website (www.oikocredit.coop) and at the Cooperative's 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 Cooperative's 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 Approval Date. Investors should review, among other things, the most recent financial statements of the Cooperative 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 an integral part of this Prospectus, are freely available at the Cooperative's office in Amersfoort, the Netherlands.

6.3 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. The Cooperative:

- requires persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions;
- 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;
- reserves the right in its own absolute discretion to reject any offer to purchase Shares that the Cooperative 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 to or for the account of any US person (as defined in the United States Securities Act), 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.

Canada

The Shares may only be offered in those jurisdictions in Canada and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell the Shares. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of the Shares in Canada. No securities commission in Canada has reviewed or in any way passed upon this Prospectus or the merit of the offering and any representations to the contrary is an offense.

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 the Cooperative 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 the Cooperative 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 the Cooperative to publish a prospectus pursuant to article 3 of the Prospectus Directive or any measure implementing the 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 "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. For the sake of completeness, at the moment of publication of this Prospectus, the Prospectus Regulation 2017/1129/EU has not (fully) entered into force yet as a result of which this Prospectus has been published according to the standards of the Prospectus Directive (as defined above).

Passported countries of the EU

Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, 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 3 June 2019 for the purposes of the Prospectus Directive.

The Cooperative 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);
- 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 (and other European countries), 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.

7. Description of the Cooperative (the Issuer)

7.1 Information incorporated by reference

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

- The Cooperative's Articles of Association (by deed executed on 30 July 2018) as at the publication date (in the original Dutch language version as well as in the English translation).
- The Cooperative's audited annual report 2018
- The Cooperative's audited annual report 2017
- The Cooperative's audited annual report 2016

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 the Cooperative in Amersfoort, the Netherlands, as stated in section 9, Addresses. In addition, the Articles of Association (available on www.oikocredit.coop/articles in English and in Dutch) and audited consolidated financial statements of the Cooperative are available at the website www.oikocredit.coop/annual-report.

A checklist of the information incorporated by reference is provided below.

Specific information	Can be found on the pages of the Cooperative audited financial statements as included in the Cooperative Annual Report		
	2018	2017	2016
Information on fixed assets	Pages 43-51	Pages 39-47	Pages 41-47
Information on financial condition	Pages 5-18 and 23-82	Pages 5-18 and 21-78	Pages 5-10 and 29-80
Reasons for changes in net sales or revenues	-	-	-
Information concerning capital resources	Page 25 and pages 52-54	Page 23 and pages 48-50	Page 31 and pages 49-53
Cash flow statement (for description and explanation of cash and currency management, see Annual Reports, pages as listed table below)	Page 27	Page 25	Page 33
Explanation of sources and amounts of cash flows	Page 27	Page 25	Page 33
Borrowing requirements and funding structure	Page 23-65	Page 21-61	Pages 29-64
Amount of remuneration paid and benefits granted	Note 27, page 59 and note 35, page 64-65	Note 27, page 55 and note 35, pages 60-61	Note 26, page 56 and note 34, pages 62-63
Amount set aside or accrued to provide benefits	Page 23-65	Page 21-61	Note 26, page 56
Description of arrangements involving employees in the capital.	Note 35, pages 64-65	Note 35, pages 60-61	Note 34, pages 62-63
Historical financial information	Pages 23-85	Pages 21-81	Pages 29-82
Financial statements	Pages 23-85	Pages 21-81	Pages 29-82
Information on holdings (see Consolidated and Society balance sheet, income statement and cash flow statements)	Pages 24-27 and pages 64-65, pages 28-33, page 47, note 40 on pages 74-75	Pages 22-25 and pages 60-61, pages 26-31, page 43, note 40 on pages 70-71	Pages 30-33 and pages 61-63, pages 34-38, page 44, note 39 on pages 72-73
Related party transactions	Pages 28-29 and note 52 on pages 80-81	Pages 26-27 and note 52 on pages 76-77	Pages 34-35 and note 50 on pages 78-79

Information on audit committee	Supervisory Board report, page 21-22	Supervisory Board report, page 20	Managing Board report, page 10 and Supervisory Board report, pages 11-12 and note 5 on page 39
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Specific information	Can be found on the pages of the Cooperative Annual Report		
	2018	2017	2016
Cash and currency management	27 and 38-39	Pages 25 and 35-36	Pages 9 and 33

Specific information	Articles of Association
Description of conditions governing the manner in which annual meetings and extraordinary meetings of shareholders are called	Articles 15 and onwards (Minutes of the General Meeting) of the Articles of Association
A description of the Cooperative's object and purposes	Article 3 of the Articles of Association

7.2 History and mission of the Cooperative

The Cooperative is an initiative which was inspired, founded and incorporated by the World Council of Churches (www.oikoumene.org) 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 the Cooperative

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

The first Support Association was established in 1976 in the Netherlands. Today, the Support Associations by far attract the largest part of the Share capital through their work. Support Associations raise people's awareness in their regions about the importance of development and socially responsible investments.

Support Associations are independent organisations mainly set up by and composed of individuals in the country of their origin and consist mainly of volunteers. Support Associations raise capital exclusively for the Cooperative. The way in which Support Associations offer the opportunity to invest in the Cooperative differs for each country and depends on, among other things, the local regulatory environment. An example is the establishment of a Support Association in the Netherlands: Oikocredit Support Association Netherlands (*Oikocredit Ontwikkelingsvereniging Nederland*) - www.oikocredit.nl.

In total, as at 31 December 2018 the Cooperative had approximately 57,000 investors (51,000 individuals and 6,000 church parishes, congregations and other organisations) indirectly via the 28 Support Associations and OISF or directly by 558 Members. Together, the Support Associations attracted around 80% of the Cooperative's total share capital as at 31 December 2018. Not all the Support Associations directly raise investment for the Cooperative. However, they all focus on raising general awareness of the Cooperative's work in developing countries, as well as wider development education. See section 7.7 for more information on the activities of the Cooperative.

The Support Associations are located in Europe, Asia and North America in the following countries:

- *Europe:* Austria, Belgium, France, Germany, Italy, the Netherlands, Spain and Switzerland.
- *Asia:* South Korea.
- *North America:* Canada and the USA.

The Cooperative's first loan was granted in 1978 to a Partner in Ecuador and since then the Member capital of the Cooperative has grown to around:

Year	Member Capital (€ million)
1993	€ 50
1998	€ 100
2004	€ 200

2009	€ 400
2011	€ 500
2016	€ 900
2018	€ 1,100

The official name of the Cooperative is “OIKOCREDIT, Ecumenical Development Cooperative Society U.A.”. (before 1999 called: : “Ecumenical Development Cooperative Society U.A. (EDCS)” It is often referred to simply as “Oikocredit” although this is also the name used by the Support Associations, which are different legal entities in their own countries.

The Cooperative is in many respects a unique organisation, as it:

- provides long-term financing via Partners to low-income people who might not be able to get a loan from commercial, mainstream Financial Institutions ;
- has a 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;
- runs its operations with the predominant aim of a fair financial return as well as a social and environmental return for its investors.

The mission and vision

- **Mission** – The Cooperative challenges all to invest responsibly. It provides financial services and supports organisations 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.

Values

- **Sharing** - The Cooperative 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. The Cooperative forms part of that worldwide coalition of solidarity.
- **Grassroots** - Development is most effective when it stems from grassroots. In the cooperative culture of the Cooperative, people's initiative and participation are central to all acts and policies.
- **People** - The Cooperative supports organisations that provide financial opportunities to disadvantaged people irrespective of their faith, culture, age or gender.
- **Integrity** - Respect between people implies honesty and truthfulness. The Cooperative 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. The Cooperative believes that a healthy balance in nature can only be achieved in a world where resources and power are spread evenly.

Objective of the Cooperative

The purpose of the Cooperative is to promote the interest of its Members in the field of international development and to promote economic growth together with social justice and self-reliance, in low-income countries, in a manner consistent with the moral and social principles of the World Council of Churches. The development process shall be promoted through the provision of financial services made in accordance with responsible financial management and through education and guidance with regard to the social performance of Partners.

For further details about the Cooperative’s objectives, please refer to article 3 of the Articles of Association

Strategic ambitions of the Cooperative

- The Cooperative focuses on low-income people in three priority sectors: financial inclusion, agriculture and renewable energy.
- The Cooperative works in markets where need and opportunity are the greatest.
- The Cooperative aims to maximise social impact. At the same time, the Cooperative will safeguard the environment and generate fair financial returns
- The Cooperative leads positive change as a catalyst institution with a global network and local footprint, amplifying impact through both investments and capacity building.

- The Cooperative wants to be the preferred social investor and development partner for our Partner organisations.
- The Cooperative will further grow its global Member and investor community and offer its investors the chance to be part of a global movement for social change.

7.3 Use of proceeds

There is no restriction for purposes of the use of capital. By continuously issuing Shares to its Members, the Cooperative mobilises the capital needed to carry out its mission of development financing through Partner Funding and invests its excess cash partly in its Term Investment portfolio.

7.4 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. The Cooperative is of the opinion that it does not qualify as a collective investment undertaking as defined by 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.

7.5 Strategy of the Cooperative

In response to the challenges of a rapidly and continuously changing environment, the Cooperative has updated its 2016–2020 strategy in order to stay relevant to the people it serves and to ensure that the organisation is performing at the highest level that it can (resulting in an updated strategy 2018-2022). In 2018 the Cooperative implemented the first phase of the updated strategy for 2018-2022. The Cooperative decided to focus on offering loans, equity investments and capacity building in 33 countries across three regions (Africa, Asia, and Latin America and the Caribbean) going forward.

This means that the Cooperative has stopped providing new loans, equity investments and capacity building in 31 countries, mainly in Eastern Europe and Central Asia and a select number of others in Africa where it had limited exposure. When this decision was made, these countries accounted for 14% of the Cooperative's portfolio and 16% of its Partners. These Partners will continue to be supported from the Cooperative's office in Amersfoort until the end of existing commitments.

A small number of Partners, mainly funds and microfinance networks, are domiciled in countries outside of the Cooperative's focus regions but do business and/or channel funds to our growth countries. The Cooperative no longer actively seek investments in funds, but plans to continue working with holding companies (e.g. in renewable energy or microfinance networks). This means the number of non-focus countries could change, depending on where these holding companies are located. The Cooperative currently has Partners in 10 non-focus countries: Australia, the Cayman Islands, France, Germany, Luxembourg, Mauritius, the Netherlands, the United Kingdom, the United States of America and Singapore.

In 2018 the Cooperative updated its regional operating model and as a result reduced the number of local offices across its three regions.

However, close proximity remains an important aspect of how the Cooperative works and distinguishes the Cooperative from its many competitors. In the new structure, the Cooperative will therefore continue to work with regional offices, country offices and one central office, but move to a model with fewer offices organised in three regions (Africa, Asia and Latin America) in order to make the best possible use of its resources, while staying close to partners. In countries where offices are being closed, partners will continue to be served from a Cooperative office in a nearby country.

In the first phase the Cooperative also confirmed its three focus sectors – financial inclusion, agriculture and renewable energy – as the sectors in which the Cooperative sees a clear need for investments that it can address with its funding and experience. The Cooperative will continue to work with Partner organisations which aim to contribute to improving the lives of low-income people and communities. As one of the leading social investors in financial inclusion, the Cooperative will grow its role as a catalyst by bringing together Partners, donors and other actors in order to amplify social impact for people on low incomes.

In the first phase there have also been changes on the inflow side of the Cooperative's work. To ensure capital is raised in the most effective and efficient way, the Cooperative closed National Support Offices in Canada and the United Kingdom & Ireland at the end of 2018. This was a necessary cost efficiency measure, although both offices have done excellent work in attracting investors and raising the Cooperative's profile in these countries over the years despite facing several challenges. Members and investors in these countries will continue to be served from the Cooperative's offices in Amersfoort, the Netherlands.

The second phase will concentrate its efforts on core organisational priorities, reducing complexity and increasing efficiency through a review of its processes and updating the model of the central organisation and strengthening the capabilities of the organisation, its people and its systems. The second phase will be implemented in the second half of 2019.

7.6 General structure of the Cooperative Group of companies

The Cooperative forms the head of a group, as defined in section 2:24b of the Dutch Civil Code (*Burgerlijk Wetboek*). The Group includes the Cooperative itself, including its offices abroad, and its subsidiaries and other entities in which the Cooperative 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.

The Cooperative operates directly in the following countries, through its offices or its subsidiaries or through other entities of the Group, whose offices may or may not have legal status according to the laws of the country concerned: Brazil, Costa Rica, Ecuador, Ghana, Guatemala, India, Ivory Coast, Kenya, Mexico, Nigeria, Paraguay, Peru, the Philippines, and Uruguay.

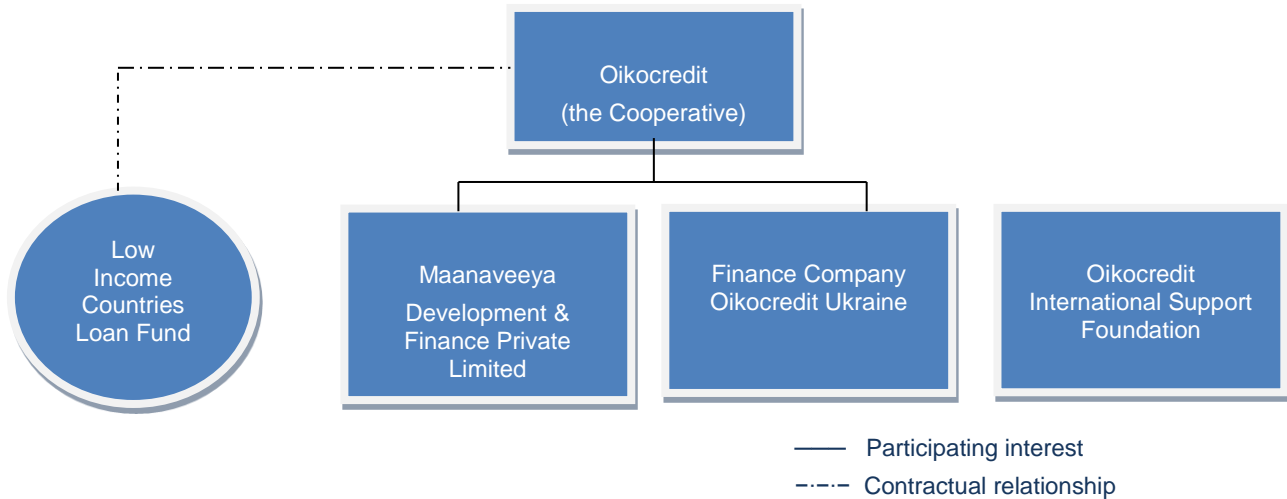
The Cooperative also has offices (called "National Support Offices") in Austria, France and Germany. These offices raise awareness of the Cooperative, build strategic partnerships and liaise with the Support Associations (if applicable).

Material entities

The following entities within the Cooperative 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, India.** A wholly owned subsidiary of the Cooperative in India which conducts its development financing activities in India.
- **Finance Company Oikocredit Ukraine, Ukraine (in liquidation).** A wholly owned subsidiary of the Cooperative in Ukraine which conducts its development financing activities in Ukraine.
- **Oikocredit International Support Foundation, the Netherlands.** The Oikocredit International Support Foundation (ISUP) was established on 10 March 1995, in Amersfoort, as a foundation (*stichting*) under the laws of the Netherlands. The main purpose of ISUP 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, the Netherlands (LIC Loan Fund).** The Cooperative 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. The Cooperative acts as fund manager of the Low Income Countries Loan Fund. In June 2017 the LIC Fund reached the end of its five-year investment period. In November 2017 the terms and conditions of the LIC Loan Fund were amended to allow for the distribution of distributable assets. Since December 2017 and until the end of the life of the LIC Loan Fund on 30 June 2022, distributable assets are distributed to the participants of the LIC Loan Fund in proportion to the capital contributions made by the participants. Participants are the persons that are holders of participations in the LIC Loan Fund admitted as such to the fund by the Cooperative, subject to the unanimous approval of the meeting of participants.

Chart showing material entities in the Cooperative Group



The Cooperative operational structure

The Cooperative operation is structured to manage the primary processes of attracting capital in order to offer Partner Funding of loans and equity investment with the maximum efficiency. The Regional Director (RD) who manages a regional office 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 applications presented for funding. Upon approval by the Credit Committee, the Legal department, together with the RDs, the potential Partner 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. In addition, equity investments are managed by the Equity department, upon advice from the Legal department and decisions are made by the Oikocredit Investment Committee (OIC). Loans or equity investments above € 10,000,000 require Supervisory Board approval.

As the Cooperative is financially dependent on timely interest and loan repayments from its Partners, a great deal of attention is paid to monitoring loans and the performance of its Partners. Detailed procedures are in place, determining which steps are to be taken in the event that payments are delayed. The investments and legal departments of the Cooperative play a crucial role in this process. The Cooperative also has a Special Collections Unit, taking care of Partners with payment arrears and a high level of complexity. Legal proceedings against Partners will be commenced in the event of continuing default in making loan repayments to the Cooperative and in case restructuring efforts have been unsuccessful. If applicable and considered necessary, the Cooperative will take steps to recover a defaulting loan through the sale of the collateral.

The average number of employees who were directly or indirectly employed by the Cooperative in 2018 on the basis of full-time equivalents (FTEs) amounted to 235 (for 2017 it was 290, and for 2016 it was 269).

2018 to 2019 Organisational developments

As mentioned hereinabove, the Cooperative conducted a review of its strategy in 2017. The implementation started in 2018 and continues in 2019.

The updated strategy of the Cooperative directs attention to focus and concentration, reducing complexity and strengthening capacity of the organisation to better position it for effective and efficient delivery of the Cooperative's mission. In line with focus and concentration, focus countries have been identified within three focus sectors. Further work is being done by determining the sub-sectors within each sectoral focus. In line with reducing complexity, a new operating model for outflow has been developed anchored on three regional offices and a reduced number of country offices. Inflow offices in two countries (Canada and the United Kingdom) have been closed. Simultaneously, processes and systems have been subjected to review following the Lean Six Sigma methodology. The Lean Six Sigma process also seeks to develop the foundation for a culture of continuous improvement within the Cooperative.

In 2018 the Cooperative expanded the Managing Board to include Petra Lens, Director of Human Resources, and added a Director of IT & Operations. Irene van Oostwaard, Director of Finance, left the organisation at the end of the year. Director of Risk, Laura Pool, took on interim responsibility for Finance in addition to her role as Director of Risk. Director of Credit Hann Verheijen left the Cooperative following the merger of the Credit and Equity departments. Bart van Eyk, Director of Equity, took on responsibility for both Credit and Equity as Director for Investments. On 1 March 2019 Patrick Stutvoet took up the position of Director of IT and Operations.

7.7 Description of activities: loans and investments (development financing)

Development financing

The Cooperative's goal is to promote sustainable development by providing loans, equity investments and capacity building support to Partner organisations active in financial inclusion, agriculture and renewable energy projects in developing countries. Working closely with its Partners and answering their needs are at the core of the Cooperative's work.

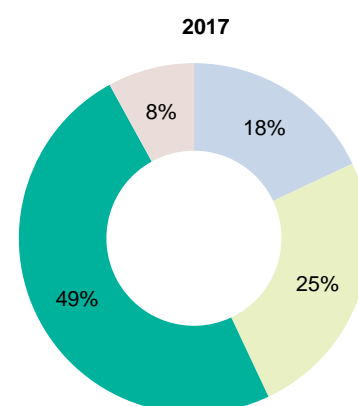
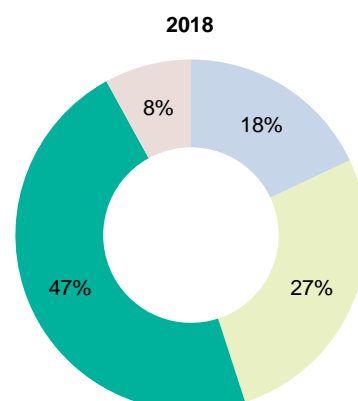
The funding of Partners by the Cooperative mainly takes the form of loans with an average loan repayment period of around four years. Equity funding accounts for the remaining funding. The goal is to have an equity portfolio of approximately 15% of the total development financing portfolio by 2020.

Partner Funding outstanding	31/12/2018	31/12/2017	31/12/2016
Loans	84%	86%	89%
Equity	16%	14%	11%

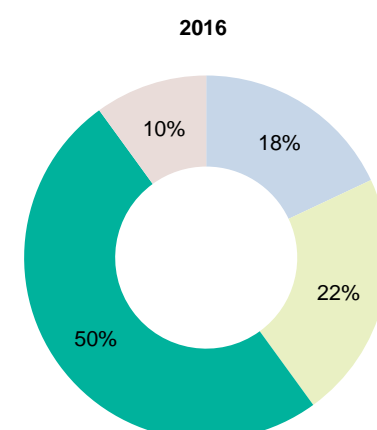
Partner Funding outstanding	31/12/2018	31/12/2017	31/12/2016
USD	45%	42%	42%
EUR	7%	6%	5%
Other currencies	48%	52%	53%

The active Partner portfolio of the Cooperative (consisting of approved and disbursed funding) amounted to 684 Partners in 69 countries for a total of approximately € 1.2 billion at 31 December 2018 (€ 1.2 billion at 31/12/2017 and € 1.3 billion at 31/12/2016), of which approximately € 1.0 billion was outstanding as at 31 December 2018 (€ 982 million at 31/12/2017 and € 1.0 billion at 31/12/2016).

The outstanding development financing per region at 31/12/2018, 31/12/2017 and 31/12/2016 is shown in the following charts.



■ Africa ■ Asia ■ Latin America ■ All other regions



The attached graphs show the principal markets in which the Cooperative operates. The countries where the Cooperative invested the largest percentage of total Partner Funding as at 31 December 2018 were as follows:

Countries invested in (> 4% of total outstanding)	31-12-18	31-12-17	31-12-16
India	12%	10%	9%
Ecuador	7%	6%	6%
Bolivia	7%	7%	8%
Cambodia	7%	6%	5%
Paraguay	4%	5%	6%

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

The loans range from a minimum of € 50,000 to a maximum of € 10 million. Supervisory Board approval is needed for exposures exceeding € 10 million. Equity investments are typically between € 2 million and € 10 million, for a 10% to 35% significant majority stake and usually an entitlement to a board seat. Smaller loans are offered to organisations 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.

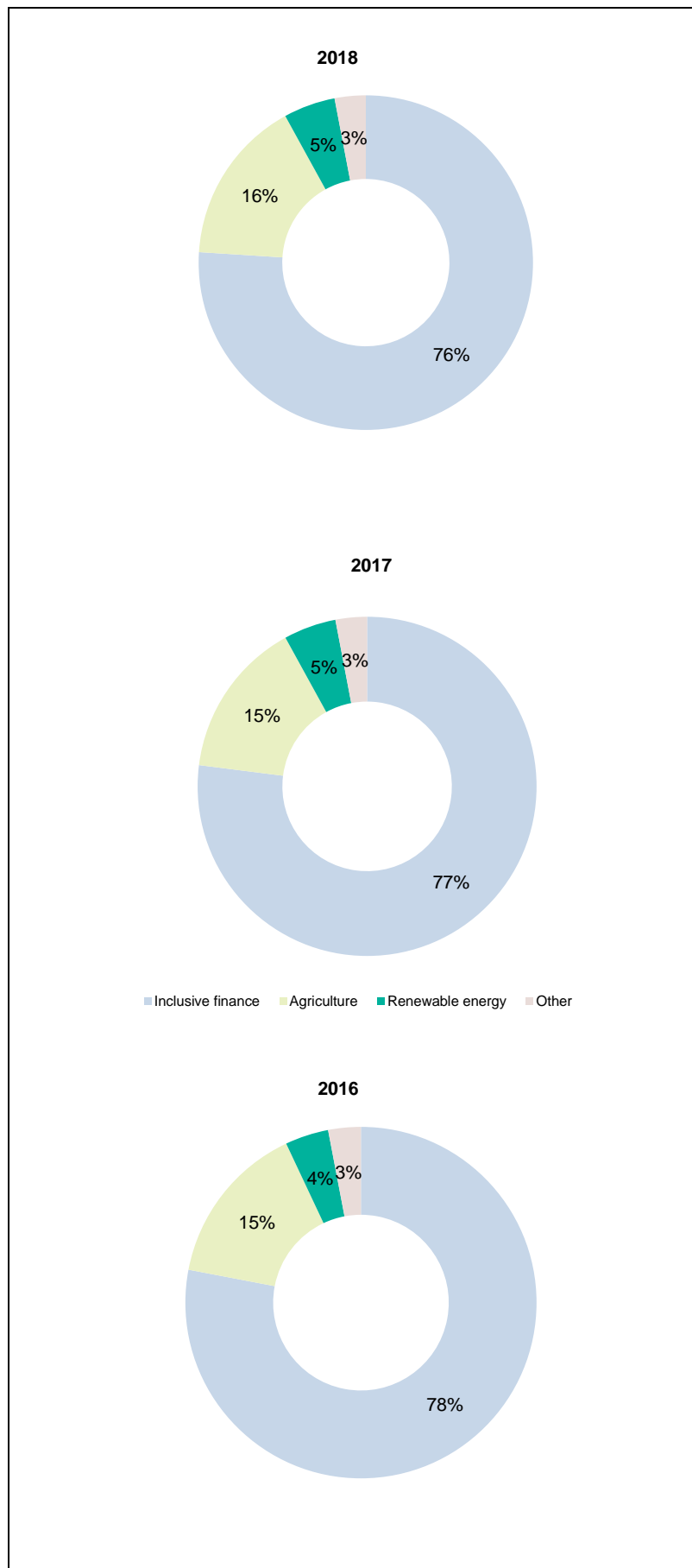
Larger loans within the above-mentioned range are generally offered to Financial Institutions or to networks of such institutions. These institutions are local MFIs and/or banks focusing on Small and Medium Enterprises (SMEs). Relatively larger loans have also been offered to renewable energy infrastructure projects. In specific cases, funds are also made available in the form of guarantees, or through direct or indirect capital participations. Loan agreements and guarantees are drawn up in accordance with the local law of the country where the loan or guarantee is to be made.

The Cooperative's portfolio performance in low-income countries may 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 2018 to 2019

The Cooperative conducted a review of its strategy in 2017. The implementation started in 2018. In the first phase of implementation, the Cooperative sharpened its focus by selecting 33 focus countries within Latin America, Africa and Asia. Focus has also been applied to the sectors that the Cooperative is active in: financial inclusion, agriculture and renewable energy.

The Cooperative continues to promote financial inclusion through partnerships with microfinance institutions and with banks or other intermediaries focusing on small to medium enterprises (SMEs). Going forward, it will deepen engagement by developing additional products and services in close collaboration with these Partners. The Cooperative will explore



how it can support organisations that are active in the areas of payments and insurance. The Cooperative also seeks partnerships with financial intermediaries beyond traditional Financial Institutions such as fintech companies that leverage the latest technologies to increase outreach and efficiently serve micro entrepreneurs and SMEs.

The Cooperative's agriculture portfolio supports small-scale farmers by providing access to finance and capacity building for agricultural cooperatives, producers, processors and distributors. Going forward, the Cooperative has refined its agriculture strategy by focusing on key crops in each region to use its expertise to best support agriculture Partners through financing and capacity building.

In renewable energy, the Cooperative focuses on projects that generate maximum social impact, in particular off-grid solar, selective small and medium sized on-grid infrastructure projects and clean cooking. Re-focusing the portfolio in this way ensures the Cooperative only invests where there are obvious benefits for local communities – such as improved living standards and health.

Competition

FIs, offering financial and other services to low-income people, have historically had difficulties financing their operations. However in recent years, more organisations and funds across the world have been offering financing to FIs, particularly to the larger FIs. This means that these institutions have had opportunities to get access to loans and equity funding from various national and international sources. The Cooperative has therefore faced more competition. However, having the benefit of our longstanding partnerships and networks, local presence and proximity to the market allows the Cooperative to also work with less mature, earlier-stage FIs which are more difficult to serve for competitor organisations. The Cooperative adds value due to its unique blend of social mission, local expertise and profile. The value added by the Cooperative this way is not limited to the financial inclusion sector, but applies equally to the agriculture and renewable energy sectors in which the Cooperative operates. The Cooperative has:

- been lending to low-income people for over 40 years;
- products and conditions that differ to some extent from those offered by other institutions and organisations (for example: loans in local currencies, long-term loans and patient equity investments);
- capacity building and social performance improvement opportunities to offer to Partners via grants and technical assistance programmes;
- regional and country offices with local experts that have knowledge of the local markets and conditions; and
- a strong position in providing financing opportunities to all types of FIs, not only the larger ones, but also to the relatively small and less well-known FIs.

Term Investments (TI)

In order to balance the total risks and for liquidity purposes, the Cooperative has invested a percentage of its financial resources in a Term Investment (TI) portfolio. A minimum of 90% of the TI portfolio must be invested in an ethical bond portfolio and a maximum of 10% can be invested in shares in socially responsible investment funds.

Portfolio performance did not meet the Cooperative's targets in 2018, with overall yields becoming negative. Interest income totalled € 2.5 million in 2018 (€ 2.5 million in 2017) and revaluations amounted to € -3.5 million in 2018 (€ -0.9 million in 2017).

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 portfolio. 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 the Cooperative's own exclusion list.

The Currency Exchange Fund N.V. (TCX)

The Cooperative 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 “Over-the-counter” (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.

The Cooperative was one of the first investors in TCX when TCX was incorporated in 2007. As at 31 December 2018, the Cooperative held 19 shares (nine of which are held on behalf of two other institutions) or 2.1% of the shares in TCX. This represents a value of approximately € 7.1 million. Besides acting as an investor in TCX, the Cooperative also hedges its exposure to local currency with, among others, TCX.

7.8 Risk management

Section 4 of this Prospectus describes the material risks and uncertainties that have been identified by the Cooperative and that are deemed to potentially have a material adverse effect on the Cooperative's business, results of operations or financial condition. This section 7.8 describes if and how the Cooperative manages these risks.

Three lines of defence

Within the Cooperative a "Three Lines of Defence" model is being applied. This model ensures that all staff are aware of their role in managing the risks, as follows.

- In this model the business departments and offices, as the first line of defence, are responsible for executing the daily processes and internal controls and basically manage the risks of their operations on a daily basis.
- The Risk department, as the second line of defence, is responsible for the risk management framework and ensures that the relevant risks are properly identified. The department also monitors whether there are sufficient risk mitigation procedures in place within the first line of defence to manage these risks.
- Internal Audit, as the third line of defence, provides independent and objective assurance on the governance processes, internal controls and risk management framework, including the effectiveness of the internal controls within the first and second line of defence.

Risk organisation

With the growth of the Cooperative, the risk and compliance functions have professionalised, resulting in a more independent and formal second line function. A further step was taken in December 2017 with the appointment by the Supervisory Board of a Director of Risk, being part of the Managing Board. The Director of Risk will help to further mould a high-achieving, well-controlled organisation that can safely reach its impact and growth targets.

The risk governance framework comprises the duties and the responsibilities within the risk management organisation, together with the Risk Committee structure. The Cooperative tests and assesses its internal controls. This is done by the line management (first line of defence), the departments specifically tasked with adequately controlling risks (monitoring and testing by the risk management and compliance function as the second line of defence) and the internal audit function (third line of defence).

The risk governance framework covers the following risk categories:

Financial risks	Non-financial risks	Strategic risks
<ul style="list-style-type: none">• Credit risk• Equity risk• FX risk• Interest rate risk• Liquidity risk	<ul style="list-style-type: none">• Operational risks• Compliance risks• Reputation risk	<ul style="list-style-type: none">• Business model risk• Operating model risk• Regulatory risk

Besides the Credit Committee and Investments Committee, the Managing Board of the Cooperative established the following committees, covering the risk categories within the Cooperative: an Asset and Liability Committee (ALCO), consisting of the Director of Finance and Risk (Chair), the Deputy Director Investor Relations, the Director of Investments, the Financial Risk Manager, the Treasurer and the Financial Risk Analyst. The purpose of this committee is to monitor asset and liability management within the Cooperative, in particular that treasury activities and interest rate risk and Foreign Exchange (FX) risk relating to lending operations are aligned with the Cooperative's risk appetite.

In September 2018 a Non-Financial Risk Committee (NFRC) was established. The committee consists of the Director of Finance and Risk, the Operational Risk and Compliance Manager, the Credit Operations Deputy Director, the Equity Operations Manager, the Social Performance and Capacity Building Deputy Director, the Investor Relations Deputy Director, the Deputy Director IT, the HR Business Partner and the General Counsel.

The purpose of the NFRC is to ensure the efficient and effective management of the operational, compliance, and reputational risks throughout the Cooperative Group, in support of the strategy and in line with the risk appetite and the related governance, risk and control framework.

In September 2018 the Managing Board also established a Portfolio Risk Committee (PRC). This committee consists of the Director of Investments (chair), the Director of Finance and Risk, the Regional Director Asia, the Equity Operations Manager, the Social Performance and Capacity Building Manager and the Financial Risk Manager. The purpose of this committee is to ensure the efficient and effective management of the total risk in the development financing portfolio throughout the Cooperative Group, in support of the strategy and in line with the risk appetite and the related governance, risk and control framework.

In its operating environment and daily activities, the Cooperative encounters risks. Therefore, the Cooperative has an enterprise risk management system to identify the most important risks that may threaten its operations and continuity. The structure of the risk organisation covers all relevant risks for the Cooperative grouped into the risk categories: financial risks, non-financial risks and strategic risks.

Financial risk

The following financial risks have been identified:

- credit risk;
- equity risk;
- liquidity risk;
- foreign currency risk;
- interest rate risk.

Credit risk

Credit risk is defined as the risk that a change in the credit quality of a counterparty (to which the Cooperative has granted loans) will affect the value of the Cooperative's position. Changes in credit quality can, for example, occur due to: specific counterparty risks, the risks relating to the country in which the counterparty conducts its business, and/or the sector risks. Management of credit risk is part of the Cooperative's core business.

Credit risk in development financing portfolio

To mitigate credit risk, all individual loan proposals are assessed by the local management and staff in the developing countries in which the Cooperative works, as well as by analysts in the international office in Amersfoort, the Netherlands. In assessing the financing proposals, predefined criteria should be met. Strengths, weaknesses, opportunities and threats (SWOT) analyses are made and management, financial, legal and social performance analyses take place. Risks are evaluated through an ESG risk score card: scoring the environmental, social and governance (ESG) aspects of the potential Partner. The Cooperative developed the Environmental, Social and Governance (ESG) Scorecard in 2009, taking the values and principles of the Cooperative and the general criteria established for the financing of projects. The scorecard has been reviewed and updated over the years to reflect current thinking on the social performance management standards as defined by the Social Performance Task Force (SPTF) and the guidelines set by the Smart Campaign. The SPTF is a platform of over 400 microfinance institutions, funders, academic and research institutions and rating agencies focusing on microfinance. The task force defined the Universal Standards for Social Performance Management to which the Cooperative's ESG scorecard is aligned. The Smart Campaign is an organisation which sets guidelines to help Micro Finance Institutions to integrate good client protection principles throughout the credit process.

In other fields – for example SME financing and agriculture, the Cooperative has collaborated with other organisations such as the Council for Smallholder Agriculture to develop a similar ESG scorecard. This scorecard reflects the funders' priorities and devotes attention to matters such as outreach of the funding, benefit to end-clients and the promotion of environmental welfare.

Where appropriate, credit enhancement is available in the form of collateral and/or third-party guarantees.

The Cooperative's Credit Committee consisting of the Managing Director, Director of Investments, Director of Finance and Risk, Credit Deputy Director, Credit Operations Deputy Director, Director of Investor Relations and Social Performance, Social Performance and Capacity Building Deputy Director, approve credit proposals. At least three Credit Committee members from different departments are present at the meeting to constitute a valid quorum.

To mitigate the concentration risk, as part of credit risk, the Cooperative has established policies based on its risk assessment system to set limits in exposure related to the:

- Amounts outstanding per country and per region (depending on a risk assessment of the countries where the Cooperative operates).
- Amounts outstanding per Partner - amounts over € 10 million need approval from the Supervisory Board.
- Amounts outstanding to a group of companies. A group is defined as two or more counterparties that are interrelated in such a way that they can be considered a single risk.

The adherence to these limits is monitored on a periodic basis. These are hard limits and cannot be overruled. However, exchange rate fluctuations can cause the limit to be exceeded (without new investments being made – the limits are

designated in EUR). If this is the case, no new investments are made until the capital outstanding has decreased sufficiently to allow for new investments.

Loans overdue - portfolio at risk

As part of managing credit risk, the Cooperative closely monitors the portfolio at risk (PAR) of each individual counterparty that has been financed. The PAR 90 ratio, for loans overdue for more than 90 days, is a key indicator of the credit risk included in the development financing portfolio. As at 31 December 2018 PAR 90 was 4.0% (2017: 4.5%). Loans more than 90 days overdue or rescheduled loans are provisioned, depending on the individual partner's situation or available collateral. A provision for country risks is also established based on the external rating of the country where the Cooperative operates.

Country risk and concentration

Country risk arises from country-specific events that have an impact on the exposure in a specific country, such as those of a political, climate, or macroeconomic nature. All investments involve country risk. To limit the country risk, the Cooperative has developed a set of country limits depending on a risk assessment of the countries. The assessment of country risk is, among other things, based on a benchmark of external rating agencies and other internal and external information. The country risks are mitigated through diversification of the geographical distribution of the portfolio across a large number of countries.

Transfer and conversion risk

Part of the credit risk relates to transfer risk, which is defined as the risk that a local currency cannot be converted into the currency that a debt is denominated in. Transfer risk, also known as conversion risk, may arise due to a currency not being widely traded, or from capital controls that prevent a lender, investor or business from freely moving currency in or out of a country.

Credit risk in Term Investments

The Term Investments in bonds have all been rated 'investment grade' by either Moody's, S&P and/or Fitch, with at least 30% in the AAA range (Aaa-A3) and up to a maximum of 65% in the BBB range. Moreover, it is defined in the investment policy that individual issuers are maximised at 5% of total portfolio for quasi and foreign governments, 2.5% of total portfolio for AAA/AA range, 1.75% of total portfolio for A range and 1.5% of total portfolio for BBB and lower range. The manager of the bond portfolio, AXA Investment Managers Paris, constantly monitors the performance of the bonds and takes appropriate action when necessary. Despite this, a debtor can face sudden downgrades and/or price corrections. Such credit risk must always be taken into account when investing. A maximum of 10% of the total amount available for Term Investments may be invested in shares.

Credit risk counterparty banks

The Cooperative has exposure to credit risk from banks. This exposure consists of the cash balances plus the mark-to-market value of derivative contracts concluded with the bank. The credit risk resulting from derivative contracts relates to contracts to cover the foreign currency risk exposure; these derivative contracts are both forward contracts as well as cross currency swap contracts. Depending on the creditworthiness, assessed with the credit rating of external rating agencies and the credit default swap (CDS) rates, a sort of insurance premium for a possible credit default, the Cooperative has set limits per bank. Counterparties have at least a BBB rating. These ratings and limits are monitored regularly.

Equity risk – development financing

Equity risk can be described as the financial risk involved in holding a particular equity stake. The equity risk includes the risk that the value of that stake will become lower or is lost. Further, the equity risk includes the risk of illiquidity, the case that there is no buyer for the equity stake.

Equity investments have different risk characteristics when compared to loans: there is a longer lock-up period of capital and no steady cashflow through instalments and interest payments. To mitigate equity risk, all individual investment proposals (equity and equity-related products) are assessed by our specialised equity team members in the developing countries in which the Cooperative works, as well as by the Equity department in the central office in Amersfoort, the Netherlands. The assessment involves an extensive due diligence process. In assessing the investment proposals, predefined criteria should be met. Strengths, weaknesses, opportunities and threats (SWOT) analyses are made and management, financial, legal and social performance analyses take place.

The Cooperative's Investment Committee (consisting of the Managing Director, the Director of Finance and Risk, the Director of Investments, the Director of Investor Relations and Social Performance with input from an independent external advisor) decides on all equity investments. Investment proposals are first processed by the Equity department and require initial approval from the equity Investment Committee. At least three Investment Committee members need to be present in the meeting to constitute a valid quorum.

The risk of equity investment stake-changes influencing the value of the portfolio (for example, due to finding a buyer and realising a responsible exit, specific business and market risks, sector risks, reputational risks and country and currency risks) is reduced by the following:

- A specialised global Equity department operates within the Cooperative. This department is responsible for actively managing and monitoring equity investments. While the Cooperative has

been making equity investments for more than 15 years, for approximately eight years this role has been carried out by a dedicated department.

- For all equity investments, the Cooperative aims to be entitled to a board seat. Developments in the total portfolio are analysed and reported as part of the quarterly Financial Risk report.

Liquidity risk

Liquidity risk can be defined as the risk that the Cooperative is unable to meet payment obligations, redemption requests from members, payment commitment to Partners and other counterparties, or drawdown commitments.

The cooperative aims to have liquidity at least 15% of its total assets in cash or term investments. The largest part of the term investments portfolio is liquid; term investments are not subject to legal or contractual restrictions on their resale. As a result, these investments can be easily acquired or disposed of at prices quoted on the various exchanges. This enables the Cooperative to meet its commitments to contracts already entered into and the possible redemptions of member capital. In addition, and to manage liquidity risk, the Cooperative has implemented a liquidity monitoring tool with rolling forecasts, enabling better monitoring and forecasting of the liquidity trends.

Furthermore, the Cooperative is primarily funded by Member capital. The Articles of Association include provisions that Shares shall be redeemed no later than five years after a redemption request has been submitted. 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 the Cooperative, 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. Even though the Cooperative has the right to delay redemptions for five years, to date, it has never delayed redemptions.

In June 2018 the General Meeting approved the proposal of the Managing Board to take out the five-year redemption period of articles 13.1 and 13.2 of the Articles of Association of the Cooperative. This amendment implies that, in principle, any redemption request might be delayed indefinitely by the Cooperative. The approved amendment is included by integration of a transition clause in the Articles of Association through a notarial deed dated 30 July 2018. In summary, the transition clause states that when the conditions as mentioned below are met, the changes to article 13 of the Articles of Association will become effective. Until such time these amendments are put in place, redemption requests can be delayed, but only for a maximum period of five years.

In accordance with the transition clause in the Articles of Association of the Cooperative the changes will only become effective if the following conditions are met:

1. a Managing Board resolution to this change (which also includes the intended date of execution of the deed referred to under 3)); and
2. approval by the Supervisory Board of the resolution referred to under 1); and
3. the execution of a notarial deed recording the fulfilment of the conditions precedent referred to under 1) and 2). Article 13 will be effective upon execution of the deed.

The Managing Board of the Cooperative issues and redeems Shares at its discretion in accordance with the Cooperative's Articles of Association. Currently, the Managing Board is preparing a policy (the Member Share Issuance and Redemption policy) which is to be considered as a further elaboration of the Articles of Association in relation to the issuing and redemption of Shares. The policy was presented to Members as part of a consultation process. The Managing Board will present the policy at the General Meeting of 2019. The policy outlines the circumstances under which redemptions or the issuance of Shares may be stopped/suspended, revoked or resumed by the Managing Board. The Managing Board expects to apply this policy as of Q4 2019.

In addition, the Cooperative 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. The Cooperative may have to pay the market value of the derivative financial instrument in the event a break clause results in termination of the contract. Break clauses only lead to a liquidity risk for the Cooperative when the market value of the financial instrument is negative upon termination date.

Foreign currency risk

Currency risk is defined as the risk that the value of the Cooperative's currency positions will fluctuate due to changes in foreign currency exchange rates. The reporting currency of the Cooperative is the euro. However, a significant part of the Cooperative's outstanding development financing is in US dollars and in domestic currencies. The Cooperative issues US dollar, British pound, Canadian dollar, Swiss franc and Swedish krona denominated Shares which reduces this currency exposure, mostly with respect to the US dollar. A result of issuing Shares and receiving loans in US dollars is a better match between assets and liabilities in the different currencies. Declining exchange rates of e.g. the US dollar, or domestic currencies versus the euro may negatively impact the financial results and the reserves.

It is expected that the Cooperative's US dollar and domestic currency exposure will increase as a result of further growth in the development financing portfolio taking into account that most newly issued member capital tends to be in euro. During 2017, the Cooperative was negatively impacted by the decline of the US dollar from 1.0517 per EUR to 1.2000 per EUR and accordingly several domestic currencies that are highly correlated with the US dollar.

In 2018 the Managing Board adopted a new foreign currency risk management policy. The main part of the policy is the definition of the FX risk appetite. The amount of the foreign currency risk, calculated according to a value-at-risk based currency risk estimation model, cannot be higher than the amount available for the foreign currency risk buffer. This buffer is composed of the available balances of the local currency risk funds via the Oikocredit International Support Foundation, the restricted exchange fluctuation reserve as well as the designated amount for local currency loans in the general reserves.

With a view to maintaining the value of the member capital, any foreign currency risk amount above the available buffer needs to be hedged. Derivatives are used for this purpose.

Interest rate risk

Interest rate risk is defined as the risk that changes in market interest rates will cause fluctuations in the value of the Cooperative's development financing or term investment portfolio.

Interest rate risk in development financing portfolio

The Cooperative has established an interest rate model (suggested margin model) to determine interest rates to be charged on loans to its Partners. These loans use base rates in the currencies in which the Cooperative works (Euribor, Libor, swap rates and similar rates) plus surcharges for credit risks, costs and dividends we expect to pay.

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

The risk of market interest rate changes influencing the market value of the portfolio is reduced, as each year new loans are added to the portfolio with fixed interest rates (usually in hard currency) prevailing at the moment the Cooperative enters into a new loan agreement. The interest rates on loans denominated in the domestic currencies of the countries in which the Cooperative works granted to Partners are usually variable and repriced periodically. Therefore, market interest rate developments influence the value of the Cooperative's loan portfolio stated in domestic currencies in a limited way.

The main focus of the Cooperative in concluding derivatives is currency hedging and not interest rate hedging.

The main sources of interest rate risk within the Cooperative relate to:

- the exposure to movements in the European interest rate environment;
- the exposure to the US interest rate environment caused by a duration mismatch between USD hedging and the underlying loan exposure, and;
- a duration mismatch between local currency hedging and the underlying loan exposure caused by the fact that for some exotic currencies it is not possible to hedge the duration of the loan portfolio effectively.

Interest rate risk in Term Investments

The average effective duration of the Term Investment portfolio is a measure of the sensitivity of the fair value of the fixed-interest securities to changes in market interest rates. The management of the term investment portfolio aims for a duration of its bond portfolio of approximately 4.5 to 5.5 years (a lower or higher duration can be accepted) and does not normally actively manage interest-rate risks related to its bond portfolios. In 2018 the Managing Board decided to reduce the exposure of the Term Investment portfolio to 4 years.

Non-financial risk

The following non-financial risks have been identified:

- operational risk;
- compliance risk;
- reputational risk;
- strategic risk.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems or from external events. The Cooperative's objective is to minimise overall operational losses and avoid material losses, as well as to maintain its reputation vis-à-vis investors and partners as an effective and reliable organisation. To this end, the

Cooperative utilises a cost- benefit approach to putting in place policies, procedures and systems that are capable of mitigating the impact and/or probability of occurrence of the operational risks inherent in its activities.

In 2018, the Cooperative emphasised the streamlining of operations and optimisation of controls in the areas of development financing, treasury, investor relations, information security and business continuity. The Cooperative launched an improved incidents reporting process to enable the timely capturing of potential losses and near misses occurring in the course of day-to-day operations. The purpose of this process is to derive lessons learned for avoiding incidents in the future while in the meantime enable the absorption of potential losses through appropriate capital planning. No incidents with a material impact on the Cooperative's financial condition took place in 2018.

Compliance risk

Compliance risk is the risk related to the failure to comply with laws/regulations, internal rules/policies, and good business practices. Such failures may lead to regulatory sanctions, financial losses, and reputational damage; hence the Cooperative has a very low tolerance for them. Therefore, internal policies, procedures, and staff training are in place to ensure that a culture of compliance is embedded in all business operations.

In 2018 the Cooperative carried out an organisation-wide review of its operations in order to comply with the General Data Protection Regulation. In addition, the Cooperative continued optimising processes to ensure continued compliance with know-your-customer obligations and capital-raising regulations. In 2018 no significant incidents occurred.

Reputational risk

Reputational risk is the risk that the Cooperative's market position deteriorates due to a negative perception by investors, Partners, counterparties, regulatory authorities, or society as a whole. Typically, reputational risk arises from the failure to manage compliance or operational risk. Therefore, the Cooperative safeguards its reputation by focusing on a robust management of compliance and operational risk. Furthermore, the Cooperative's exposure to reputational risk is reduced when staff act consciously in line with the organisation's mission, vision, and values, and by extension, with the expectations of investors. To this end, in its recruitment process, the Cooperative seeks to ensure staff commitment to its mission, vision, and values. Moreover, the Cooperative's Investor Relations department organises frequent interaction between staff, Members (including Support Associations) and investors in order to promote transparency and increase understanding of expectations.

Strategic risk

Strategic risk can be defined as the risk of losses caused by a failure to respond well to changes in the business environment or implementation of strategy, and can potentially have a major impact on the Cooperative's financial situation and ability to meet its strategic objectives. In 2017 with the help of external consultants, a full re-assessment of the strategy and business model (products, markets) was performed.

Strategic issues that had an impact in 2017 and were and still are expected to have an impact on the organisation for the years to come, are the low interest rate environment globally and accordingly a need for improved operational efficiency as well as a global increase in regulations that need to be complied with.

7.9 Participation in the Cooperative

Membership of the Cooperative is open to eligible organisations, as governed by the Articles of Association. The Members and eligible organisations are:

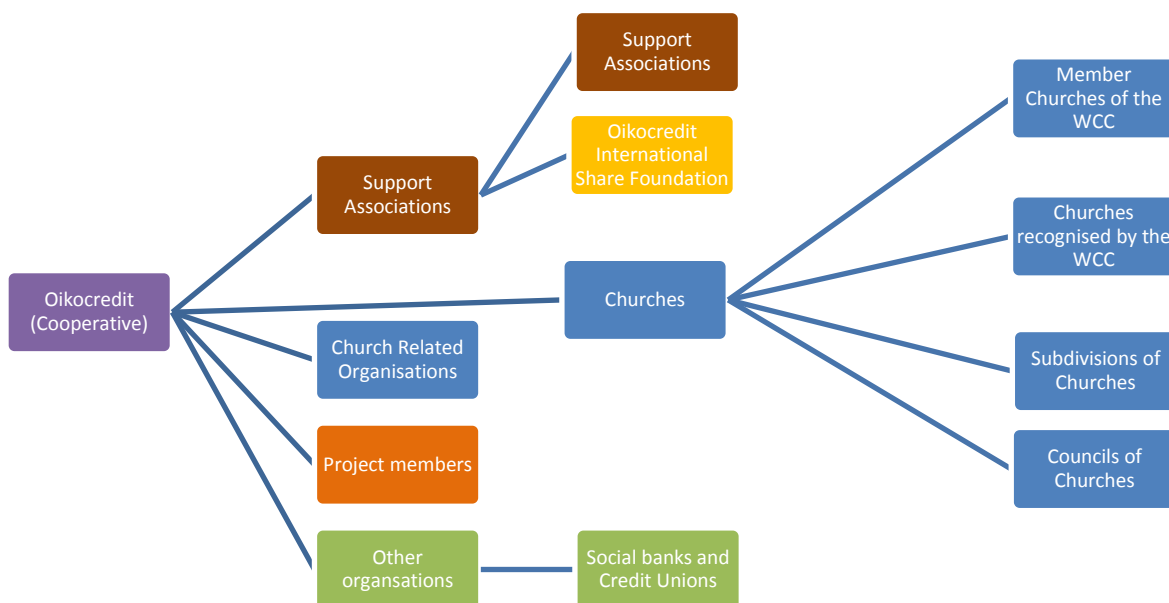
- Member churches of the World Council of Churches;
- Churches that are not members of the World Council of Churches;
- Sub-division of churches and councils of churches;
- Church-related organisations;
- Support Associations;
- Partner members who are invited by the Supervisory Board (SB);
- Other organisations invited by the SB. Additionally these organisations invited to apply must:
 - have a mission and objectives that closely align with the Cooperative's mission;
 - be democratically organised to reflect the views of their constituency or membership; and
 - invest at least € 50,000 in Shares.

Support Associations are established locally within a country or region and can offer individuals and church congregations or parishes an opportunity to invest indirectly in the Cooperative. The Oikocredit International Share Foundation (OISF) was established to enable non-Member individuals and non-Member organisations to invest indirectly in the Cooperative. To achieve its purpose, OISF conducts no activities other than acquiring and administering Shares in the interest of the holders (*ten titel van beheer*), issuing depository receipts to holders and activities directly related to the foregoing and therefore functions as an administrative office (*administratiekantoor*) for the Cooperative.

Support Associations are established locally within a country or a region and can offer individuals, institutions, and church congregations or parishes an opportunity to invest indirectly in the Cooperative.

A full list of the Members is available at: www.oikocredit.coop/invest/membership-of-the-cooperative. For further details of the categories of Membership and rights of Members, please see the Articles of Association which detail the specific categories of membership. These categories are outlined in the chart on the following page.

Chart outlining membership categories in the Cooperative



Applying for Membership

Eligible organisations who wish to become a Member of the Cooperative and would like to invest in the Cooperative can contact the Oikocredit International Office in Amersfoort, the Netherlands, telephone +31 334 224 040, or through the contact options available on the website www.oikocredit.coop and from the addresses shown in section 9.

An application for membership of the Cooperative may be submitted to the Managing Board at any time. A 'know your customer procedure' (KYC) is part of the application process for a membership. Upon invitation or admittance by the Supervisory Board – provided that the KYC is completed without negative results - Shares can be acquired accordingly by sending the applicable investment amount to the bank account as mentioned on the membership and Share application form. 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 the Cooperative. After receipt of the amount the Cooperative 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 are used for issuing new share capital to the Member. Therefore, and as fractions of Shares may be purchased, no refunds take place unless a Member requests for redemption of their Shares, or part of their 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 the Cooperative from its Members.

The Shares are in principle continuously offered to Members. There is no maximum amount of Shares that can be issued and also no annual maximum. There is no realistic estimation of the proceeds of the share issue and how many Shares will be issued. New Shares issued can be derived from the annual audited consolidated financial statements of the Cooperative, and in general are not publicly announced separately.

When Shares are issued to new Members, the shareholdings of existing Members may dilute the financial position of the existing Members, because it could affect potential future earnings per Share negatively. Also, new Members will receive one vote at the General Meeting. The amount and percentage of the 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 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 the Cooperative.

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 Managing Board of the Cooperative issues and redeems Shares at its discretion in accordance with the Cooperative's Articles of Association. Currently, the Managing Board is preparing a policy (the Member Share Issuance and Redemption policy) which is to be considered as a further elaboration of the Articles of Association in relation to the issuing and redemption of Shares.

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 decision of the Managing Board. Consequently, the budget, which takes into account, among other things, the Cooperative's financing plans, is approved by the Managing Board, and

Supervisory Board on a yearly basis. As at 31 May 2019, all 5,479,380 Shares have been issued and have been paid in full. The Cooperative has not issued Shares that have not been paid in full.

The Cooperative calculates the Net Asset Value per Share as:

$$\text{Net Asset Value per Share} = \frac{\text{Total Net Asset Value}}{\text{Number of Shares issued}}$$

At the date of this Prospectus the total Net Asset Value of the Cooperative was calculated according to the audited consolidated financial statements of the Cooperative as at 31 December 2018 (as mentioned on page 69 of these statements) and amounts to € 1.2 billion divided by the number of Shares issued. As at 31 December 2018, the Net Asset Value per Share amounts to € 214.84. Changes in the offering price (if any) will be disclosed in an amendment to this Prospectus.

Share Register

Dividend and other shareholders' rights date from the moment the Shares are issued. The Shares are in book entry form, meaning that the Cooperative 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. The Cooperative 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.

Members may freely transfer their Shares to other Members upon written notice to the Cooperative (article 14 of the Articles of Association). As the Articles of Association determine that only Members may hold Shares (based on articles 5 and 9 of the Articles of Association), it is not possible for Members to transfer the Shares to non-Members.

Redemption of Shares

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

- Shares shall be redeemed, if a Member has ceased to be a Member of the Cooperative, 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 the Cooperative;
- 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 the Cooperative, 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.

Possible amendment to article 13 regarding the redemption of Shares

In June 2018 the General Meeting approved the proposal of the Managing Board to take out the five-year redemption period of articles 13.1 and 13.2 of the Articles of Association of the Cooperative. This amendment implies that, in principle, any redemption request might be delayed indefinitely by the Cooperative. The approved amendment is included by integration of a transition clause in the Articles of Association through a notarial deed dated 30 July 2018. In summary, the transition clause states that when the conditions as mentioned below are met, the changes to article 13 of the Articles of Association will become effective. Until such time these amendments are put in place, redemption requests can be delayed, but only for a maximum period of five years.

In accordance with the transition clause in the Articles of Association of the Cooperative the changes will only become effective if the following conditions are met:

1. a Managing Board resolution to this change (which also includes the intended date of execution of the deed referred to under 3); and
2. approval by the Supervisory Board of the resolution referred to under 1); and
3. the execution of a notarial deed recording the fulfilment of the conditions precedent referred to under 1) and 2). Article 13 will be effective upon execution of the deed.

The Managing Board of the Cooperative issues and redeems Shares at its discretion in accordance with the Cooperative's Articles of Association. Currently, the Managing Board is preparing a policy (the Member Share Issuance and Redemption policy) which is to be considered as a further elaboration of the Articles of Association in relation to the

issuing and redemption of Shares. The policy was presented to Members as part of a consultation process.. The Managing Board will present the policy at the General Meeting of 2019. The policy outlines the circumstances under which redemptions or the issuance of Shares may be stopped/suspended, revoked or resumed by the Managing Board. The Managing Board expects to apply this policy as of Q4 2019.

There is no obligation under Dutch Law or under the Articles of Association that Members need to disclose their interest in the Cooperative. As stated elsewhere in this Prospectus, Members have one vote per member at a General Meeting irrespective of the size of the shareholding.

7.10 Legal structure

The Cooperative is a cooperative society with excluded liability ("*coöperatie met uitsluiting van aansprakelijkheid*") incorporated and operating under Dutch law. The two-tier (dual board) regime (*structuurregime*) under Dutch law will apply as from August 2019. The Cooperative has its statutory office in Amersfoort, the Netherlands and its head office at Berkenweg 7, 3818 LA in Amersfoort, the Netherlands, and 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 the Cooperative as its Shares are not listed on a government recognised stock exchange. Nevertheless, to the extent relevant, the Cooperative has integrated best practices from the Dutch Corporate Governance Code into its Articles of Association and rules for both its Supervisory Board and Managing Board. The NCR, the Dutch Council for Cooperatives, Governance Code is applied voluntarily by Dutch cooperatives, see website www.cooperatie.nl/english-summary.

For a formal description of the objectives of the Cooperative, please refer 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). Cessation of membership to the Cooperative is conducted by written notice of the Managing Board, after consultation of the Supervisory Board. Members have the right to appeal to the General Meeting. Liability of Members is limited to the obligations imposed upon them by the Articles of Association. Liability of the Members for debts to the Cooperative is expressly excluded.

7.11 Financial position

In 2018 the Cooperative's income after taxation showed a marked improvement on the previous year, with a significantly reduced loss in 2018 of € 1.3 million, contrasted with a loss of € 20.0 million in 2017, albeit still a modest net result. Local currency losses decreased substantially, and only € 2.8 million was drawn from the local currency risk fund, compared with € 38.6 million in 2017. Income after releases from funds was positive at € 1.3 million (2017: € 18.4 million), including the drawdown from the local currency risk fund. Total operating income rose from € 27.9 million to € 52.7 million. There were no large unforeseen gains or losses. Under the Cooperative's new hedging policy, hedging costs more than doubled to € 27.3 million (2017: € 11.5 million), but this expenditure significantly reduced exchange rate risks. The cost are largely priced in when loans in local currencies are provided.

Additions to loss provisions increased from € 7.4 million to € 11.5 million, and impairments from € 0.2 million (release) to € 3.5 million (addition), partly in line with overall portfolio growth but also to address increased risk in the credit portfolio in Latin America.

Increased cost awareness and tight cost control have kept operational expenditures below 2017 levels. Despite investing in the organisation's future fitness through implementation of the updated strategy, operating costs decreased by 1.3% to € 37.1 million. Excluding one-off costs related to implementation of the updated strategy, operational expenditure decreased by 3.7% to € 34.6 million. General and administrative expenses fell both in absolute terms and in relation to total assets (-2.9 %) and portfolio size (-3.5%).

The following financial information (the complete section 7.11) is, unless stated otherwise, extracted from the audited annual accounts of the Cooperative over 2018, 2017 and 2016. The financial information must be read together with the presented annual accounts. The audited annual accounts over 2018, 2017 and 2016, including the relevant auditor's opinion, are incorporated by reference in this Prospectus (please refer to the table in section 7.1 of this Prospectus for a reference to the information in the audited annual accounts). The audited consolidated financial statements of the Cooperative comply with the Generally Accepted Accounting Principles (Dutch GAAP) in the Netherlands.

CONSOLIDATED BALANCE SHEET	31-12-18	31-12-17	31-12-16
(before appropriation of net income)	EUR ,000	EUR ,000	EUR ,000
NON-CURRENT ASSETS			
Intangible fixed assets	458	1,132	1,024
Tangible fixed assets	4,886	2,247	1,328
Financial assets			

Development financing:			
Outstanding partner financing	1,046,583	981,664	1,047,226
Less: - loss provision and impairments	(75,989)	(69,329)	(77,513)
	970,594	912,335	969,713
Term investments	149,015	149,851	112,807
Other financial assets	4,939	3,220	998
	1,124,548	1,065,406	1,083,518
Total non-current assets	1,129,892	1,068,785	1,085,870
CURRENT ASSETS			
Receivables and other current assets	53,724	31,936	27,958
Cash and banks	109,327	119,324	95,447
Total	163,051	151,260	123,405
TOTAL	1,292,943	1,220,045	1,209,275
GROUP EQUITY AND FUNDS			
Member capital	1,082,492	1,012,421	912,968
General and other reserves and funds	96,087	91,680	122,208
Undistributed net income for the year	1,270	18,439	29,003
	1,179,849	1,122,540	1,064,179
Third-party interests	1,664	2,703	4,959
Total group equity and funds	1,181,513	1,125,243	1,069,138
PROVISIONS	1,801	1,582	-
LIABILITIES			
Non-current liabilities	56,808	56,934	39,877
Current liabilities	52,821	36,286	100,260
	109,629	93,220	140,137
TOTAL	1,292,943	1,220,045	1,209,275

¹ As from 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. 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.

CONSOLIDATED INCOME STATEMENT	2018	2017	2016
	EUR ,000	EUR ,000	EUR ,000
INCOME			
Interest and similar income			
Interest on development financing portfolio	83,010	80,726	77,216
Interest on term investments	2,506	2,548	3,466
Revaluation of term investments	(3,468)	(858)	(1,088)
Total interest and similar income	82,048	82,416	79,594

Interest and similar expenses			
Interest expenses	(2,492)	(2,068)	(1,544)
Total interest and similar expenses	(2,492)	(2,068)	(1,544)
Income from equity investments			
Result from sale of equity investments	(513)	4,395	19,245
Dividends	2,165	2,465	1,946
Total income from equity investments	1,652	6,860	21,191
Grant income	1,068	894	796
Other income and expenses			
Exchange rate differences	(2,353)	(48,699)	10,227
Hedge premiums	(27,291)	(11,489)	(5,456)
Other	37	19	54
Total other income and expenses	(29,607)	(60,169)	4,825
TOTAL OPERATING INCOME	52,669	27,933	104,862
GENERAL AND ADMINISTRATIVE EXPENSES			
Personnel	(23,687)	(23,083)	(20,380)
Travel	(1,008)	(1,116)	(1,286)
General and other expenses	(12,386)	(13,359)	(12,299)
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(37,081)	(37,558)	(33,965)
ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS			
Additions to loss provisions	(11,542)	(7,354)	(18,250)
Impairments on equity investments	(3,483)	237	(8,697)
TOTAL ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS	(15,025)	(7,117)	(26,947)
INCOME BEFORE TAXATION	563	(16,742)	43,950
Taxes	(1,856)	(3,238)	(1,865)
INCOME AFTER TAXATION	(1,293)	(19,980)	42,085
Third-party interests	(96)	(136)	(279)
Additions to and releases from funds	2,659	38,555	(12,803)
INCOME FOR THE YEAR AFTER ADDITION TO FUNDS	1,270	18,439	29,003
CONSOLIDATED CASH FLOW STATEMENTS	2018	2017	2016
	EUR ,000	EUR ,000	EUR ,000
Income before taxation	563	(16,742)	43,950

Adjusted for non-cash items			
Value adjustments loans, equity and receivables	18,938	(2,191)	24,159
Unrealised revaluation term investments	3,468	727	1,088
Depreciation tangible fixed assets	1,303	1,091	581
Taxes	(2,410)	(3,249)	(1,774)
Exchange adjustments	(9,611)	61,656	(30,125)
Changes in:			
Development financing (disbursements and repayments)	(70,728)	(41,453)	(128,788)
Other financial assets	87	287	(8)
Receivables and other current assets	(21,854)	3,589	(2,816)
Provisions	219	1,582	0
Current liabilities	16,716	(48,177)	38,289
Cash flow from operating activities	(63,309)	(42,875)	(55,444)
Term investments	(2,621)	(37,826)	6,187
Intangible fixed assets	(12)	(325)	(91)
Tangible fixed assets	(3,256)	(1,349)	(1,037)
Cash flow from investing activities	(5,889)	(39,500)	5,059
Member capital (issue and redemptions)	70,071	99,453	106,691
Dividend paid on member capital	(9,609)	(16,706)	(15,005)
Loans and notes	(126)	21,113	11,932
Third-party interests	(1,135)	2,392	0
Cash flow from financing activities	59,201	106,252	103,618
CHANGES IN CASH AND BANKS	(9,997)	23,877	53,233

	2018	2017	2016
Movements in members' equity and reserves Society	EUR ,000	EUR ,000	EUR ,000
Balance as at 31 December previous year	1,105,461	1,008,545	887,491
New members' capital issued (net)	70,071	99,453	106,691
Exchange rate differences	(1,767)	(4,275)	365
Dividends to members	(9,608)	(17,145)	(15,005)
Adjustments prior years	-	444	-
Undistributed net income for the year	1,270	18,439	29,003
Balance as at 31 December	1,165,427	1,105,461	1,008,545

	2018	2017	2016
Reconciliation between members' equity and reserves Society and consolidated equity and funds	EUR ,000	EUR ,000	EUR ,000
Members' equity and reserves according to Society Financial Statements	1,165,427	1,105,461	1,008,545
Reclassification of members' capital to non-current liabilities	-	-	-

Reserves and funds Oikocredit International Support Foundation	14,422	17,079	55,634
Revaluation result hedges share capital	-	-	-
Third-party interests	1,664	2,703	4,959
Group equity and funds according to consolidated financial statements	1,181,513	1,125,243	1,069,138

The most important long-term capital resource of the Cooperative is its Members' capital (88% of total long-term capital resources by the end of 2018). The remaining funding is obtained from long-term loans as well as the reserves of the Cooperative (not including undistributed net income). For the near future, the Cooperative expects that it will be able to obtain its funding mainly in line with the previous years. The Cooperative does not foresee significant changes in the amounts and sources of funding compared to previous years.

More detailed information about the Cooperative'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 23 to 65 of the audited annual account 2018 (pages 24-27 contain the balance sheet, income statement and cash flow statement, whereas pages 24-27 contain explanatory notes). A reference to this information and the audited consolidated financial statements 2018 and 2017 is available in the table in section 7.1 of this Prospectus.

The information on material changes in revenues is available in the Cooperative's consolidated financial statements. In the Managing Board report as included in the Cooperative's financial statements for 2018, 2017 and 2016, 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 2018 under the heading 'Income Statement 2018'. The same applies to pages 7-8 of the consolidated financial statements 2017 under the heading 'Income Statement 2017', and page 8-9 of the consolidated financial statements 2016 under the heading 'Income Statement 2016'.

Additional information on cash position

The Cooperative's cash position up to 31 May 2019 has decreased with € 3.8 million to € 105.5 million when compared to 31 December 2018. This information was updated on 31 May 2019 and is unaudited and extracted from the accounting records of the Cooperative.

Lease of fixed assets

The Cooperative has extended its rental agreement for a duration of seven years, effective from 1 July 2017, for its head office in Amersfoort (total 2,141 m²). The total rent payments amount to € 267,625 per year and are indexed.

Working capital statement

The Cooperative Group has made an analysis of its working capital. Based on this analysis, the Cooperative Group is of the opinion that there is sufficient working capital for the Cooperative 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 2018.

Legal and arbitration proceedings

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

Members' capital

The issued and paid-up capital of the Cooperative as at 31 December 2018 consisted of 4,936,097 Shares with a Nominal Value of EUR 200 each, 63,578 Shares with a Nominal Value of CAD 200 each, 209,907 Shares with a Nominal Value of CHF 250 each, 49,922 Shares with a Nominal Value of SEK 2,000 each and 88,846 Shares with a Nominal Value of USD 200 each.

Movement schedule of the issued share capital in EUR'000:	2018	2017	2016
Balance of January 1	1,012,421	912,968	806,277
New shares issued and redeemed during the year (net)	70,071	99,453	106,691
Balance as of December 31	1,082,492	1,012,421	912,968
Of which:			
- euro Shares	987,219	927,875	837,248
- Shares in other currencies	95,273	84,546	75,720

Reconciliation of numbers of shares	EUR	USD	SEK	GBP	CAD	CHF
as at 31/12/2018						
Shares issued and paid as at 01/01/2018	4,639,375	89,930	49,602	65,685	54,815	173,568
Shares issued and redeemed during the year	296,721	(1,084)	320	10,700	8,763	36,339
Shares issued and paid as at 31/12/2018	4,936,097	88,846	49,922	76,386	63,578	209,907

Statement of capitalisation and indebtedness as at 31 March 2019

The information provided in the capitalisation and indebtedness statements below was updated on 31 March 2019 and is unaudited and extracted from the accounting records of the Cooperative. The information below should be read together with the Society's and consolidated financial statements as at 31 December 2018, 31 December 2017 and 31 December 2016.

Capitalisation as at 31 March 2019 (all amounts in EUR ,000)	Society	Consolidated
Current debt		
Guaranteed	-	-
Secured ¹	-	7,058
Unguaranteed/unsecured	72,919	54,237
Total current debt	72,919	61,295
Non-current debt		
Guaranteed	-	-
Secured ¹	24,824	1,106
Unguaranteed/unsecured	41,862	69,125
Total non-current debt	66,686	70,231
Member capital and reserves		
Member capital	1,088,192	
Legal reserves ²	(9,794)	
Other reserves ³	90,530	
Total equity and reserves	1,168,928	
Group equity and funds		
Member capital		1,088,192
Legal reserves		(9,794)
Other reserves ³		104,843
Total Group equity and funds		1,183,241

¹ Loans granted in Indian rupees by financial institutions to Oikocredit's subsidiary in India (Maanaveeya Development & Finance Private Limited) amounting to € 7.1 million current and €3.5 million non-current. Apart from a loan equivalent to euro 2.4 million, securities are in place for all loans with Financial Institutions. Either Oikocredit has issued corporate guarantees to these Financial Institutions or a cash deposit was made or Maanaveeya holds a Standby Letter of Credit or the loan is secured by way of charge on books debts.

² Changes in this reserve are a result of the exchange rate differences on investments in the Cooperative's subsidiaries in India and Ukraine.

³ An amount of € 1.1 million is reserved for capacity building projects and another € 1.1 million is reserved for subsidised activities and model costs.

Indebtedness as at 31 March 2018 (all amounts in EUR ,000)	Consolidated
Liquidity	
A. Cash	104,926
B. Cash equivalent	-
C. Trading securities	-
D. Liquidity (A+B+C)	104,926
E. Current financial receivable	29,242
Current financial debt	
F. Current bank debt	-
G. Current portion of non-current debt	17,890
H. Other current financial debt	-
I. Current financial debt (F+G+H)	17,890
J. Net current financial indebtedness (I-E-D)	(116,278)
Non-current financial debt	
K. Non-current bank loans	67,364
L. Bonds issued	-
M. Other non-current financial debt	-
N. Non-current financial indebtedness (K+L+M)	67,364
O. Net financial indebtedness (J+N)	(48,914)

Other commitments not included in the balance sheet as at 31 March 2019

The rental agreement for seven years, effective from 1 July 2017, with an annual rental amount of € 267,625 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 2019 amounted to € 208.8 million.

Investments

The estimated figures for 2019 (principal investments and geographical distribution of the investments) are unaudited and extracted from the budget 2018 of the Cooperative.

Principal investments (in EUR 1,000)	2019	2018	2017	2016
	Estimate			
	EUR ,000	EUR ,000	EUR ,000	EUR ,000
Invested (disbursed) development financing during the year ¹⁾ :	430,925	444,458	380,212	438,653
Term investments in bonds and shares:	0	2,621	37,956	(6,187)
Total (expected) investments	430,925	447,079	418,168	432,466
The investments were- or are expected to be-, financed as follows:				
- Cash from own operations	351,789	378,143	297,602	313,843
- By issuing shares to members	80,000	70,071	99,453	106,691
- Term loans	(864)	(1,135)	21,113	11,932
Total (expected) financing	430,925	447,079	418,168	432,466

¹ For 2019, the expected new commitments for new financing to our Partners amount to € 352 million (commitments in 2018 amounted to € 352 million; 2017 to € 375 million). In 2019, € 431 million is expected to be disbursed while € 444 million was disbursed in 2018 and € 380 million in 2017 to our Partners. As from 1 January 2019 until 1 June 2019 the principal investments amounted to € 123 million and consisted of local currency loans as well as hard currency loans and investments in equity. This information was updated on 31 May 2019 and is unaudited and extracted from the accounting records of the Cooperative.

The Cooperative currently has credit lines with banks that might be utilised (see for information page 48 of the 2017 financial statements). The Cooperative does not expect any material borrowings from other parties. Please refer to the table in the 'Principal investments' section above, which states how the Cooperative will finance its expected investments for 2018.

For more information on the geographical distribution of Partner Funding in 2018, 2017 and 2016, please refer to section 7.7 of this Prospectus.

The expected reinvestments of matured or sold bonds in 2019 will mainly be in bonds issued in euro.

7.12 Governance structure

General Meeting of Members

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

- the alteration of the Articles of Association;
- the appointment, dismissal and suspension of (i) members of the Supervisory Board, (ii) member-representatives of the Nomination Committee, (iii) members of the Policy Committee;
- the appointment of an expert as mentioned in article 34 of the Articles of Association;
- the adoption of the annual accounts, the report of the Managing Board and the report of the Supervisory Board;
- the allocation of profits and the declaration of dividends;
- the release of the Managing Board and of the Supervisory Board;
- the decision of appeals of Members in relation to termination of membership;
- the determination of the remuneration of the members of the Supervisory Board;
- the approval of the profile of the Supervisory Board; and
- 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 the Cooperative. The Cooperative is therefore not directly or indirectly owned or controlled by others. Members do not have different classes of voting rights. While exercising their 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.

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, if the Managing Board or the Supervisory Board so decides and pursuant to a resolution of the General Meeting itself.

Notice of the General Meeting shall be given to each Member. To the General Meeting of June 2019 the Managing Board shall propose a change to the Articles of Association in which it proposes to add a way in which the Managing Board can give notice of the General Meeting to Members i.e. by introducing the option of giving notice electronically in addition to giving notice in writing by letter.

For a complete description of the provisions with respect to the General Meeting, please refer to articles 15 and onwards of the Articles of Association.

As from 9 August 2019, Dutch law that governs large companies (article 2:63 of the Dutch Civil Code '*structuurregime*') will be applicable to the Cooperative. The Cooperative already meets several requirements that follow from this law (such as having a two-tier board in place and reflection in corporate documentation that certain Managing Board decisions require Supervisory Board approval). The main change for the Cooperative will be the way in which Supervisory Board members will be nominated, appointed, suspended and dismissed.

For the sake of clarity and in relation to article 15 of the Articles, as a consequence of the above, the General Meeting will no longer appoint (but instead has a right to object to an appointment), dismiss and suspend members of the Supervisory Board and will no longer approve the profile of the Supervisory Board as this will be the responsibility of the Supervisory Board.

Supervisory Board

Until the above-mentioned '*structuurregime*' becomes applicable on 9 August 2019, the appointment, suspension and dismissal of members of the Supervisory Board is the competence of the General Meeting. Members of the Supervisory Board are appointed for a period of three years and may be re-elected for a further three years.

From among its members, the Supervisory Board shall elect a chairperson and a vice-chairperson. The Supervisory Board shall meet as often as one or more of its members deem necessary.

The Supervisory Board supervises the policies pursued by the Managing Board and the general course of affairs in the Cooperative and the business enterprise connected with it. The Supervisory Board shall also assist the Managing Board by actively providing advice. In carrying out its duties, the Supervisory Board shall be guided by the interests and the values of the Cooperative and the business enterprise connected with it, and it will take into account the relevant interests of the Members and other stakeholders. The Supervisory Board will also have due regard for corporate social responsibility issues that are relevant to the business activities. The supervision of the Managing Board by the Supervisory Board will include:

- the realisation of the objectives of the Cooperative;
- strategy and the risks inherent in the business activities;
- the design and effectiveness of the internal risk management and control systems;
- the financial reporting process;
- compliance with regulations and legislation;
- the relationship with Members; and
- corporate social responsibility issues that are relevant to the Cooperative's business.

For a description of the provisions with respect to the Supervisory Board, please refer to articles 2 and onwards of the Articles of Association.

As a consequence of the '*structuurregime*', the Supervisory Board nominates candidates for the Supervisory Board. The General Meeting has the right to object to such nomination, as a result of which a nominated candidate will not be appointed by the Supervisory Board. Following the new requirements, the right to suspend Supervisory Board members will be exercised by the Supervisory Board. In terms of dismissal, this will require an intervention by the Enterprise Division of the Amsterdam Court of Appeal (if there is a request by the General Meeting, the company (represented by the Supervisory Board) or the Works Council, to do so).

The proposal to the General Meeting is to change the minimum number of members of the Supervisory Board from 7 to 13 members to a minimum of at least 5 members. It is up to the General Meeting of June 2019 to determine the number of members of the Supervisory Board, provided that the number of Supervisory Board members is at least 3, according to the rules of the '*structuurregime*'. The composition of the Supervisory Board shall be such that the members of the Supervisory Board offer a broad diversity of perspectives and are able to act critically and independently of one another, the Managing Board and any particular interest. The composition of the Supervisory Board should reflect the Cooperative's mission and core business in addition to being aligned with its ecumenical character.

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. The 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.

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)
- Ms Daira Gómez Mora (Costa Rica)

The Audit Committee will meet at least twice a year, once to discuss the financial accounts for the previous year and once to discuss the audit plan for the following year. The chair of the Audit Committee, upon 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.

Nomination Committee

The Cooperative has a Nomination Committee consisting of five people, three of whom are elected by the General Meeting, one of whom is a member of the Supervisory Board, and one is the Managing Director. The two latter members have an advisory role only.

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.

As a result of the announced changes, the Nomination Committee will become a nomination committee of the Supervisory Board. In the design of the nomination process, the involvement of Members will be integrated.

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 the Cooperative in a broad sense. There is currently no Policy Committee.

Members' Council

A Members' Council has been established as a discussion and advisory body of the Members and elected by the General Meeting. Such a Members' Council may be terminated by a proposal to, and approval of the General Meeting by a simple majority. The Members' Council consists of at least three (3) people elected by the General Meeting. The General Meeting also determines the maximum number of Members of the Members' Council and the profile for its composition. The Cooperative currently has a Members' Council consisting of seven representatives of the Members. Full details are available at www.oikocredit.coop/about-us/organization/members-council.

Selection criteria of Supervisory Board members

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 on 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 organisational 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 takes into consideration the nature, roots, size and complexity of the Cooperative 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. Remuneration of Supervisory Board members is described in note 35 of the Cooperative's financial statements 2018 (page 64).

Composition of the Supervisory Board

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

Ms Annette Christine Austin (Vice Chair since June 2018)

- **SB member since:** 20 June 2014; **re-elected in 2017 up to 2020**
- **Principal activities outside the Cooperative:**
 - Board member of Oikocredit International Share Foundation, the Netherlands
- **Positions held in the last five years:**
 - Board member of Oikocredit International Share Foundation, the Netherlands
 - Governor Swanlea Business & Enterprise School
 - Director of ACA Assignments Limited, UK
 - Head of conduct risk management, RBS Markets & International Banking, UK
 - Global chief operating officer Markets, RBS Markets & International Banking, UK
 - Global chief operating officer Equities, RBS Global Banking and Markets, UK
- **Experience:** financial, strategic and operational risk management, programme management, leadership, culture and behavioural development in medium and large organisations focused on the banking and financial services sector
- **Qualifications:** Secretariat Course, St George Technical College, Sydney, Australia

Ms Daira Corina Gómez Mora

- **SB member since:** 20 June 2014; re-elected in 2016 up to 2019
- **Principal activities outside the Cooperative:**

- Executive Director of CEGESTI, Costa Rica
- Member of the ISO 26000 International Committee on Corporate Social Responsibility
- Member of the Costa Rican Commission on Gender Equality
- Member of Global Compact-National Network
- **Positions held in the last five years:**
 - Executive Director of CEGESTI, Costa Rica, since October 2000.
 - Member of the ISO 26000 International Committee on Corporate Social Responsibility.
 - Member of the Costa Rican Commission on Gender Equality
 - Member of Global Compact-National Network
- **Experience:** management, economic development projects. International expert on sustainable development and social responsibility
- **Qualifications:** Master's in industrial management from the Catholic University of Leuven, Belgium

Mr Karsten Löffler (chair since June 2018)

- **SB member since:** 14 June 2013; re-elected in 2016 up to 2019
- **Principal activities outside the Cooperative:**
 - Co-Head of Frankfurt School – UNEP Collaborating Centre for Climate & Sustainable Energy Finance, Frankfurt School of Finance & Management, Frankfurt, Germany
 - Managing Director Green and Sustainable Finance Cluster Germany e.V.
 - Member of the European Commission's Technical Expert Group on Sustainable Finance
 - Board member of Oikocredit International Share Foundation, the Netherlands
- **Positions held in the last five years:**
 - Co-Head of Frankfurt School – UNEP Collaborating Centre for Climate & Sustainable Energy Finance, Frankfurt School of Finance & Management, Frankfurt, Germany
 - Managing Director Green and Sustainable Finance Cluster Germany e.V.
 - Board member of Oikocredit International Share Foundation, the Netherlands.
 - Managing director of Allianz Climate Solutions GmbH, Munich (until March 2017)
 - Board member of 2° Investing Initiative Deutschland e.V. (until March 2018)
- **Experience:** management and finance
- **Qualifications:**
 - Diploma in Business Administration from the University of Göttingen (1996)
 - Certified International Investment Analyst (2005)

Ms Åsa Norell

- **SB member since:** 20 June 2014; re-elected in 2017 up to 2020.
- **Principal activities outside the Cooperative**
 - Co-owner of The Collaboration Lab
 - Supervisory Board member of Hyper Island
- **Positions held in the last five years:**
 - Founder of The Collaboration Lab
 - Global Head of Design/Facilitation at Hyper Island
 - Global Manager at The Zone
- **Experience:** Entrepreneurial background, Agency Director at a digital design service agency, leadership and organisational development, HRM, business development and capacity building. Designing and facilitating human rights activist programmes
- **Qualifications:**
 - Educational Psychology and Ethnology at the University of Lund
 - Digital Media Management, Hyper Island
 - Certified Facilitator by the Swedish National Defense University

Ms Carolina Wilhelmina Veldhuyzen van Zanten,

- **SB member since:** 14 June 2013; re-elected in 2016 up to 2019
- **Principal activities outside the Cooperative:**
 - Senior advisor Sustainable Livelihoods for Fairtrade International

- **Positions held in the last five years :**
 - Regional Manager for the Andean region for Fairtrade International
- **Experience:** fair trade, socioeconomic development, sustainable production. Holds a Master's in industrial design engineering from the Technical University of Delft, the Netherlands
- **Qualifications:** Master's in industrial design engineering from the Technical University of Delft

Ms Ruth Wambui Waweru,

- **SB member since:** 12 June 2015; re-elected in 2018 up to 2021
- **Principal activities outside the Cooperative:**
 - Managing Liaison Consulting firm
 - Advisory services to the management team and board of Brookhurst International school
 - Providing governance oversight to various organisations as a board member/director
 - Executive director of Liaison Consulting Limited
 - Vice-chairman and director of Family Bank
 - Director of Kenya Orients Life Assurance Company Limited
 - Finance and personnel committee member of All Africa Conference of Churches
 - Board member of Partners Worldwide a global office and Kenya office
 - Director of Brookhurst International school in Kenya
- **Positions held in the last five years:**
 - Chair Audit Committee of Oikocredit, Ecumenical Development Cooperative Society U.A., the Netherlands to June 2016
- **Experience:** financial management, strategy formulation and execution, risk management, staff and board capacity building, organisational assessments/restructuring, audits and research
- **Qualifications:** Bachelor's degree in Education from Kenyatta University, Master's degree in Business Administration from Nairobi University and Doctor of Business Administration from Nelson Mandela University, South Africa. Holds various certificates in corporate governance, management and entrepreneurship areas

Mr Vincent Alain Suzanne De Waele

- **SB member since:** 9 June 2016; eligible for re-election in 2019 up to 2022
- **Principal activities outside the Cooperative:**
 - Freelance consultant Changing World
 - Chairman of Oikocredit Belgium
- **Positions held in the last five years:**
 - Freelance consultant Changing World
 - Chairman of Oikocredit Belgium
- **Experience:** Change management and organisational development. Logistics in retail. Finance management
- **Qualifications:** Master of Business Administration from the Université Catholique de Louvain

Mr Eduardo Cabral Jimenez

- **SB member since:** 9 June 2016; eligible for re-election in 2019 up to 2022
- **Principal activities outside the Cooperative :**
 - Microfinance Advisor of the Bangko Sentral ng Pilipinas
 - President/Trustee of Kabalikang para sa Maunlad na Buhay (KMBI), Inc.
 - Board member of World Vision International
- **Positions held in the last five years:**
 - Regional Coordinator for Asia of the Bangkok based, Alliance for Financial Inclusion (AFI)
 - Board member Vision Fund Philippines
- **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
- **Qualifications:** Bachelor of Science in Economics from the Polytechnic University of the Philippines; his graduate studies focused on public administration and policy at the University of the Philippines Diliman, Philippines, and at Carleton University, Canada

Mr Joseph L. Patterson

- **SB member since:** 15 June 2017; eligible for re-election in 2020 up to 2023
- **Principal activities outside the Cooperative:**
 - Social entrepreneur & financial management consultant in Canada, Jamaica and the UK
 - Founder-President of PCG International Inc.
 - Financial Controller for the World Association for Christian Communication (WACC)
 - Co-Chair of the Banking & Finance Committee for the 2018 Parliament of the World's Religions (Toronto, Canada)
- **Positions held in the last five years:**
 - Founder-President of the United Independents' Congress of Jamaica
 - Founder-President of the Youth Enterprise Society of Jamaica.
- **Experience:** business, finance and leadership
- **Qualifications:** Chartered Professional Accountant (CPA) with a bachelor of Accounting Science degree

Mr Eltjo Herman Kok

- **SB member since:** 14 June 2018; eligible for re-election in 2021 up to 2024
- **Principal activities outside the Cooperative:**
 - *None*
- **Positions held in the last five years:**
 - Chairman KLM Pension Funds
 - Board member Access Holding
 - Board member Stichting Beheer Oikocredit Nederland Fonds.
 - Board Member PUM Netherlands Senior Experts
- **Experience:** human resources, finance
- **Qualifications:** MBA Civil Engineering

Mr Vincenz Gora

- **Independent Audit Committee member since:** June 2016 up to 2019
- **Principal activities outside the Cooperative:**
 - Freelance consultant in Controlling, Finance and Project management & controlling
- **Positions held in the last five years:**
 - Principal Consultant at Scitus GmbH Frankfurt
 - Chairman of the board Oikocredit Support Association Hessen-Pfalz
- **Experience:** Management, Finance and Consultancy
- **Qualifications:** Diploma in Business Administration, PhD in Forest Entomology, University of Göttingen

Potential conflicts of interest for Supervisory Board members

Members of the Supervisory Board may hold a 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 the Cooperative. However, all holdings are non-material to Supervisory Board members and in all cases are far below 0.1% of the assets of the Cooperative. Supervisory Board members' acquisition and disposal of shares, participations or depository receipts are subject to a personal trading policy.

Potential conflicts of interest are presented by the facts that:

Ms Austin is chair and member of the board of the Oikocredit International Share Foundation (a Member of the Cooperative);

Mr Löffler is a board member of the Oikocredit International Share Foundation (Member of the Cooperative);

Mr De Waele is chair and member of the board of directors of the Support Association Oikocredit Belgium (a Member of the Cooperative); Mr Jimenez is a board member of World Vision International (which owns Vision Fund International, a Partner of the Cooperative);

Ms Waweru is a board member of Family Bank Kenya (a Partner of the Cooperative).

In order to mitigate the risks inherent to the facts above, the following measures are in place:

- A Supervisory Board member who is also a board member of an Oikocredit Support Association will not vote on supervisory board resolutions relating to the dividend or other matters affecting the respective Oikocredit Support Association. Furthermore, a board member of an Oikocredit Support Association will not participate in discussions or decision-making of the supervisory board on other matters posing an actual conflict of interest. Whether a matter presents an actual conflict of interest is decided by the chair of the supervisory board on a case-by-case basis.
- A Supervisory Board member who is also a board member of OISF will not participate in discussions or decision-making of the supervisory board involving OISF or in OISF involving discussions or decision-making on topics the Supervisory Board has a responsibility, if this poses an actual conflict of interest. Whether there is an actual conflict of interest is decided by the chair of the Supervisory Board on a case-by-case basis.
- A board member of an project Partner of the Cooperative, or an entity related to this Partner, will, in the unlikely event that matters relating to this Partner or related entity are brought to the Supervisory Board for discussion or decision, not participate in the discussion or decision-making on these matters.

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.

Managing Board (MB)

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

According to article 41 of the Articles of Association, the MB shall have the widest powers with regard to the management of the Cooperative. 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 MB has the power to delegate its powers to the proxy holders; such delegation can be made subject to conditions and limitations. The MB is responsible for the day-to-day management of the Cooperative.

The Cooperative is represented by the MB and moreover by two members of the MB, or by a member of the MB 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.

Composition of the Managing Board

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

Mr Theodorus Henny Lambertus Johannes Maria Gieskes

- **MB member since:** 1 April 2017
- **Position(s) at the Cooperative:** Managing Director since 1 April 2017
- **Experience:** international business and leadership experience in the financial sector, particularly in rural lending and financing agribusinesses.
- **Qualifications:** Master's degree in development economics and bachelor's degree in macroeconomics from the Vrije Universiteit (VU) Amsterdam. He also worked in Nicaragua as a consultant in development finance, on behalf of the VU.
- **Principal activities prior to joining the Cooperative:** For most of his career, Mr Gieskes worked for 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 Marinus Anthonius van Eyk

- **MB member since:** 1 August 2015
- **Position(s) at the Cooperative:** Director of Investments since 1 February 2018 and Equity and Business Development Director since 1 August 2015
- **Experience:** international banking and leadership, microfinance, business innovation and structured finance in emerging markets

- **Qualifications:** MBA from Nijmegen University
- **Principal activities prior to joining the Cooperative:** prior to joining the Cooperative, Mr van Eyk was founder and CEO of Musoni, the world's first 100% cashless MFI in Kenya

Ms Maria Lourdes Hilado Ledesma

- **MB member since:** 1 April 2012
- **Position(s) at the Cooperative:** Director of Investor Relations and Social Performance since 1 August 2015 (from 1 June 2016 to 1 April 2017 also acted as Interim Managing Director), formerly Social performance & Credit Analysis Director of the former Managing Board (at that time a different corporate body than the board) from 2012. From January 1999 to 31 March 2012, Ms Ledesma held the following positions within the Cooperative: Manager Social Performance, Manager Monitoring, Regional Manager Oikocredit Philippines and Cambodia.
- **Experience:** 23 years' experience in development work involving project design, implementation, monitoring and evaluation
- **Qualifications:** degree in business administration, majoring in finance and management from the University of the Philippines; executive education program in value-based strategy development at the London Business School.
- **Principal activities prior to joining the Cooperative:** Prior to joining the Cooperative, she was a consultant in program development, management and evaluation for four years, projects officer Asia Partnership for Human Development based in Hong Kong for six years and projects officer for the National Secretariat for Social Action, Justice and Peace in the Philippines.

Ms Petra Jacqueline Lens

- **MB member since:** 1 February 2018
- **Position(s) at the Cooperative:** Director of Human Resources since 1 February 2018. Ms Lens joined the Cooperative as Global Head of HR in August 2016.
- **Experience:** HR in international philanthropy and financial services
- **Qualifications:** Bachelor's degree in human resource management from the University of Applied Sciences in Rotterdam. She also attended an executive education programme in human resources strategy at the London Business School.
- **Principal activities prior to joining the Cooperative:** prior to joining Oikocredit, Ms Lens spent over three years as global human resources director for Porticus, an international family-owned philanthropic organisation. This followed the position of human resources manager for family office Anthos (2009 to 2012) and other roles for a domestic insurance cooperative as well as the Dutch cooperative bank Rabobank.

Ms Laura Louise Pool

- **MB member since:** 18 December 2017
- **Position(s) at the Cooperative:** Director of Finance and Risk since 1 April 2019. Ms Laura Pool joined the Cooperative as Director of Risk on 18 December 2017 and also acted as Interim Director of finance between 1 December 2018 and 1 April 2019).
- **Experience:** risk management and finance in financial industry
- **Qualifications:** Master's degree in tax law from the University of Leiden and a master's in financial economics from TIAS business school.
- **Principal activities prior to joining the Cooperative:** prior to joining the Cooperative, Ms Pool was managing director of risk and finance and a management board member at impact investor Triodos Investment Management. This followed positions as chief financial officer and director of risk at insurance company Nationale Borg and several roles within the ING Group.

Mr Patrick Stutvoet

- **MB member since:** 1 March 2019
- **Position(s) at the Cooperative:** Director of IT and Operations
- **Experience:** IT for the financial services sector, including leadership roles.
- **Qualifications:** Bachelor in Business Administration and ICT and Culture, Organisation and Management (Social Sciences)
- **Principal activities prior to joining the Cooperative:** Mr Stutvoet most recent positions include: operations consultant at the Bank of England; Head of Transaction Banking (IT International) at ABN AMRO; and Head of Investments (IT International) at ABN AMRO

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. Remuneration of Managing Board members is described in note 35 of the Cooperative's financial statements 2018 (page 65).

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.

Composition of the Supervisory Board Personnel Committee

The following were members of the Personnel Committee as at the date of approval of this Prospectus:

- Annette Austin (United Kingdom)
- Mr Karsten Löffler (Germany)
- Ms Åsa Norell (Sweden)

Potential conflicts of interest of Managing Board members

Members of the Managing Board may hold a 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 the Cooperative. However, all holdings are non-material to MB members and in all cases are far below 0.1% of the assets of the cooperative. MB members' acquisition and disposal of shares, participations or depository receipts are subject to a personal trading policy.

Potential conflicts of interest are presented by the facts that:

- Ms Ledesma is a member of the board of OISF (a Member of the Cooperative);
- Mr van Eyk owns shares in a holding company of a company in which the Cooperative invests; the investment reflects less than 1% of the Cooperative's total investments.

In order to mitigate the risks inherent to the facts above, the following general measures are in place:

- A board member of OISF will not participate in discussions or decision-making in meetings of the Managing Board involving OISF, if this poses an actual conflict of interest. Whether there is an actual conflict of interest is decided by the chair of the Managing Board on a case-by-case basis.
- A shareholder of the Cooperative portfolio company will not be privy to the information about the portfolio company; and further not participate and not be present in discussions or decision-making of the Managing Board or other Cooperative bodies involving this entity.

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.

7.13 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 the Cooperative cannot assess upfront how many subscriptions will be placed for the continuous offer each year. In the last three years, the net increase through the issuance of Shares amounted to:

- 2018: € 70.1 million
- 2017: € 99.5 million
- 2016: € 106.7 million

The issuance of Shares incurs annual costs consisting of the acquisition costs of Share capital such as capital mobilisation, Members' relations, promotions and so on, amounting to approximately € 6.7 million for 2018, including Share administration costs within the Cooperative's International Office. 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 mobilisation and one-off costs associated with producing the present Prospectus are estimated at € 6.4 million for 2019.

7.14 Net income and dividends

The annual net income is calculated by subtracting all operating costs, loan losses and depreciation from the gross income of the Cooperative, 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 distribution of dividends is calculated as follows:

- A dividend of 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 upon the Member's choice.
- Dividends made available in cash which are not claimed within five years shall be forfeited for the benefit of the Cooperative.
- 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. 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 on "Allocation of Net Profit" and on "Dividends - Period of Prescription" in the Articles of Association).

Dividend proposal 2018

The total proposed dividend for 2018 amounts to € 10.6 million. The proposed dividend per share for 2018 amounts to 1/12th of 1% for every full calendar month of 2018 that the EUR, USD, CAD, CHF, SEK and GBP shares were registered.

Please refer also to the dividend proposal in "Other information" on page 82 in the Cooperative's consolidated financial statements 2018 as incorporated by reference.

Dividend 2017

The total dividend for 2017 amounted to € 9.6 million. The dividend per share for 2017 amounted to: 1/12th of 1% for every full calendar month of 2017 that the EUR, CAD, CHF, GBP, SEK and USD Shares were registered.

Please refer also to the dividend proposal in "Other information" on page 78 in the Cooperative's consolidated financial statements 2017 as incorporated by reference.

Dividend 2016

The total dividend for 2016 amounted to € 17.1 million. The dividend per share for 2016 amounted 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 refer also to the dividend proposal in "Other information" on page 78 in the Cooperative's consolidated financial statements 2016 as incorporated by reference.

7.15 Reporting

The Cooperative 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 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 the Cooperative in accordance with Generally Accepted Accounting Practices (GAAP) in the Netherlands.

Every Member annually receives at least twice a year a Members' email newsletter including the latest information on the Cooperative, announcements related to the General Meeting and main decisions taken by the General Meeting and the Supervisory Board;

The annual report and audited consolidated financial statements of the Cooperative are available on the website at: www.oikocredit.coop/publications/annual-reports.

8. Tax aspects of participation in the Cooperative

This section provides a brief summary of the most relevant Dutch tax implications of being a holder of Shares issued by the Cooperative. 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.

8.1 Tax position of the Cooperative

Corporate income tax

The Cooperative is liable to Dutch corporate income tax (CIT) at a rate of 25%, with a step-up rate of 19% on the first € 200,000 of taxable income (2019 rate).

Dividend withholding tax

No Dutch dividend withholding tax is due on dividends distributed by the Cooperative to its holders of Shares, either resident in the Netherlands or outside the Netherlands.

Gift and inheritance tax

Donations and inheritances received by the Cooperative 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 2019). A gift or inheritance up to an amount of € 2,173 (in 2019) per donor or deceased is exempt from Dutch gift and inheritance tax. Donations and inheritances received by the Cooperative 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.

Value-added tax

The activities of the Cooperative are generally exempt from Dutch value-added tax (VAT, the general consumption tax). No VAT will be due in the Netherlands in respect of payments made in consideration for the issue, transfer or redemption of Shares.

8.2 Tax position of holders of Shares

Holders of Shares that are tax resident in the Netherlands

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

- a) are not subject to corporate income tax as a consequence of their legal form; and
- b) 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.

In view of article 5 of the Articles of Association, individuals are excluded from becoming or being a Member and thus a holder of Shares. Therefore there is no need to describe the Dutch personal income tax aspects of owning Shares.

Holders of Shares that are not tax resident in the Netherlands

Prospective holders of Shares who are tax resident outside the Netherlands should consult their own professional advisers 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 the Cooperative with the main purpose to evade personal income 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 the Cooperative. 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 of Shares 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.

8.3 Exchange of information

Foreign Account Tax Compliance Act and the Common Reporting Standard

On 1 July 2014 the Foreign Account Tax Compliance Act (FATCA) came into effect. The Netherlands has implemented FATCA in its domestic legislation, as a result of which it exchanges certain information with the United States on financial accounts that U.S. persons maintain with Dutch Financial Institutions (including the Cooperative).

Furthermore, the Organization of Economic Co-operation and Development (OECD) released the Common Reporting Standard (CRS) and its Commentary on 21 July 2014. Over 100 countries, including the Netherlands, have publicly committed to implement the CRS. On 9 December 2014 Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (DAC2) which provides for mandatory automatic exchange of financial information as foreseen in the OECD global standard. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU (DAC1). Since the CRS and DAC2 were implemented into Dutch legislation as from 1 January 2016, Dutch financial institutions (including the Cooperative) have to identify the account holder's country of residence and in turn exchange specified account information with the home country's tax administration.

9. Address of the Issuer, tax adviser, auditor and legal adviser

Issuer:

OIKOCREDIT, Ecumenical Development
Cooperative Society U.A.
Berkenweg 7
3818 LA Amersfoort
The Netherlands

Tax adviser:

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

Auditor:

KPMG Accountants N.V.
Member of the Nederlandse Beroepsorganisatie van
Accountants (NBA)
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

Legal adviser:

Van Benthem & Keulen B.V.
Archimedeslaan 61
3584BA Utrecht
The Netherlands

10. Appendix to this Prospectus

The attached Appendix forms an integral part of this Prospectus and must be read with this Prospectus, it concerns:

- Appendix 1: Partner Funding criteria

10.1 Appendix 1: Partner Funding criteria

- The enterprise supported must benefit lower-income people and communities.
- Benefits must be widely spread and not result in the enrichment of a few organisers 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 lower-income 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, organisation, 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 the Cooperative'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.