40 years

OIKO CREDIT

investing in people

Annual report **2014**

Pioneering sustainable development

Contents
Annual report 2014

Cover

Every day, fishermen bring in their catch, which is bought by Thaneakea Phum Cambodia Ltd (TPC) clients such as Mrs Sim Sok (below), from Thmey Village in Kampot. She buys crabs from the fishermen and sells them on the quay. She took a US$ 1,500 loan from TPC to buy a car which her husband runs as a taxi. Her dream is to own a stone house, a car and have enough money to no longer have to borrow.

TPC is a licensed MFI supervised by the National Bank of Cambodia. It provides financial services to low-income families, especially women, in rural Cambodia. It serves 153,952 active borrowers through 51 branch offices across 21 provinces. At the end of 2013, 85% of its borrowers were women. TPC plans to expand its operational areas within 24 provinces nationwide by 2016.

communication@oikocredit.org

Letter
from the president

Dear friends,

Working together as Oikocredit members and investors, staff and volunteers, partner organizations and board members, we achieved a great deal during 2014.

Progress in many areas underpinned another year of effective financial and social performance. Our new agriculture unit became operational, and our support for smallholder farmers gained in size and quality. Our capacity to fund renewable energy projects grew. We recruited new regional staff, especially in Africa where we significantly increased loan approvals. Our social performance management and all-round staff capacity continued to develop in strength and depth.

Oikocredit does not stand still. In 2015, we will celebrate our 40th anniversary. The World Council of Churches founded our development finance cooperative in 1975 to provide an international ethical investment channel for churches and others to promote peace, economic progress and social justice.

We have undergone major changes over the past four decades while continuing to be a microfinance sector leader, trusted and respected by investors, peers and partners alike for our long-term commitment to empowering low-income earners. The Vellore Christian Medical College in India, which received one of our first loans in 1978, illustrates some of these changes, having progressed from humble origins into a medical centre providing quality health services to 2.2 million people a year.

During the past five years, growth has been particularly rapid. We have reached millions of low-income borrowers via 805 partners in over 60 countries with approximately € 2 billion disbursed since our work began. Key recent changes include our 2014 annual general meeting decisions to move from having a single board of directors to a two-tier board (supervisory and management respectively) and to adopt a redrafted vision and mission statement, as well as our diversification into agriculture and renewable energy.

Oikocredit has a big challenge, which is to make this world a little better and more just. So we have to continue to work as we have been doing with integrity and in line with our values and social mission.
By the time our cooperative reaches its 50th birthday in 2025, we hope that our partners will be benefiting 50 million people around the world. This can be achieved thanks to everyone involved, including staff, support associations and volunteers.

Jacinta Hamann de Vivero
President of the supervisory board

Five-year **Oikocredit key figures**

Figures from the consolidated financial statements [1]						
	2014	**2013**	**2012**	**2011**	**2010**	**Reference**
Members	589	596	598	595	595	
Investors (approximate number)	53,000	52,000	48,000	45,000	43,000	
Regional and country offices	34	36	37	36	36	
National support offices and support associations	36	36	35	36	36	
Staff members in full-time equivalents (FTE) [2]	253	254	250	222	210	Note 23
Partners in portfolio [3]	805	815	854	896	863	
€ millions						
Total consolidated assets	907.1	779.2	723.3	671.9	639.8	Consolidated Balance Sheet
Member capital in euros	651.2	578.6	511.8	471.9	436.0	Consolidated Balance Sheet
Member capital in foreign currencies	58.3	52.0	43.9	39.0	37.4	Consolidated Balance Sheet
Other lendable funds [4]	101.4	86.8	73.8	78.5	83.1	Consolidated Balance Sheet Note 16
Total lendable funds	810.9	717.4	629.5	589.4	556.5	
Development financing activities						
New disbursements	337.9	306.1	218.2	196.1	206.3	Note 6
Increase % disbursements	*10.4%*	*40.3%*	*11.3%*	*(4.9%)*	*45.6%*	
Cumulative disbursements	2,112.8	1,774.9	1,468.8	1,250.6	1,054.5	
Total cumulative payments (capital, interest and dividends) by partners	1,714.7	1,432.9	1,180.2	953.3	758.8	
Total development financing outstanding	734.6	590.5	530.5	520.5	481.2	Note 6
As % of lendable funds (beginning of year)	*102.4%*	*93.8%*	*90.0%*	*93.1%*	*103.1%*	
Portfolio at risk 90 days	5.1%	6.5%	7.0%	9.2%	7.6%	
Loan loss provisions on capital and interest and impairment of equity [5]	59.6	52.4	60.5	64.0	57.0	Notes 6 and 9
Loan loss provisions and impairment of equity as % of development financing outstanding (financed by own funds) [6]	*8.1%*	*8.9%*	*11.4%*	*12.3%*	*11.8%*	
Write-offs capital charged to loss provisions	6.1	7.5	13.1	4.1	2.1	Notes 6 and 9
As % of development financing outstanding	*0.8%*	*1.3%*	*2.5%*	*0.8%*	*0.4%*	
Term investments	154.6	146.3	147.3	138.5	133.5	Consolidated Balance Sheet
Total financial income	65.3	56.7	63.4	55.1	46.5	Consolidated Income Statement
General and administrative expenses [7]	28.7	26.3	23.9	21.3	17.9	Consolidated Income Statement
As % of total assets	*3.2%*	*3.4%*	*3.3%*	*3.2%*	*2.8%*	
Impairments and additions to loss provisions	12.5	6.4	15.6	15.0	12.1	Consolidated Income Statement
As % of development financing outstanding	*1.7%*	*1.1%*	*2.9%*	*2.9%*	*2.5%*	
Net income (available for distribution) [8]	20.5	12.6	22.9	15.9	16.1	Society Income Statement
Proposed dividend	13.2	11.6	10.5	9.7	8.7	Note 47

[1] Figures up to 2010 include the consolidated 4F Funds. Figures from 2011 onwards exclude the consolidated 4F Funds.
[2] Including staff employed by regional offices and national support offices.
[3] Partners in portfolio include development financing outstanding as well as partners currently in the process of disbursement, and excludes partner funding that has been repaid, written off or cancelled.
[4] Other lendable funds are general reserves (2014: € 67.2 million) and non-current liabilities (2014: € 42.3 million) excluding hedge contracts (2014: € 8.1 million) and other liabilities (2014: € 15,000).
[5] Provisions and impairments on capital (2014: € 54.8 million) and provision on interest (2014: € 4.8 million).
[6] Some of our partners are financed by third parties (2014: € 0.4 million).
[7] Including expenses covered by grants (for example capacity building expenses) and investments in a new common administration system (Titan).
[8] Refer to Society Income Statement.

We are pleased to present the annual report and consolidated financial statements of the Society for 2014. This report highlights the most important developments during the year.

Management team report

Oikocredit in 2014: Strong results in complex times

Oikocredit had a successful year in 2014, both in terms of financial outturn and social performance. We responded well to the demands of a complex and challenging operating environment, investing responsibly to improve the quality of life of low-income people in a sustainable way.

Oikocredit achieved strong financial results in 2014 with an income after addition to funds of € 17.1 million. Capital inflow held steady, while both approvals and disbursements reached record levels. Our total development financing portfolio grew above expectations, and portfolio quality also improved.

Several circumstantial factors assisted our results. Falling interest rates and increased investor interest in the bonds we hold led to a positive revaluation of our term investment portfolio (up by € 4.1 million, compared with a fall of € 4.4 million in 2013). Weakening of the euro against other currencies produced a currency gain of € 11.1 million (reversing our € 15.8 million currency loss in 2013). Excluding these and other extraordinary items, such as the sale of equity investments and provisioning for taxes, the operational result for 2014 amounted to € 17.3 million, compared to € 21.5 million in 2013.

The decrease in our operational result is a consequence of our adding to loss provisions due to the high increase in our portfolio, investing in the future of our organization (including the support association network), and pressure on portfolio yields. The positive effects of our investments in the organization are already visible, and we are confident that there will be significant benefits in terms of future operational results. However, it is important that we stay focused on efficiency to ensure that Oikocredit remains sustainable.

Oikocredit's social performance management has also grown in strength and depth. With greater in-house knowledge and skills, we do even more to support partners, help them build capacity, and together serve low-income communities. In 2014, we financed 189 capacity building engagements with more than € 1.8 million.

Strategic priorities

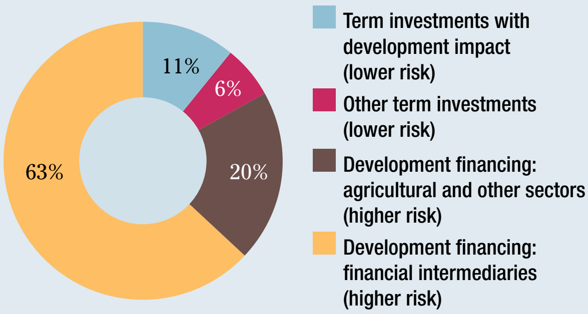
In terms of our strategic priorities – inclusive finance, agriculture, renewable energy and Africa – progress was encouraging. We established a new agriculture unit to strengthen our support to small-scale agricultural producers and processors worldwide, and we recruited a specialist to work with our regional offices in developing investments in renewable energy. Our agricultural portfolio grew substantially, while investments in Africa also increased in absolute terms, although not as fast as our total portfolio, which was boosted by rapid growth in Latin America.

CONCRECES, Mexico

2014 in graphs

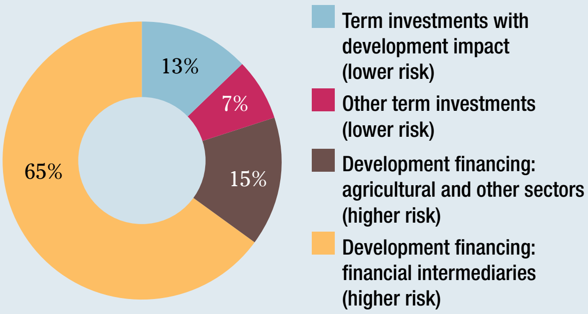
Investment mix Oikocredit invested funds 2014

As at 31 December 2014



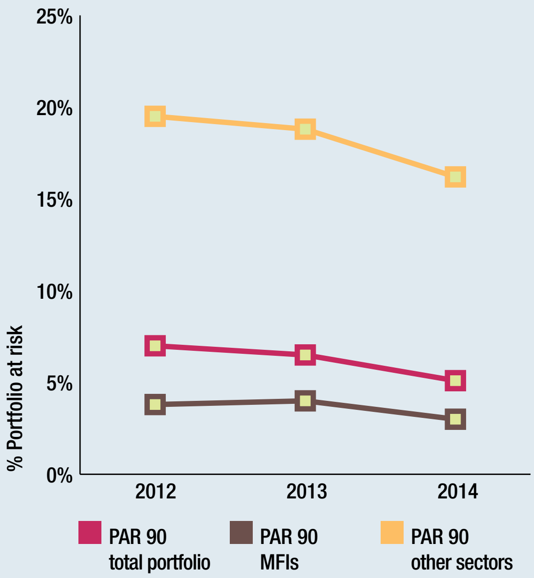
Investment mix Oikocredit invested funds 2013

As at 31 December 2013



Portfolio at risk

As percentage of total development financing
As at 31 December 2014



Close and consistent attention to the social performance of partner microfinance institutions (MFIs), fair trade organizations, cooperatives and small to medium enterprises (SMEs) is of paramount importance to our mission. We choose partners very carefully and actively support them through our capacity building programmes. The degree to which our collective efforts help low-income people and communities is the crucial test. With our partners we are developing better ways to measure, monitor and report client outcomes.

The growth of the organization has led us to thoroughly review Oikocredit's tax and legal structures in the countries where we have offices, to ensure we pay our fair share of taxes and have a sustainable structure in the years to come. The imposition of stricter financial regulations to safeguard the interests of investors requires us to continuously review Oikocredit's investment products and structures to ensure that they remain compliant.

Office closures

We decided to close our country offices in Moldova, the Russian Federation and Sweden. The offices in Moldova and the Russian Federation were closed because of weak portfolio growth potential. Their portfolios will be managed from our Eastern Europe and Central Asia regional office. The national support office in Sweden will close as a consequence of the relatively high costs in relation to market potential. Oikocredit will remain active in Sweden, and continue to service investors in collaboration with our partners, the Church of Sweden and Ekobanken.

Governance changes

Our members approved important changes to Oikocredit's vision, mission, articles of association and board structure at the 2014 annual general meeting (AGM) in Piura, Peru. Under our new two-tier board structure, approved at the AGM, a supervisory board has been established, composed of the former board of directors. The supervisory board oversees the management with regard to strategy, policies and regulations and assists the management team with advice. Members at the AGM approved the former management team becoming the management board, with full powers over the management of Oikocredit.

Social performance

Strong social performance management (SPM) is key to Oikocredit's approach as a development finance cooperative. This means keeping client outcomes (the empowerment of people in low-income communities) at the heart of all we do, helping our carefully selected partners achieve their full potential, and ensuring as much transparency and accountability as possible in our own and our partners' operations.

Our partners need finance as well as long-term commitment and active engagement. As we gain in experience and skills, we increasingly provide capacity building training and mentoring support to partners with our own in-house staff rather than through external consultants. Much of this work, especially with MFIs, focuses on partners' collection, management and use of client data to improve products, services and management systems. For MFIs and non-financial production and services partners alike, our capacity building initiatives may also address governance, risk management, SPM practices, market analysis, product development, financial literacy, technical skills and organizational development.

Our SPM mentoring programme, which helps partners achieve 'quick wins' as well as institutionalizing effective SPM over the longer term, continued to progress well in 2014. The programme aims to deliver tangible client benefits such as better incomes, reduced risk, women's empowerment, enhanced access to services and improved management of repayment difficulties. After four years of providing SPM mentoring, we have begun to document the process and to draft guidelines.

Environmental, social and governance (ESG) scorecards remain important working documents, helping us choose the most suitable partners to work with.

Development financing

Oikocredit's total development financing portfolio (lending and investments) increased by 24%, up from € 590.5 million in 2013 to € 734.6 million in 2014, well exceeding expectations. Adjusted for the effects of the euro's depreciation, portfolio growth was still a very satisfactory 17%. Leading this upward trend were loans to Latin American MFIs. Portfolio yield (the income return on our investments) decreased in 2014 because of declining interest rates globally.

Approvals and disbursements (loans and equity) continued to grow strongly. Approvals reached a record high of € 383.8 million, up by 29% from € 297.3 million in 2013. Disbursements rose to € 337.9 million, up by 10% from € 306.1 million in 2013. Due to portfolio growth, liquidity levels fell to 22.7% of total assets, comfortably below our preferred maximum threshold of 25%.

Local currency loans and risk fund

Local currency loans remained at 56% of the total development portfolio, with the balance of 44% in hard currency loans, the same proportions as in recent years. Having a large share of our loans in local currencies helps protect partners from currency fluctuation risks, although this places more risk on ourselves. Local currencies recovered against the weakening euro in 2014, but the growth of our total portfolio means that the protective local currency risk fund within our Oikocredit International Support Foundation is reaching its limit. Finding new investors for the fund is essential to enable us to continue providing local currency loans on such a large scale, because external hedging, even if available, is very costly.

Portfolio quality

Portfolio quality improved once again. Our portfolio at risk (PAR) ratio – the percentage of our portfolio with outstanding payments more than 90 days overdue – reduced in 2014 to 5.1%, down from 6.5% in 2013. This fall was due partly to portfolio growth, but PAR also fell slightly as an absolute amount. PAR was 3.0% (4.0% in 2013) in microfinance and 16.2% (18.8% in 2013) in other lending. Among our

KAWOSA, Tanzania

agriculture partners PAR decreased to 15.7% from 19.5% in 2013, which represents solid progress although the figure is still high. We attribute much of the recent improvement in PAR to the strengthening of our due diligence procedures, our increasing emphasis on loan and credit monitoring, the establishment of the new agriculture unit and the work of our special collections unit.

Risk management

Oikocredit's risk management system identifies the most important risks that may threaten our operations and strategic objectives. Our 'risk universe' provides an overview of all relevant major risks. In addition, we have prepared a risk card for each risk owner (department heads). Every year we evaluate and reassess identified risks and the actions we are taking to address them.

In 2014, our risk evaluation took into consideration the changing macroeconomic climate, including declining interest rates, and our own position. We have applied stress-tests to our local currency risk fund and our term investment portfolio, as well as assessing them against the potential impact of defined extreme events. To meet risk mitigation requirements and as a result of board decisions we are looking into developing a risk insurance scheme with an external party, which will protect our investors' capital in the extreme event of PAR exceeding levels currently provided for.

Term investments (bond portfolio)

Oikocredit invests some of its assets in term investments for liquidity and risk management purposes. These are mainly fixed income investments such as bonds issued by

ASHI, Philippines

development banks and by governments of developing countries, or by corporations that meet our ethical criteria and operate with a beneficial impact in emerging markets. An upward revaluation of our term investment portfolio by € 4.1 million in 2014 (compared with a downward revaluation of € 4.4 million in 2013) was a consequence of falling interest rates and increased demand for the relatively safe bonds we hold.

Inflow of new capital

Gross inflow of total lendable funds was € 89.7 million in 2014, the same level as in 2013. Net inflow (gross inflow minus redemptions) was € 81.5 million, up from € 80.4 million in 2013 as a result of there being fewer redemptions. Inflow of other lendable funds from members such as US notes and funds from our collaboration with the GLS Bank contributed € 5.1 million to our inflow in 2014, as against € 4.0 million in 2013.

Income statement 2014

Financial income

Oikocredit's total operating income more than doubled in 2014 from € 35.1 million to € 77.4 million, but this figure was positively influenced by the sale of equity investments to the value of € 2.2 million, positive revaluation results on the term investment portfolio of € 4.1 million and positive exchange rate effects to the value of € 11.1 million in 2014. The global low interest rate environment has put pressure on our financial income from loans.

Loss provisions and hedging

Additions to our loan loss provision amounted to € 12.5 million, compared to € 6.4 million in 2013. This increase was necessary because of our high portfolio growth. Part of our provisioning system is based on country risk assessments, which means that we need to provide for loans based on the country where the partner operates even where we do not consider the loan itself to be at risk. Hedging costs at € 2.9 million were slightly higher than in 2013 (€ 2.7 million).

Operational expenses

Our general and administrative expenses grew to € 28.7 million in 2014, up from € 26.3 million the previous year; however, in percentage terms this represented a drop from 3.4% of assets to 3.2%. The growth in expenses in cash terms was a result of an increase in productivity and our investment in the organization (including the support association network) and our staff, which was necessary to prepare for expected changes in the market and in compliance requirements. The first results of these strategic investments are already visible through increased growth and improved portfolio quality.

Annual dividend

At our 2015 AGM we will once again propose an annual dividend of 2% for all currencies except for Swiss franc shares, which will be 1%. We have always paid dividends taking into account our results, yet we are aware that this practice has continued for so long it may have led to the perception that our dividend is fixed and constant. However, the amount paid will always be subject to the organization's financial results and may change in future.

Cash and currency management

Cash position

Liquidity (comprising cash and term investments) decreased to 22.7% of total assets in 2014, due to the growth of our portfolio. This brought liquidity below 25% for the first time in several years, a positive result because it means that an even larger proportion of funds was employed in development financing.

Financing of Maanaveeya

The two non-convertible debentures through which we financed the growth of our Indian subsidiary Maanaveeya in 2013 were still outstanding in 2014, amounting to INR 500 million (approximately € 6.5 million) each. Maanaveeya also had bank loans from Rabo India Finance totalling INR 480 million.

Covering and hedging local currency and US dollar exposure

Our local currency exposure is mitigated by the local currency risk fund as stated above. We also hedge with financial institutions and with The Currency Exchange Fund N.V. (TCX). We maintained hedges of our US dollar exposure at around 90% of total exposure. We have International Swaps and

Derivatives Association (ISDA) agreements with four major financial counterparties, two of which include a credit support annex to post collateral in case the mark-to-market value of the hedge contracts reaches a predefined negative threshold.

Audit committee

Oikocredit's audit committee met three times during 2014 (two physical meetings and one by telephone). As in recent years, the committee, together with our auditors and senior management, reviewed the financial statements, the effect of accounting policy changes, our subsidiaries, internal audit plans and reports, and internal control structures. Reviews of risk management, risk indicators, compliance and business continuity remained recurring committee agenda items. Audit committee members, a board member, the internal audit manager, the finance director and the managing director formed the selection committee that in 2014 appointed KPMG as auditors in place of EY.

Environmental policy

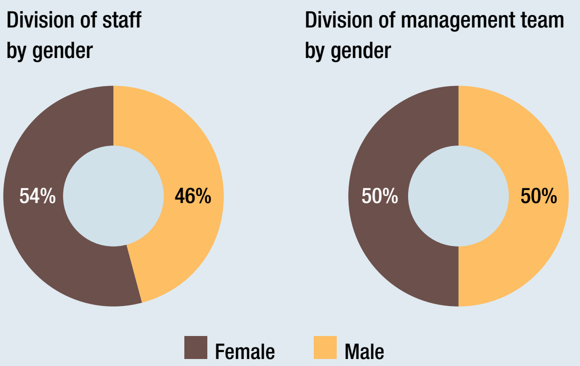
Oikocredit has implemented the environmental policy approved by the board in 2012. As part of our commitment to the 'triple bottom line' we have calculated the footprint of the international office in Amersfoort and developed a green travel policy to guide staff in reducing travel-related carbon dioxide emissions, which represent 85% of our footprint. We are assisting our offices in India and the Philippines in calculating their footprints. Our regional office for Mexico, Central America and the Caribbean has achieved excellent CO_2 emission reductions.

Human resources

At the end of 2014, Oikocredit's staff totalled 253 full-time equivalent posts, slightly less than the previous year's total of 254 and less than budgeted for, despite significant portfolio growth. We attribute this to the quality of our systems and the growing skills and capacity of our people. We are careful to recruit only people we consider well suited to our work, and only when the need is evident.

Oikocredit staff overview

As at 31 December 2014



Oikocredit employs staff from almost 50 countries worldwide.

Looking ahead to 2015

Oikocredit will face increased competition in microfinance in 2015, and the low interest rate environment is expected to remain. However, we are well positioned to keep building our portfolio, developing new products, services and sectors, and investing in our business.

We will continue to prioritize growth in Africa, agriculture, renewable energy and financial inclusion, while maintaining our strong position and distinctive focus on the quality of social outcomes in the more mainstream areas of microfinance. We will continue to seek new types of partners, such as commercial banks in Africa financing SMEs that create jobs for low-income earners and help smallholder farmers access markets.

We will strengthen our local currency risk fund and take forward our tax project by reviewing the tax position in the countries where we operate. This project is expected to take two years to complete. We will also consider how to diversify our term investments to be better placed when interest rates eventually rise again.

Our cooperative turns 40 in 2015, an important milestone that we will celebrate at our AGM in Berlin, Germany. Berlin was where our founding members endorsed the concept of Oikocredit as a worldwide cooperative and social investor.

Conclusion

We have had another successful year, achieving social and financial results we can be proud of in these complex and demanding times.

So many forces are pushing human societies towards inequality, injustice and environmental degradation. This is all the more reason for us to be satisfied that our work of investing in people, supporting low-income communities, helping women's empowerment, and promoting more equitable and sustainable livelihoods around the world in a spirit of participation and mutual accountability offers rays of hope.

Whatever we have achieved during 2014 for the clients to whose benefit our work is dedicated owes a huge amount to the invaluable contributions of our closest stakeholders: partners, members, investors, support associations, volunteers, board members and staff. We offer sincere thanks to them all.

Amersfoort, 24 February 2015

David Woods
Managing director

Irene van Oostwaard
Finance director

Florian Grohs
Credit director

Albert Hofsink
Risk, compliance & IT director

Ging Ledesma
Social performance & credit analysis director

Ylse van der Schoot
Investor relations director

Supervisory board report

Two-tier governance model

On 20 June 2014 the annual general meeting approved a motion to change the governance structure of the Society.

The previous model consisted of a board of directors, appointed by the annual general meeting that had the widest powers in regard to the management of the society and a managing director to whom the powers had been delegated. The managing director was responsible for the day-to-day management.

The new adopted two-tier model is composed of two separate bodies: a supervisory board and a managing board or management team. This dualistic model creates a strict distinction between management and supervision. The key responsibilities of the supervisory board are supervising the activities of the management team, and supporting management by providing advice. The key responsibilities of the management team are realizing the strategy of the company by managing operations on a daily basis. The management team reports to the supervisory board and provides it with information in order for the supervisory board to carry out its responsibilities.
Although the two bodies are separate and have separate tasks, they also have a shared responsibility in realizing the goals of the company. Board effectiveness is defined as the extent to which the performance of both bodies together contributes to the achievement of the organization's goals. The new two-tier model provides a lot more clarity on the executive and non-executive roles than a one-tier model, where both roles are executed from within the same body. The clear distinction between supervisory board and management team that the two-tier model offers is to improve alignment between the two bodies and will create a strong supervisory force within Oikocredit's governance structure.

The annual general meeting appoints the supervisory board. The supervisory board appoints the members of the management team.

The new governance structure took effect on 14 July 2014. The existing board of directors became the supervisory board and the management team became the board of directors, but still being called management team. Further details can be found in the Articles of Association of the Society dated 14 July 2014.

Composition of the supervisory board and the committees

The following people were members of the supervisory board as at 31 December 2014:

- Ms Jacinta Hamann de Vivero (Peru) – President
- Mr Richard Librock (Canada) – Vice president
- Ms Ayaan Adam (United States of America)
- Ms Annette Austin (United Kingdom)
- Ms Daira Gómez Mora (Costa Rica)
- Mr Karsten Löffler (Germany)
- Mr Karen Nazaryan (Armenia)
- Mr Amulike Ngeliama (Tanzania)
- Ms Åsa Silfverberg (Sweden)
- Ms Martina Straub (Switzerland)
- Ms Carla Veldhuyzen van Zanten (the Netherlands)

Secretary to the supervisory board:
Mr Eric van den Hout (the Netherlands)

The management team consists of the following members:

- Mr David Woods (Ireland) – Managing director
- Mr Florian Grohs (Germany) – Credit director
- Mr Albert Hofsink (the Netherlands) – Risk, compliance & IT director
- Ms Ging Ledesma (the Philippines) – Social performance & credit analysis director
- Ms Irene van Oostwaard (the Netherlands) – Finance director
- Ms Ylse van der Schoot (the Netherlands) – Investor relations director

Nomination committee

The nomination committee is elected by the members of the Society and has the task of collecting and organizing the nominations for candidates for membership of the supervisory board, the audit committee and the nomination committee itself.

Members of the nomination committee:

- Ms Kristina Herngren (Sweden) – Chair
- Ms Annette Herrmann-Winter (Germany)
- Mr Richard Librock (Canada) – member supervisory board
- Mr David Mesenbring (United States of America)
- Mr David Woods (Ireland) – Managing director

Audit committee

The annual general meeting has set terms of reference for the audit committee, which consists of three people elected by the annual general meeting for a three-year term. The audit committee held three meetings during 2014 (two physical meetings and one by telephone), reviewing items such as the financial statements, internal control structures, the risk management project, as well as legal and compliance issues and met with the supervisory board once.

Members of the audit committee:

- Ms Ruth Waweru (Kenya) – Chair
- Mr Andreas Neukirch (Germany)
- Ms Ilse Roeleveld-Schmidt (the Netherlands)

Meetings of the supervisory board

Before the transition, the board of directors held two meetings and after the transition the supervisory board held one meeting in 2014. A wide range of subjects was discussed such as updates on current business, vision and mission, governance structure, conflict of interest policy, financial statements, the budget, the dividend, currency exposure and the remuneration policy of the supervisory board. All new supervisory board members have completed induction training, and all supervisory board members have completed training for their roles in the new governance structure.

Remuneration of the supervisory board and the management team

The remuneration policies of the supervisory board and the management team are described in note 31 of the financial statements.

Amersfoort, 24 February 2015

Jacinta Hamann de Vivero
President

Richard Librock
Vice president

Ayaan Adam
Board member

Annette Austin
Board member

Daira Gómez Mora
Board member

Karsten Löffler
Board member

Karen Nazaryan
Board member

Amulike Ngeliama
Board member

Åsa Silfverberg
Board member

Martina Straub
Board member

Carla Veldhuyzen van Zanten
Board member

Lasting impact: one of the first loans

In 1978, Oikocredit's loan to Vellore Christian Medical College Board Inc. provided housing loans to its lowest-paid staff in Vellore, India. Today, Vellore Medical College and hospital is still empowering staff to not only build homes, but also invest in education. See: www.oikocredit.coop

€ 735
million capital outstanding

Credit and equity

Solid progress in changing times

In 2014, Oikocredit's lending and investments grew substantially. We maintained close attention to portfolio mix and quality, responded effectively to changes in the operating environment and continued to develop our distinctive approach to social investment.

Overall, 2014 was a good year for Oikocredit in terms of finding partners and growing our development finance portfolio. Supporting socially oriented microfinance institutions (MFIs) remains centrally important to our objective of promoting financial inclusion among low-income communities. Equally, investing in agriculture to assist small-scale farmers and the rural poor, funding renewable energy projects, and building up our portfolio in Africa, which has a very high proportion of financially excluded people, are also priorities.

Total lending and investments grew by 24% during 2014 from € 590.5 million in 2013 to € 734.6 million. This increase was due partly to financing more partners than the year before, to growth in the average size of our loans and also to the weakening of the euro against other currencies (the euro had strengthened the previous year). Adjusted for the effects of the euro's depreciation, portfolio growth was 17%.

Credit and equity operations were affected by macro-economic and market trends. The global interest rate environment continued to remain very low, so we maintained low rates ourselves, which put pressure on our results. We looked for new partners in sectors outside microfinance, especially in agriculture and renewable energy. We approved 276 loans and investments worldwide in 2014, up from 253 in 2013. Despite the increase in loans approved, the overal number of partners fell slightly to 805, from 815 in 2013.

Approvals, disbursements and portfolio mix

Approvals and disbursements (loans and equity) continued to increase in 2014. Approvals grew by 29% to € 383.8 million, up from € 297.3 million in 2013, and disbursements by 10% to € 337.9 million, up from € 306.1 million in 2013. Portfolio growth was strong in all regions, with Latin America leading. Africa also saw a significant portfolio increase, from € 88.8 million capital outstanding in 2013 to € 104.1 million in 2014.

As part of our strategy we are seeking to diversify our portfolio to reduce dependence on the financial sector and to make more direct loans to producer organizations and other enterprises. However, the proportion of our portfolio in the financial sector grew slightly from 82% in 2013 to 84% in 2014 because average loan sizes to MFIs tend to be larger than those of loans to other enterprises. In India we made sizeable new loans to three large MFIs that have received exceptionally high ratings from external evaluations for their social performance. Despite a slight reduction relative to the total portfolio, our investments in agriculture and renewable energy both showed growth in absolute terms.

Supporting small-scale agriculture

Oikocredit's agricultural portfolio continued to grow in line with our commitment to increase support for the rural poor, who mainly depend on farming for their livelihoods. Total capital outstanding (credit and equity) in agriculture rose from € 64.1 million in 2013 to € 83.7 million in 2014, and the number of our agricultural partners increased from 158 to 179.

In 2014, our new three-person agricultural unit, based in Peru and in Côte d'Ivoire, became operational, working with our regional offices to undertake joint due diligence, enhance our technical expertise relating to products such as cocoa and coffee, and help develop loan proposals. Technical support from the agriculture unit enabled us to begin financing coffee and processing companies in Rwanda and Uganda that buy coffee from African smallholder farmers.

The quality of our loans to agricultural partners continues to improve as we adapt our loans more effectively to partners' needs. We provided specialized training for regional staff in Africa, Asia and Latin America in 2014 to equip them to work more successfully with agricultural partners.

We also participate in the Council on Smallholder Agricultural Finance, an alliance of social investors working for a sustainable and transparent financial market to serve small and growing agricultural enterprises in low- and middle-income countries. We meet regularly with other alliance members to develop and coordinate our fair lending practices, arrange joint training for staff and partners, and in some cases make multi-party loans.

Renewable energy

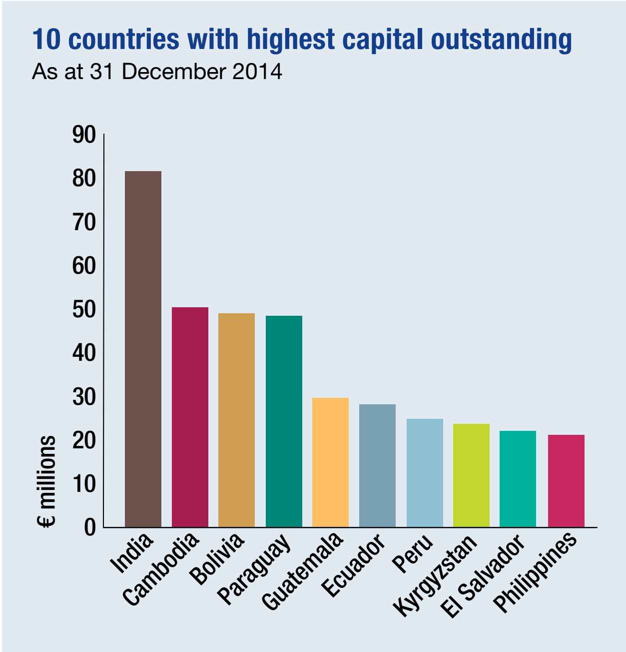
The aim of our investment in renewable energy is threefold: to address our triple bottom line commitment to environmental protection; contribute to carbon dioxide emission reductions by replacing fossil fuel electricity with renewable power; and to provide access to energy for low-income energy-excluded people.

In 2014, Oikocredit hired a renewable energy financing specialist to manage our renewables unit, and we approved seven new projects for an amount of € 12.7 million. Our outstanding portfolio in renewable energy reached € 8.4 million in 2014, and it is growing rapidly. Of these projects, the Generación Andina micro-hydro project in Peru, which was recommended to us by a support association member, aims to generate electricity in a remote area. Generación Andina will provide renewable electricity to the Peruvian electricity grid and generate funds to reinvest in local coffee processing and marketing. Other new renewables projects include an investment in a renewable energy fund managed by the German development bank DEG and the Evangelische Bank (with a first project in Africa), a biogas installation on a dairy farm in Bulgaria, and a producer of solar lamps in India.

Developing new business

Offering more products to our partners is an emerging area of our portfolio. Our business development specialist's responsibilities included developing subordinate debt (quasi-equity) investment products for MFI partners. In the event of a default these investments are repaid before regular equity but after standard loans. Such investments incur higher risks than a standard loan but help attract funding from other investors for these MFI partners.

APPBOSA, Peru



Oikocredit also began taking forward plans to lend to commercial banks, especially in Africa, that finance small to medium enterprises (SMEs). SMEs create jobs for low-income people and in the agricultural sector help small farmers sell their produce. In addition to being able to better target the 'missing middle', lending to such banks helps us balance portfolio risk.

Prioritizing Africa

Africa, with its disproportionate share of low-income countries, is Oikocredit's priority region. We have three departments focused on the continent: our regional offices in East and West Africa and our developing markets team. Our work in Africa includes agricultural value chain development, staff recruitment and training, and capacity building support to partners. In line with our new three-year regional growth strategy, in 2014 we recruited more regional staff and significantly increased our loan approvals from € 37.3 million in 2013 to € 80.3 million. This figure reflects growth in both the number of new partners in Africa (58 compared to 41 in 2013) and average loan size. However, other regions (especially Latin America) experienced higher portfolio growth so that the share of Africa in the development finance portfolio dropped slightly.

Portfolio at risk

Portfolio quality continued to improve in 2014, with overall portfolio at risk (PAR) – the percentage of our portfolio with payments more than 90 days overdue – falling to 5.1% from 6.5% in 2013. The absolute amount of loans in PAR declined moderately, despite considerable growth in our loans during the year, and there was no increase in write-offs of bad debts. PAR in agriculture fell significantly too, from 19.5% in 2013 to 15.7% in 2014, although the figure is still high.

Guarantees and partnerships

Oikocredit entered into new partnerships in 2014 with the Inter-American Development Bank (IDB) and the Dutch development bank FMO to make syndicated loans to partners. We also entered into a partnership with Triodos Bank to finance renewable energy projects jointly. Together with the IDB we financed a loan to a bank in Ecuador that lends to SMEs, and together with FMO we made a loan to a finance company in South Africa that finances minibuses for taxi drivers.

Organizational developments

During the year, Oikocredit made adjustments in the credit department and regional offices to increase efficiency and profitability. This is part of our response to the low interest rate environment, which has put pressure on our profit margins. One change is to give greater responsibility to regional offices to manage their income and expenditure. Our large network of regional offices will remain central to our global operations. We closed country offices in Moldova and Russia, where the potential for portfolio growth is weaker and the portfolios can be managed effectively from our regional hub.

Three new regional leaders were appointed in 2014, in all cases internal promotions. Yves Komaclo became West Africa regional manager, succeeding Mariam Dao who had expanded the regional office over a period of 20 years; Eduard Walkers became regional director for Mexico, Central America and the Caribbean, and Gouri Sankar was appointed director in India. In addition the Regional Office India was upgraded to a Regional Development Center, which allows the office to approve loans directly up to an amount of € 1 million.

We started work to replace our existing online loans and investments monitoring system with a new integrated system with more functionality, ready for launch in 2015. This will further integrate our loan tracking, monitoring and credit application functions and be easier to operate and maintain than our current system. Also in 2014, we updated our online outflow policy manual which is a

Habitat, El Salvador

reference for staff about how to assess and manage loans to project partners.

Equity investments

The equity portfolio grew to € 55.2 million net in 2014 and comprised 45 investments: direct equity stakes, convertible loans and specialized funds. We processed approvals of € 22.9 million including two investments for our renewable energy unit, and disbursed € 8.6 million. We also generated a net gain of € 2.2 million with three exits (equity sales).

Oikocredit supports inspiring social enterprises that combine a strong social purpose with solid business potential. Among these are Sekem in Egypt, our largest equity investment, where we are financing an evaluation of how supplier farmers have fared under a transition to organic/biodynamic agriculture. Yalelo in Zambia is building a sustainable aquaculture operation with regional potential, providing healthy fish protein from local inputs to replace imported frozen fish. Fonkoze in Haiti is consolidating its rural microfinance branch network, improving its viability and capacity to serve over 200,000 clients.

The equity team has grown to 12 people, including staff in Latin America and in Africa, with the strategy evolving towards more selective screening, geographical and sector focus, higher average investment sizes and active management of investees. The aim is to double the portfolio in the coming year and to provide governance support and additional capital to current and new partners in financial services and agriculture, working closely with the regional offices and local networks.

Looking ahead to 2015

The outlook for 2015 is positive. As microfinance continues to become more mainstream, Oikocredit's challenge will be to seek out and develop more pioneering avenues for social investment, in particular in renewable energy projects and by supporting smallholder farmers through financing agricultural enterprises along the value chain. We anticipate further growth in these areas as well as steady progress in Africa. We want to continue to occupy a unique position as a social investor, financing more than 800 partners in over 60 countries.

We will roll out a new in-house training programme for loan and project staff which will focus on our values and the Oikocredit approach to analysing social and financial aspects of new and existing project partners. The training will be delivered by senior Oikocredit staff. Another strand of training will focus on agricultural finance, where we will develop staff capacity to further support agricultural partners.

We will further integrate investments and capacity building. One area of this support is agricultural partners, cooperatives and other organizations, that need both investment funds and capacity building to strengthen their operations and activities, with the ultimate objective to benefit smallholder farmers and their families.

Africa **Successful development**

The economic and political environment in Africa remained largely favourable to our work in 2014, despite ongoing challenges in many countries. Our portfolio continued to develop well, and social investment prospects for the region remain attractive.

Three Oikocredit offices coordinate our work in Africa: our East Africa office in Nairobi, Kenya; our West African office in Abidjan, Côte d'Ivoire; and our developing markets team (formerly MicAf) located in our international office in Amersfoort and working mostly with partners in non-focus countries. Diversification was a priority during 2014. We hired new regional staff, particularly to work on agriculture, equity and project financing, and invested in staff training in financing and monitoring of agricultural projects. We recommenced lending in Malawi after a three-year absence and saw consolidation of our presence in Morocco, with several partnerships there.

Our East African portfolio, including support for partners in Kenya, Rwanda, Tanzania and Uganda, grew by 5.7% in 2014, with a major increase of 9.3% in microfinance. Our agriculture portfolio grew by 4% in East Africa. Local currencies appreciated against the euro, and Kenya's central bank introduced a reference rate to replace banks setting their own rates. We continued to support our East African partners' social performance with mentoring and other capacity building approaches, for both their day-to-day operations and their longer-term social goals.

In West Africa we further expanded operations with microfinance partners, strengthened support for better-established microfinance institutions (MFIs) and built relationships with international networks such as Advans Group, VisionFund and Microcred. We approved interesting new agricultural project investments, totalling € 1.5 million, such as in palm oil production (Côte d'Ivoire), cashew processing (Benin) and sesame processing (Mali). Opportunities also came to fruition in Côte d'Ivoire in rubber processing and a mango project.

Our capacity building and social performance management activities in West Africa included a risk management programme with rural banks in Ghana, which we will expand to Benin. We conducted portfolio audits and client satisfaction surveys in Benin, Ghana and Mali, and a sesame value chain study in Mali with ICCO and Terrafina, leading to our financing of a sesame processing enterprise. In 2014 we celebrated the 20th anniversary of Oikocredit's presence in West Africa.

Yalelo

Yalelo Ltd is a sustainable aquaculture company farming tilapia fish in Lake Kariba, Zambia. Their mission is 'to implement and scale sustainable aquaculture as a long-term solution to malnourishment'.

Yalelo farms the tilapia which is then sold on to the local market through a network of predominantly female vendors. Yalelo hopes to meet the huge demand for local fish, not just in Zambia but in the region as well. Apart from supporting the domestic market and providing people with sustainable fresh fish, aquaculture will also support the local soya bean industry, which provides high-protein fodder for the tilapia.

Yalelo's modern aquaculture practices will contribute towards ending decades of disastrous over-fishing. The company grows organic tilapia which are fed a grain-based diet and grow in floating nets on the open water. The latest aquaculture techniques are used to ensure fish welfare and optimal growth. Over-fishing has been a problem in Zambia and Yalelo is directly reversing the trend.

Yalelo is closely integrated with its community through a relationship of mutual benefit and respect. It currently provides full-time employment to 175 staff. In addition to providing quality local employment, it is also engaged in numerous community empowerment projects.

Yalelo has been an Oikocredit partner since 2014. It offers Oikocredit not just financial returns, but social and environmental as well. Zambians now have increased food security and employment.

Asia **Positive outcomes**

In India, political stability and encouraging steps taken by the new government created a favourable context for our work. In Southeast Asia our portfolio developed strongly despite an economic slowdown in some countries and mixed political conditions.

Oikocredit's subsidiary in India, Maanaveeya, performed well in 2014, recording portfolio growth of about 15% to € 75.7 million, mostly in financial services. We have developed a strong pipeline for agricultural businesses and renewable energy projects, which we expect to increasingly come to the fore in 2015. Besides deepening relationships with existing partners in India we embarked on seven new partnerships during the year, diversifying into three new agricultural projects and one in renewable energy.

Maanaveeya commemorated its work over the past 10 years by holding a symposium on microfinance and social performance management, involving partners, development agencies, sector leaders, banks, regulators and other stakeholders. A three-year water, sanitation and renewable energy project, implemented in collaboration with the IFC, came to completion, achieving all its targets.

Our Southeast Asia portfolio increased unprecedentedly by nearly 39%, mainly as a result of loans to long-term microfinance institution (MFI) partners in Cambodia. Our regional development financing activities grew in non-focus countries such as Indonesia, where we support MFIs that combine strong financial and social performance.

We successfully piloted disaster risk reduction and management training with Philippine partners and aim to replicate the programme in Cambodia, Vietnam and Indonesia. Our Manila, Philippines, office calculated its carbon footprint and will take steps to reduce this through sound environmental management practices. Oikocredit Philippines celebrated its 25th anniversary, with a focus on developing partners' resiliency as the key theme.

In India changing market dynamics may prove to be a challenge for some of our microfinance partners. We will continue efforts to diversify into agriculture and renewable energy while maintaining our emphasis on social performance and portfolio quality. In Southeast Asia we expect portfolio growth to continue, although at a more modest rate than in 2014, with Cambodia leading. We look forward to further expansion in Indonesia and Vietnam, and a pilot entry into Myanmar.

AMK

Angkor Microfinance Institution Plc (AMK) is an independent Cambodian MFI with branches in every province throughout Cambodia. It has over 400,000 clients, providing a range of tailor-made microfinance services: from individual and group loans to savings and deposit products. By providing such a wide choice of services, AMK offers its clients the opportunity to improve their lives and livelihood options. AMK offers the lowest average loan size among the MFIs in Cambodia and is particularly innovative. Its 'Finance at Your Doorstep' initiative (loan disbursement and collection, deposit, micro-insurance at community level) allows it to serve large numbers of low-income earners in Cambodia in a convenient and cost effective way.

AMK is the largest MFI in terms of client outreach and ranks seventh in terms of portfolio size among 35 licensed MFIs in Cambodia. It employs a staff of 1,740 spread across 12,075 villages and 25 provinces and cities nationwide with a loan portfolio of over US$ 96.3 million.

AMK prides itself on its outreach and innovation and considers itself a standout from its competitors. It holds a Microfinance Deposit Institution (MDI) license and is ranked #1 in Cambodia and #16 globally by MIX Global 100 composite, the only MFI in the top 20 for four years in a row. AMK is known for its social outreach and absolute commitment to its mission.

Oikocredit has approved eight loans to AMK since 2007 to support it in expanding its microfinance work in underserved areas of the country.

Latin America **Growth and diversification**

The economic picture in Latin America was mixed. Despite solid growth in Central America, poverty remains widespread. Some southern South American countries experienced high inflation. We continued to build and diversify our loans and investments across the region with positive results.

In 2014, Oikocredit achieved strong portfolio growth and diversification in Central America. Of the € 47 million approved, 67% was directed to financial intermediaries, 21% to agribusiness and 12% to other sectors. Most of our agricultural lending was for the coffee sector, with the remainder allocated to dairy, fruit and vegetables. The coffee rust problem has diminished, although not in Guatemala. Vegetable crops continued to face climate challenges. In microfinance both regulation and competition increased. We successfully launched strategic support programmes for project partners in three areas: risk management for microfinance institutions (MFIs), a small cooperatives programme and coffee strengthening. Central America's rapidly emerging renewable energy sector offers good investment prospects.

In northern South America our portfolio expanded significantly through large microfinance loans in Peru and Ecuador. A loan syndicated with the Inter-American Development Bank will increase Ecuadorean micro-, small and medium agricultural producers' access to finance. We continue to support socially oriented MFIs and to build our agricultural portfolio by working with producers' associations and cooperatives, while maintaining portfolio quality. We are exploring new agricultural products such as nuts, palm oil and quinoa, and aim to offer not only pre-export finance but also longer-term lending for investment in processing and infrastructure. We provided further training in agriculture for our staff, along with capacity building support to partner cooperatives in the agriculture value chain and in risk management, product and organizational development, and social performance management.

We achieved record levels of approvals in southern South America, a third of them for agriculture, and saw renewed vigour in our Brazilian market. Falling commodity prices put pressure on agricultural partners. We provided capacity building support to strengthen coffee producer cooperatives' price risk management, financial and governance skills, and international marketing, and we supported banana producers' management of banana leaf rust. We also worked with MFIs on risk management and continued the social performance management mentoring programme and supporting use of the progress out of poverty index (PPI).

PRODECOOP

Promotora de Desarrollo Cooperativo de las Segovias SA (PRODECOOP) has been an OIKOCREDIT partner for 20 years. It was founded in 1993 and groups 39 first-tier cooperatives of 2,300 small coffee farmers in the northern region of Nicaragua. PRODECOOP provides processing and commercialization services for its members for both organic and conventional coffee. In addition, it offers financing, capacity building and social development projects for its members. PRODECOOP's social responsibility to its members includes the protection of habitats and ecosystems, gender equity and access to education for its members, and cooperative principles.

PRODECOOP has Fair trade and Organic certification, which allows the organization to provide support to its members to improve productivity and good agricultural practices. PRODECOOP has created several additional services, such as scholarship programmes for members and their families, environmental activities focused on organic production, improved processing facilities for producers and capacity building. PRODECOOP benefits over 10,000 members including associates, family members and those with direct and indirect jobs. PRODECOOP has increased its outreach as one of the largest second-tier cooperatives in Nicaragua.

The cooperative has its own dry milling processing plant, and employs 20 permanent staff and hundreds of workers during the harvest season.

Eastern Europe and Central Asia
Opportunities and challenges

Eastern Europe and Central Asia comprise a highly diverse region offering both opportunities and challenges for social investment. Strong portfolio growth in Central Asia and the Caucasus in 2014 contrasted with less favourable conditions for Oikocredit in Moldova, Russia and Ukraine.

The past year was successful for our work in Eastern Europe and Central Asia overall in terms of portfolio growth and management, despite challenges in the external environment. Our portfolio developed beyond expectations, most notably in Central Asia and the Caucasus. We closed country offices in Moldova and Russia, where potential is weaker and the portfolio can be managed effectively from our regional hub for Eastern Europe and Central Asia based at the international office in Amersfoort.

Since late 2013, Oikocredit has not approved any new loans in Ukraine due to the unpredictable political and economic situation there and also because of low demand from our partners, who are faced with fewer loan requests themselves. Although our Ukrainian portfolio now consists of only two partners, we hope to maintain our support for the agricultural sector and to continue working with credit unions that have sufficient capacity to handle growth.

In 2014, we received excellent social performance reports from our partners in the region. We supported external capacity building assessments of partners in Kosovo and Azerbaijan, and began capacity building work in Moldova. In 2015 we will assess partners' compliance with the client protection principles (CPPs), an area where we know many partners across the region have made good progress, in several cases achieving certification.

Our Romania office now also looks after Moldova, and the market in both countries is promising, with several new projects set for investment in 2015. While demand remains at modest levels in Central Europe and the Balkans, we are developing new investment possibilities in these regions. The highest growth opportunities are in Central Asia, and other regional staff will therefore continue to support our Central Asian office.

Kompanion

Kompanion Financial Group Microfinance was established in Kyrgyzstan in 2004 by Mercy Corps, a non-profit economic development and aid organization. Today, Mercy Corps remains the majority owner of Kompanion. It is one of the top three MFIs in Kyrgyzstan by portfolio and client outreach, serving over 115,000 clients in all regions. Kompanion is also one of the most respected MFIs by clients as well as by competitors.

Kompanion provides micro loans along with community development advisory services for smallholder farmers and livestock owners to promote sustainable agriculture and natural resource management. Kompanion focuses on providing services to the rural poor, with more than 80% of clients from rural areas and over 80% female. Kompanion is the first MFI in Kyrgyzstan to receive SMART certification for client protection principles (CPPs).

Kompanion's Pasture Land Management Training initiative won the European Microfinance Award in November 2014. This initiative provides a special loan linked to a training programme for livestock farmers on grazing land management and preservation. The programme works to address widespread land degradation. Since the launch of the programme in 2011, more than 24,000 Kompanion clients have received training, gaining knowledge and skills that have helped them to reduce the use of chemical fertilizers by 18% and increase their income from cattle by 30%.

Kompanion contributes to the development of communities and has received wide international recognition for its activities.

The MFI has been an Oikocredit partner since 2005. Oikocredit acknowledges Kompanion's innovative approach and contribution to building sustainable communities and increasing its awareness of environmental issues.

805
partners

Social performance management

Supporting partners, empowering people

Oikocredit's social performance management has grown in strength and depth. With growing experience and greater in-house knowledge and skills, we can do more to support partners, help them build capacity, and together serve low-income communities more effectively, while holding ourselves accountable as ever.

For Oikocredit, social performance management (SPM) means never forgetting that our mission is to empower people in low-income communities to realize a better future for themselves and their families. We prioritize choosing the right partner organizations to work with. We support partners in serving the needs of clients and in improving their financial and social performance. And we hold our partners and ourselves accountable for results.

As a social investor we aim to be transparent and accountable – not only in social and financial terms, but also in environmental terms as part of our commitment to the triple bottom line. We measure, monitor and report how we use our resources, and with what results. And we strive to embody a learning culture and to share and promote the very best in socially responsible investing.

Utilizing in-house SPM capacity

Oikocredit's approach to SPM has grown in strength and depth. The first five-year strategy (2010-2014) of the social performance and credit analysis department focused on building internal staff capacity. Today, our staff can directly support partners in key areas of SPM. As we develop this in-house capacity, we are moving from being a 'matchmaker' between partners' needs and SPM consultants to responding to those needs more directly, using the knowledge and skills our staff have developed.

The different teams and units of the social performance and credit analysis department each play a key role in our cooperative's SPM: in credit analysis (social and financial loan reviews); in capacity building (strengthening partners' performance in achieving their social and financial objectives); and in environment, social performance and information (monitoring outcomes and leading on evaluation, learning and reflection).

Capacity building: setting Oikocredit apart

Our partners need more than just finance. They also need long-term commitment and active engagement when they encounter problems or areas for improvement, and they value us for providing this. Our capacity building support helps partners make the cultural, structural and process shifts required as their enterprises grow.

During 2014, with support from the Church of Sweden and ICCO and using our own funds, we financed 189 capacity building engagements with more than € 1.85 million. Of these funds, € 582,116 went to programmes in Africa, € 826,754 to Latin America, € 215,117 to Asia, and € 226,522 to global, inter-regional initiatives and initiatives in Eastern Europe and Central Asia.

Diaconia, Bolivia

Our largest three areas for capacity building remain risk management (€ 746,858), support for the development of agriculture value chain financing (€ 471,692) and improvement of SPM practices (€ 449,138). Agricultural enterprises receive much of our capacity building support. Working with coffee producer cooperatives in Peru, for example, we have helped partners to develop financial literacy programmes, price risk management and technical skills, such as for the renovation of coffee plantations. We have also assisted banana producers in Peru in avoiding banana leaf rust.

In Uganda we worked with four selected farmer-based area cooperative enterprises to increase productivity and improve cooperative governance. Farmers who had received technical assistance closed the season with bumper harvests, and the cooperatives look forward to scaling up their bulking and marketing activities in 2015.

Changes in clients' lives over time

From 2014 onwards, we are putting more emphasis on supporting partners in data collection, processing, analysis of outcomes and application of the findings. We have started this work with MFI partners, assessing what they collect in terms of information on clients and how they use such tools as the progress out of poverty index (PPI). Our assessment shows that, while many partners collect information on clients, few use it effectively to monitor changes in clients' lives over time.

We are developing training programmes to help partners collect and use client data to greater effect, which commenced in 2014 in India, Cambodia and the Philippines, including for product and service development and for management decisions. Our goal is to have a least 200 partners reporting client data to us on a regular basis, and we will provide direct support to 50 of these in the next five years.

We want the quality of our capacity building support to partners to continue setting Oikocredit apart from other social investors. Capacity building is the key to our ability to see the potential in, and work with, smaller and under-resourced organizations, help them develop, and through them touch the lives of low-income earners, semi-literate people and other financially excluded groups.

SPM mentoring
Oikocredit's successful SPM mentoring programme, which began in 2010, is a central part of our capacity building work and continued in 2014 to deliver 'quick wins' and to help partners integrate SPM into their operations. The programme has progressed from three countries in East Africa (Kenya, Tanzania and Uganda) to Rwanda, to West Africa (Benin, Mali, Senegal and Togo) and to Latin America (Ecuador, Paraguay and Peru). Because mentoring is an intensive process, we work with a maximum of four partners per region at any one time. With the development of greater in-house staff capacity, we are now directly involved in the programme ourselves.

Some partners are initially hesitant or appear overwhelmed by the implied requirements and processes of SPM. Where to begin? The mentoring programme provides a focused entry point by centring attention on the clients: Who are they? What do they need? How do we deal with their vulnerabilities? Partners recognize that effective client-centredness makes good business sense, and this enhances their motivation.

Mentoring begins by asking 'Who are we reaching, who is being excluded and why?', 'What do we do to benefit and protect clients?' and 'What can we do better?'. The aim is to improve outreach, provide the most appropriate financial products and services for clients' needs, and manage repayment difficulties better. Partners work with mentors to clarify goals, identify strengths and opportunities, build organizational commitment, and draw up and implement action plans.

All board members of our Peruvian partner PROEMPRESA, for example, have come through the programme to acknowledge the importance of SPM. Today, PROEMPRESA has designated staff leading on SPM and aims to integrate SPM into its strategic planning. It has increased its proportion of clients in rural areas, grown its number of financial products, created a new financial literacy programme, and improved its respectful treatment of clients and handling of client privacy, while continuing to prevent over-indebtedness outstandingly well.

After four years of delivering SPM mentoring, in 2014 we began to document the process, and we are now working on SPM guidelines for general use.

ESG scorecards and environmental issues
Oikocredit's environmental, social and governance (ESG) scorecards, initially developed in 2009, remain important internal tools guiding our social due diligence process. We have two scorecards in use: one for financial intermediaries and another for non-microfinance enterprises. This scorecard has been shared with our peers in the social investing community and with mainstream financial providers, such as ING and ACHMEA.

We have developed a green travel policy to guide Amersfoort staff in reducing carbon dioxide emissions by reducing air travel and compensating for emissions via an offset fund. Our regional office for Mexico, Central America and the Caribbean has achieved an excellent carbon footprint reduction, and our offices in India and the Philippines are being assisted in calculating their footprints. We also recently approved a grant of € 20,000 for solar panelling for a partner in Central America.

In 2014, we arranged four sessions on our environmental policy and performance for staff and support association members. Support to regional offices in the implementation

VisionFund Cambodia Ltd., Cambodia

of environmental impact assessment guidelines for projects is ongoing.

In the context of disaster management, our Southeast Asia regional office organized workshops to better prepare 11 partners in the Philippines – one of the most disaster-prone countries in the world – for disasters. The practical approach adopted worked well and will be replicated in other countries in the region and in other regions.

Looking ahead to 2015

Oikocredit's distinctive approach to SPM faces many challenges and opportunities as we continue to work with partners to improve, measure and report what happens in the lives of clients. We want to be better known to potential supporters of social investment for our pioneering work that really builds capacity and reaches the grassroots.

We will begin to implement a new five-year global SPM strategy, consolidating our focus on partner selection and support, holding ourselves and partners accountable, improving performance, and sharing and replicating successes. Much of our work under the new strategy will target non-microfinance agricultural partners, link with our agriculture unit in Peru and be led by internal staff as in-house expertise grows.

We will continue to deliver and develop SPM mentoring. In East Africa we will hold a 'Finance Plus' conference with a peer forum for partners to share programme outcomes. If there is additional demand we will expand the programme in this region.

As some cycles of donor support end in 2015 we will seek new sources of funding for our capacity building work.

Our support for farmer-based cooperatives in Uganda will expand as we take on four more organizations that qualified from the survey we undertook in 2014. We will conclude an impact assessment with an organic fair trade, agricultural social enterprise. And our work with small export organizations in Guatemala and Honduras will continue.

We will review and update Oikocredit's environmental policy, and, exploring an aspect of SPM that could become important in many countries, further develop our collaboration on disaster risk reduction management with partners in the Philippines.

53,000

investors

Investor relations

Investing in the triple bottom line

Oikocredit's investors are confident in our ability to use their funds effectively in serving our mission. They support our commitment to achieving the triple bottom line of social and financial returns that respect our planet's environmental limits, and they recognize our track record in delivering results.

In 2014, Oikocredit sustained the previous year's marked growth in inflow of lendable funds. We received a record of € 81.5 million from members and investors in net lendable funds during the year (gross inflow minus redemptions), up from € 80.4 million in 2013. Germany, Austria, the Netherlands, France and Switzerland were our leading countries in terms of net inflow. We were pleased to see our inflow of investments keep pace with our growing outflow of credit and equity.

Investor numbers rose slightly, reaching around 47,000 individuals and 6,000 organizations (up from 46,000 and 6,000 respectively in 2013). The leading countries in terms of investor numbers were Germany, the Netherlands, Austria, the USA and Switzerland.

Targeted outreach, new products and partnerships

We focused our investor outreach on specific target groups during 2014. These included church members in France, younger investors in the Netherlands, commuters in Austria and new retail investors in the UK. In the UK we ran a new multimedia campaign, collaborating with Divine Chocolate and Café Direct. Following a successful launch event, new investors received an online voucher code to redeem against purchases of chocolate or Kopi premium coffee. The campaign attracted over 100 new investors, growing the UK investor base by more than 10%. In Austria, advertising in underground stations, at train stations and busy transport interchanges contributed to 23% growth.

Our joint savings product with the ethical GLS Bank in Germany continued to attract much investor interest.

In Sweden, working in partnership with Ekobanken, we unveiled a new savings product for social investors. Following agreement with the Mennonite Savings & Credit Union, we look forward to also having a new joint product on the market in Canada from 2015. Both organizations decided to become a member of the Oikocredit cooperative as well, which will strengthen our relationships.

In Canada, a restructuring of the Oikocredit investment offering is taking place. We have also reviewed our products and governance structure in the USA, enabling us to resume our inflow activities there. For similar reasons we continued to review our structures, procedures, roles and investor products in the light of new legal requirements in other European and North American markets.

Investing in agriculture and renewable energy

Oikocredit's members and investors have welcomed our diversification into agriculture and renewable energy. At our 2014 annual general meeting (AGM) in Peru, the agricultural unit and several field staff held an in-depth information exchange session about our support for agriculture and for small farmers. This included external speakers from organizations with which Oikocredit works closely, particularly regarding fair trade and smallholder farming. Staff from the agriculture unit also travelled to Europe to speak at various conferences, including events and activities related to one of our European roadshows.

Also during the year, we held webinars for members and investors on our initiatives to grow a renewable energy portfolio. We have established a new specialist unit at our international office for this key element in our triple bottom line strategy.

Members, governance, individual investors and volunteers

Most of our members are churches, and churches founded Oikocredit. It is therefore important to us to remain closely linked to the churches, and we continue to seek ways to build on this relationship by involving more members in our activities.

Our newly appointed members manager began to consult with members to help ensure that Oikocredit adapts to changing times and circumstances with the most suitable structure and services for its purpose. Through this consultation process we aim to enhance our ability to fulfil members' expectations while enhancing the way we collaborate with and support our partner organizations in meeting clients' social and financial needs.

We made changes to our articles of association and structure for governance reasons. The board of directors' role is now essentially supervisory, and the management team has become a management board. Our members approved these changes at the 2014 AGM, where a vast majority also voted for our redrafted vision and mission statement.

Our 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.

Our mission

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

The vast majority of Oikocredit's investors are individuals: people who invest with us because they support our approach to social investment and know that we will use their funds to good effect. Many of our individual investors belong to our support associations, which, through the hard work of volunteers, promote our mission by raising awareness about development issues and encouraging local people, churches and social organizations to invest with us.

Our appreciation of, and commitment to, our members, investors and volunteers motivates us to provide opportunities for them to learn more about our work. Hence our roadshows and study tours.

Roadshows and study tours

Oikocredit's roadshows and study tours complement each other. The former bring our regional staff and representatives from the field, while the latter take our members, investors and volunteers into the field to see how our work benefits low-income people.

In 2014, one of our roadshows, featuring Carina Torres from our new agriculture unit in Lima, Peru, visited Germany and Sweden. The other roadshow brought Mariam Dao, our former representative in West Africa, to eight cities in Belgium and Germany to showcase our regional activities including our support for agriculture, inclusive finance and women, and the work of Côte d'Ivoire partner Cocovico. Mariam Dao also visited several cities in Canada, and Seattle in the USA.

We organized two study tours in 2014. One tour took investors, members and volunteers from the USA and Canada to the Dominican Republic. Participants learned about our work in the Mexico, Central America and the Caribbean region and our particular focus in the Dominican Republic on supporting microfinance institutions (MFIs) that address women's unemployment through financial inclusion. There were visits to partners such as savings and credit bank Banco Ademi, the CONACADO cocoa processing cooperative and the 70,000-member financial services and social programmes provider COOPMAIMÓN, as well as to clients and cooperative members.

For the other study tour, 15 members, investors and volunteers from Austria, Belgium, Germany, the Netherlands and the UK went to Bolivia to learn about microfinance and social investment in southern South America and specifically in the context of Bolivia. Oikocredit country and regional staff members helped facilitate the tour. Partners visited included CRECER, an MFI providing loans, training and social services to more than 155,000 rural and peri-urban clients, and Banco FIE, which is strongly committed to gender equality. Participants also met with client savings groups and small farmers during this valuable shared learning experience.

Rusizi Specialty Coffee, Rwanda

Looking ahead to 2015

With Oikocredit's new structure in place, we can move forward with confidence in our ability to sustain our increasing inflow of lendable funds.

In Sweden we will continue to discuss with founding member the Church of Sweden and new member Ekobanken how best to serve our Swedish investors.

Tightened financial regulations to safeguard the interests of investors will require us to continue the review of the investment products and structures of Oikocredit to ensure that these are compliant. In Austria, for example, the sales function from the support association is being replaced by a direct offering via a new national support office, and the two bodies will henceforth work closely together.

The supervisory board agreed that as of 2015 we will no longer plan a set percentage dividend during the budgeting process each year. Instead, we will move to a system of proposing an annual dividend at the AGM, starting in June 2016, based on the financial results at the end of the previous year.

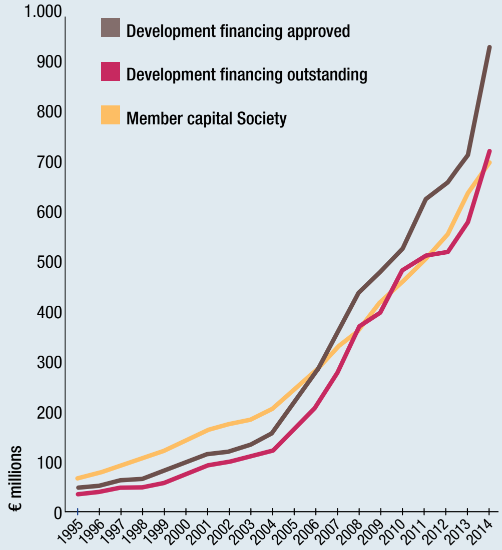
'My Oikocredit' is a major development planned for 2015. This new web-based service will make investors' lives easier by enabling them to invest funds, find information about their investments and change their personal details directly online.

As 2015 will also be the 40th anniversary of Oikocredit's founding, we are planning a series of events looking not only at the past but particularly at the future of sustainable development. This will include looking at topics such as alternative economies, financial inclusion, food security and climate change. These are closely related to what Oikocredit's founders stated in 1975 as the purpose of establishing the cooperative: an alternative investment channel for those who 'support sustainable development as a liberating process through economic progress, social justice, independence, as well as environmental and climate protection'.

Fernando Daquilema, Ecuador

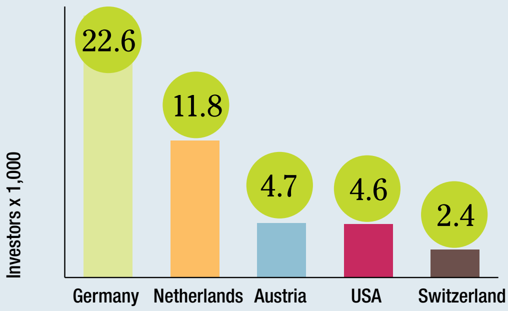
Member capital

As at 31 December 2014



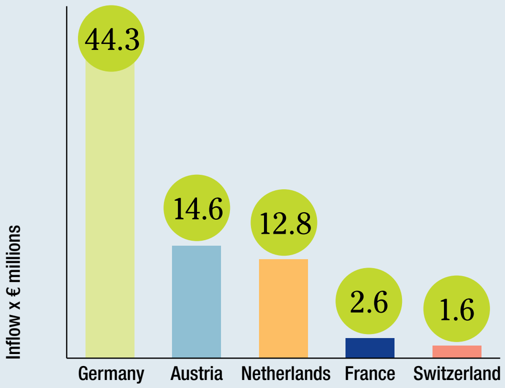
Number of investors

Top 5 countries as at 31 December 2014



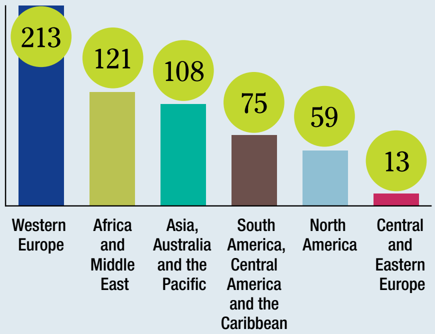
Net inflow 2014

Top 5 countries as at 31 December 2014



Number of members per continent

As at 31 December 2014



Consolidated financial statements

Consolidated **balance sheet**

(before appropriation of net income)

Notes		31/12/14	31/12/13
		€ ,000	**€ ,000**
	NON-CURRENT ASSETS		
5	**TANGIBLE FIXED ASSETS**	**1,246**	**827**
	FINANCIAL ASSETS		
6	Development financing:		
	Total development financing outstanding	734,606	590,540
	Less: - loss provision and impairments	(54,776)	(46,669)
		679,830	**543,871**
	Consists of:		
	Loans (net of loss provision)	*631,587*	*503,519*
	Equity (net of impairments)	*48,243*	*40,352*
7	Term investments	154,587	146,293
8	Other financial assets	1,137	10,190
		835,554	**700,354**
	Total non-current assets	**836,800**	**701,181**
	CURRENT ASSETS		
9	Receivables and other current assets	18,815	15,854
10	Cash and banks	51,513	62,189
	Total	**70,328**	**78,043**
	TOTAL	**907,128**	**779,224**

The accompanying notes are an integral part of these financial statements.

Consolidated **balance sheet**

(before appropriation of net income)

Notes		31/12/14	31/12/13
		€ ,000	**€ ,000**
	GROUP EQUITY AND FUNDS		
11/12	Member capital in euros [1]	651,154	578,594
12	General reserve	67,203	64,833
12	Restricted exchange fluctuation reserve	(6,062)	(9,990)
13	Local currency risk funds	40,012	23,942
14	Funds for subsidized activities and model costs	4,345	5,402
	Undistributed net income for the year	17,114	13,369
		773,766	**676,150**
15	**Third-party interests**	**2,900**	**1,583**
	Total group equity and funds	**776,666**	**677,733**
	NON-CURRENT LIABILITIES		
	Member capital in foreign currencies [1]	58,342	52,033
	Other non-current liabilities	42,262	22,498
16	**Total non-current liabilities**	**100,604**	**74,531**
17	**CURRENT LIABILITIES**	**29,858**	**26,960**
	TOTAL	**907,128**	**779,224**

The accompanying notes are an integral part of these financial statements.

[1] Besides their currency denomination, non-euro membership certificates have the same characteristics as euro-denominated membership certificates. However, they are accounted as a liability as opposed to equity, considering the stipulations of Dutch GAAP. For a detailed explanation refer to note 12 to the consolidated balance sheet.

Consolidated **income statement**

Notes		2014	2013
		€ ,000	€ ,000
	INCOME		
	Interest and similar income		
19	Interest on development financing portfolio	56,335	49,453
19	Interest on term investments	4,919	5,205
7/19	Revaluation of term investments	4,121	(4,388)
	Total interest and similar income	**65,375**	**50,270**
	Interest and similar expenses		
20	Interest expenses	(2,030)	(2,336)
	Total interest and similar expenses	**(2,030)**	**(2,336)**
	Income from equity investments		
	Result from sale of equity investments	2,157	-
	Dividends	1,783	1,939
	Total income from equity investments	**3,940**	**1,939**
21	**Grant income**	**1,862**	**3,661**
	Other income and expenses		
22	Exchange rate differences	11,091	(15,810)
22	Hedge premiums	(2,941)	(2,698)
22	Other	70	96
	Total other income and expenses	**8,220**	**(18,412)**
	TOTAL OPERATING INCOME	**77,367**	**35,122**
	GENERAL AND ADMINISTRATIVE EXPENSES		
23	Personnel	(16,385)	(14,995)
	Travel	(1,226)	(1,107)
24	General and other expenses	(11,104)	(10,171)
	TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	**(28,715)**	**(26,273)**
	ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS		
26	Additions to loss provisions	(10,640)	(5,548)
26	Impairments on equity investments	(1,814)	(834)
	TOTAL ADDITIONS TO LOSS PROVISIONS AND IMPAIRMENTS	**(12,454)**	**(6,382)**
	INCOME BEFORE TAXATION	**36,198**	**2,467**
27	Taxes	(4,437)	(1,137)
	INCOME AFTER TAXATION	**31,761**	**1,330**
15	Third-party interests	366	45
28	Additions to (-) and releases (+) from funds	(15,013)	11,994
	INCOME FOR THE YEAR AFTER ADDITIONS TO FUNDS	**17,114**	**13,369**

The accompanying notes are an integral part of these financial statements.

Consolidated **cash flow statement**

Notes		**2014**	**2013**
		€ ,000	**€ ,000**
	Income before taxation	**36,198**	**2,467**
	Adjusted for non-cash items		
6/9	Value adjustments loans, equity and receivables	9,473	2,119
7	Unrealized revaluation term investments	(4,121)	4,388
5	Depreciation tangible fixed assets	241	252
8/9/ 17/27	Taxes	(3,389)	1,653
	Exchange adjustments	(10,939)	16,723
	Changes in:		
6	Development financing (disbursements and repayments)	(106,138)	(100,412)
8	Other financial assets	(51)	-
9	Receivables and other current assets	(4,149)	3,288
17	Current liabilities	2,324	(1,412)
	Cash flow from operating activities	**(80,551)**	**(70,934)**
7	Term investments	(3,674)	(3,491)
5	Tangible fixed assets	(660)	(449)
	Cash flow from investing activities	**(4,334)**	**(3,940)**
16/41	Member capital (issue and redemptions)	76,304	74,901
30	Dividend paid on member capital	(10,999)	(10,124)
16	Loans and notes	7,221	239
15	Third-party interestss	1,683	522
	Cash flow from financing activities	**74,209**	**65,538**
	CHANGES IN CASH AND BANKS	**(10,676)**	**(9,336)**
	Cash and banks beginning of period	62,189	71,525
	Cash and banks end of period	51,513	62,189
	CHANGES IN CASH AND BANKS	**(10,676)**	**(9,336)**

The accompanying notes are an integral part of these financial statements.

Notes to the **consolidated financial statements**

Year ended 31 December 2014

These financial statements are expressed in euros (€). As at 31 December 2014, US$ 1 equalled € 0.826173 (31 December 2013: US$ 1 equalled € 0.726322).

1 General information

Description of the organization

Oikocredit Ecumenical Development Cooperative Society U.A. (the Society) was established in 1975 in Rotterdam, the Netherlands, and possesses corporate status according to the laws of the Kingdom of the Netherlands. The Society is owned by its members throughout the world: churches, subdivisions of churches, councils of churches, church-related organizations, partner members and support associations established by individuals and local parishes. The Society has an undefined ending date.

The entities belonging to the Oikocredit group (Oikocredit) are: the Society situated in Amersfoort, the Netherlands; Oikocredit International Support Foundation (Support Foundation) in Amersfoort, the Netherlands; Oikocredit International Share Foundation (Share Foundation) in Amersfoort, the Netherlands; Maanaveeya Development & Finance Private Limited in Hyderabad, India; Financial Company Oikocredit Ukraine in Lviv, Ukraine; Oikocredit Seed Capital Fund (OSCap), Amersfoort, the Netherlands (up to 21 August 2014) and the Low Income Countries Loan Fund (LIC Loan Fund) in Amersfoort, the Netherlands and managed by the Society.

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

Oikocredit's vision is 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.

Oikocredit has its international office in Amersfoort, the Netherlands, and has regional offices in the following locations: Abidjan, Côte d'Ivoire; Amersfoort, the Netherlands; Hyderabad, India; Lima, Peru; Manila, the Philippines; Montevideo, Uruguay; Nairobi, Kenya and San José, Costa Rica. It has country offices in addition to regional offices in Argentina, Benin, Bolivia, Brazil, Bulgaria, Cambodia, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Ghana, Guatemala, Honduras, Kyrgyzstan, Mali, Mexico, Moldova, Mozambique, Nicaragua, Nigeria, Romania, Paraguay, the Russian Federation, Rwanda, Senegal, Slovakia, South Africa, Tanzania, Uganda and Ukraine. The offices in Chile, Colombia, Moldova, Mozambique, the Russian Federation and South Africa no longer carry out operational activities.

Oikocredit has national support offices that coordinate and support efforts to attract investors in Canada, France, Germany, Sweden, the United Kingdom and the USA.

The offices in Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Ghana, Guatemala, Honduras, Kenya, Mozambique, Nicaragua, Nigeria, the Philippines, Rwanda, South Africa, Tanzania, Uganda, Ukraine, Uruguay and the USA are incorporated as legal entities. Due to the limited size of the assets of these legal entities, it was decided to regard these assets as if they were owned by branch offices.

OSCap and LIC Loan Fund

The Society has developed OSCap, which invests in exceptionally risky projects with a social impact in developing countries, and LIC Loan Fund, which invests in projects in low-income countries. These funds have been created as restricted, tax transparent investment funds (beleggingsfonds) with an open-end. The funds are not incorporated legal entities, but unincorporated contracts of their own nature. The funds and the participations will not be listed on any stock exchange.

The OSCap fund participants were bought out at the end of 2013 and the fund was liquidated on 21 August 2014. All assets and liabilities have been transferred to the Society.

Oikocredit International Share Foundation

The Share Foundation was established on 10 March 1995, in Amersfoort, the Netherlands, according to the laws of the Kingdom of the Netherlands. The duration of the Share Foundation is unlimited. The main purpose of the Share Foundation is to provide investment opportunities in Oikocredit for non-church bodies, such as banks and development organizations and for individuals in countries where no support association exists or where support associations are not allowed to sell financial products themselves.

Oikocredit International Support Foundation

The Support Foundation was established on 10 March 1995, in Amersfoort, the Netherlands, in accordance with the laws of the Kingdom of the Netherlands. The duration of the Support Foundation is unlimited. The main purpose of the Support Foundation is to mobilize grant funds to support various subsidized activities such as technical assistance and 'model costs' of the Society. 'Model costs' are costs no financial institution of this size would incur, but which are an integral part of the Society's cooperative model. The board of the Support Foundation has decided to allocate some of these costs to their account (category A) and to endeavour to raise funds to subsidize part of the remaining costs (category B).

Category A costs are:
- 100% (2013: 100%) of external capacity building for partners
- 5% (2013: 10%) of technical and organizational assistance to support associations

Category B costs are:
- Investor relations costs: besides the category A costs charged to the Support Foundation, the target is to raise subsidies and grants for another 15% of national support office costs and 15% of technical and organizational assistance to support associations.
- Incidental costs: to be decided on a case-by-case basis. The Support Foundation also manages local currency risk funds and guarantee funds. The local currency risk funds are available to offset the risk of currency losses on Oikocredit loans disbursed in local currencies, the guarantee funds are available to cover Oikocredit's partners which are deemed to be risky.

Other related parties
- The support associations are separate organizations established to support the worldwide work of Oikocredit.
- The Oikocredit Provident Fund, a foundation situated in Amersfoort, the Netherlands, manages the designated savings and contributions from Oikocredit Ecumenical Development Cooperative Society U.A. employees based in developing countries. The board of the Foundation consists of employees of Oikocredit.

Basis of consolidation

The consolidated financial statements include the financial information of Oikocredit, its group companies and other entities over which it exercises control or whose central management it conducts. Group companies are entities over which Oikocredit exercises direct or indirect dominant control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it has the power to govern. Potential voting rights that can be directly exercised at the balance sheet date are also taken into account.

Inter-company transactions, profits and balances among group companies and other consolidated entities are eliminated. Unrealized losses on inter-company transactions are also eliminated. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them with the prevailing group accounting policies. Group companies and other entities over which Oikocredit exercises control or whose central management it conducts are consolidated in full. Minority interests in group equity and group net income are disclosed separately.

The consolidated companies (consolidated for 100%) are listed below:
- Oikocredit Ecumenical Development Cooperative Society U.A., Amersfoort, the Netherlands
- Oikocredit International Support Foundation, Amersfoort, the Netherlands
- Oikocredit International Share Foundation, Amersfoort, the Netherlands
- Maanaveeya Development & Finance Private Limited, Hyderabad, India
- Financial Company Oikocredit Ukraine, Lviv, Ukraine
- Oikocredit Seed Capital Fund, Amersfoort, the Netherlands (up to 21 August 2014)
- Low Income Countries Loan Fund, Amersfoort, the Netherlands

As the income statement for 2014 of the Society is included in the consolidated financial statements, an abridged income statement has been disclosed in the Society financial statements in accordance with Section 402, Book 2, of the Netherlands Civil Code.

Up to 2013, Oikocredit made use of an adjusted version of the prescribed models for the presentation of the balance sheet and income statement. As from 2014, Oikocredit decided to fully adapt to the requirements of these models. The presentation of the 2013 figures has been adjusted accordingly. This change of presentation has no impact on equity and results.

Related parties

All Oikocredit group companies mentioned above are considered to be related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted at arm's length. The nature, extent and other information of transactions are disclosed if this is required to provide a true and fair view.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognized as cash used in financing activities.

Estimates

The preparation of financial statements, in conformity with the relevant rules, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. If necessary for the purposes of meeting the requirements under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Accounting policies for the balance sheet

General information

The consolidated financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are denominated in euros. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

Prior year comparison

The accounting policies have been consistently applied to all the years presented. Certain balance sheet, income statement and cash flow statement items have been reclassified. The comparative figures for 2013 have been adjusted accordingly. This change of presentation has no impact on equity and results.

Foreign currencies

The financial statements are presented in euros, which is the functional and presentation currency of the Society. Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Foreign-exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

Translation differences on non-monetary assets held at cost are recognized using the exchange rates prevailing at the dates of the transactions.

Assets and liabilities of consolidated foreign group companies denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. The cumulative exchange rate differences on investments in foreign group companies are kept in the restricted exchange fluctuation reserve.

Development financing

Receivables disclosed under development financing are valued at amortized cost. Equity investments are valued at cost less impairment.

Provision for possible losses on development financing

The Society's provision for possible losses is based on an evaluation of the risks of the current development financing portfolio (loans and equity investments) in terms of present conditions. The calculation of the loss provision comprises the following layers:

- A collective general provision for incurred but not yet identified losses at reporting date using historical loss data.
- A collective provision based on actual country ratings calculated for each country in which the partner is based, also considering the currency in which the loan is granted.
- In case a partner is considered to be non-performing due to overdue payments or other factors, the Society will account for a specific provision in case the incurred loss exceeds the collective provision for that partner. This provision is calculated based on management's risk assessment of, and experience with, these kinds of partners.

This provision for development financing risks is deducted from loans and interest outstanding in the balance sheet. Write-offs are charged against this loss provision. Additions to or withdrawals from the provision for loan losses are recognized in the income statement.

Equity investments are valued at cost less impairment. All equity investments are reviewed and analysed at least annually. An equity investment is considered impaired when the carrying amount exceeds the recoverable amount. Oikocredit operates in countries where there is no active market for these equity stakes. The recoverable amount calculated as part of the impairment assessment is determined taking into account suitable valuation methods such as price-earnings ratios and recent sale prices of similar investments as far as available.

Term investments

The term investments (securities and bonds) which are listed on regulated markets are measured and recognized at fair value as these are not held to maturity. Changes in the fair value are taken directly to the income statement.

Non-listed term investments (only equity investments) which are not listed are stated at cost less impairment. The term investments stated at cost are tested annually for impairment.

Transaction costs are expensed in the income statement if these are related to financial assets carried at fair value through profit or loss.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost minus depreciation. Expenditure for additions, renewals and improvements are capitalized. Upon retirement or disposal, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included under expenses. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets. At each balance sheet date, it is tested whether there are any indications of tangible fixed assets being subject to impairment. If any such indication exists, the recoverable amount of the asset is determined. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and deposits held at call or with maturities up to one year.

Equity

Where the Society repurchases shares, the consideration paid is deducted from equity (member capital). Where such membership shares are issued, any consideration received is included in equity (member capital).

Pensions

The Society has pension plans to which the conditions of the Dutch Pension Act are applicable. The Society pays premiums based on (legal) requirements, on a contractual or voluntary basis to insurance companies. Premiums are recognized as personnel costs when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

Non-current liabilities
Borrowings are initially recognized at fair value, with net transaction costs incurred. Borrowings are subsequently stated at amortized cost, being the amount received taking account of any premium or discount, less transaction costs.

Financial instruments
Listed securities (part of the term investments) included in financial and current assets are stated at fair value. All other financial instruments are carried at (amortized) cost, which usually equals face value, unless stated otherwise.
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using: recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that represents substantially the same discounted cash flow, and option pricing models, making allowance for entity-specific inputs.

Derivative financial instruments are stated at cost or lower market value. The company has applied cost price hedge accounting. The Society has documented the relationship between hedging instruments and hedged items. The company also tests its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item, which has the following implications:
- If the hedged item is recognized at cost in the balance sheet, the derivative instrument is also stated at cost.
- If the hedged item qualifies as a monetary item denominated in a foreign currency, the derivative instrument, where it has currency elements, is also stated at the spot rate on the balance sheet date. If the derivative instrument has currency elements, the difference between the spot rate (on the date the derivate instrument is contracted) and the forward rate (at which it will be settled) is spread over the maturity of the derivative instrument.

The ineffective portion of the hedge is recognized directly in profit or loss.

3 Accounting policies for the income statement

Income and expense recognition
Income from investments, expenses, outstanding project funding, management fees and time deposits are recognized on an accrual basis. The Society does not accrue or invoice interest for partners that are considered 'non-performing'.
Non-performing partners are partners that are in the process of foreclosure or being written off and where the value of collateral or a third-party guarantee does not exceed the amounts due to the Society.

Finance income and expenses
Interest paid and received is recognized on an accrual basis, taking into account the effective interest rate of the assets and liabilities concerned.

Grant contributions
Designated grants are included as income in the year in which such grants are realized.

Exchange rate differences
Exchange rate differences arising upon the settlement of monetary items are recognized in the income statement in the period that they arise, unless these monetary items are designated as hedges.

Short-term employee benefits
Salaries, wages and social security contributions are taken to the income statement based on the employee's terms of employment, when these are due to employees.

Pensions
For its pension plans, the Society pays contributions to insurance companies. Contributions are recognized as expenses when incurred. Prepaid contributions are recognized as prepayments and accrued income to the extent that this will lead to a reduction in future payments or a cash refund.

Taxes
The tax authorities in the Netherlands have exempted the Society from corporate income tax provided that the Society complies with certain conditions, all of which were complied with in 2014. No tax will have to be withheld on dividends distributed by the Society to its members.

4 Accounting policies for the cash flow statement

The consolidated cash flow statement shows the sources of liquidity that became available during the year and the application of this liquidity. The liquidity is measured by the balance sheet accounts 'cash and banks'. The cash flows are broken down according to operating, investing and financing activities. The cash flow statement is prepared using the indirect method.

Cash flow from operating activities
The net cash flow from operating activities includes the portfolio movements, such as loans and equity investments. The net cash flow further includes the movements in receivables and current liabilities.

Cash flow from investing activities
The net cash flow from investing activities includes the movements in the term investment portfolio and tangible fixed assets.

Cash flow from financing activities

The net cash flow from financing activities includes movements in the funding attracted from member capital and received loans.

5 Risk management

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

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

A systematic risk management system was embedded and implemented within Oikocredit. Identified risks are evaluated and re-assessed every year during our Management by Objectives (MbO) cycle by:

- Reviewing the progress on the implementation of new actions.
- Reviewing whether the risk profile is still valid or whether it has changed because of changes in strategy, goals or environment.

The supervisory board is represented in the risk management committee.

Internal audit and the audit committee are also involved in risk management. Internal audit uses the outcome of risk management processes to prepare its internal audit plans after consulting the audit committee. The audit committee reviews the risk management process.

Oikocredit recognized reputation risk as an important risk and has taken steps to mitigate reputation risk, such as the improved screening of its clients using new and enhanced sources of information, an improved anti-money laundering procedure including online training facilities for all staff involved.

The following financial risks have been identified by Oikocredit: 1) credit, 2) market and 3) liquidity risk.

1) Credit risk

The risk that a change in the credit quality of a counterparty (to which Oikocredit has granted loans or invested in an equity stake or bonds or shares) will affect the value of Oikocredit's position. Changes in credit quality can for example occur due to specific counterparty risk, risks relating to the country in which the counterparty conducts its business and sectorial risks.

Development financing

Country risk arises from country-specific events that have an impact on the group's exposure in a specific country, such as those of a political or macroeconomic nature. All investments in low-income countries involve country risk. The assessment of country risk is, amongst others, based on a benchmark of external rating agencies and other internal and external information. All individual financing proposals (loans and equity) are assessed by our local management and staff in the developing countries we work in, as well as by analysts in the international office in Amersfoort, the Netherlands. In assessing the financing proposals, predefined criteria should be met. A strengths, weaknesses, opportunities and threats (SWOT) analysis is made and management, financial, legal and social performance analyses take place. Risks are evaluated through a risk score card. Where appropriate, credit enhancement is available in the form of collateral or third party guarantees.

The Society's credit committee, consisting of the managing director, credit director and his deputy, finance director, risk compliance & IT director, social performance & credit analysis director, the portfolio risk manager and the programs manager, with input from a member of the legal team, approve all partners above a predefined risk level and amount.

The Society has also established policies based on its risk assessment system to set limits in exposure related to:

- Amounts outstanding per country and per region (depending on a risk assessment of the countries where Oikocredit operates).
- Amounts outstanding per partner (usually € 3 million, and a maximum of € 10 million, if a partner meets the conditions Oikocredit set for these so-called 'premium loans'; amounts outstanding per partner over € 10 million need approval from the supervisory board).
- Amounts outstanding to a group of companies. The observance of these limits is monitored on a periodic basis.

Loans more than 90 days overdue or rescheduled loans have been provisioned, depending on the individual partner's situation or available collateral. A provision for country risks has also been established based on the rating of the country where Oikocredit operates.

Term investments

The term investments in bonds included in the 4F Funds have all been rated 'investment grade' by Moody's Investor Services, with at least 80% in AAA to A3 and up to the maximum of 20% in Baa1 to Baa3. Moreover, in the Baa1 to Baa3 category, it is the 4F Fund manager's policy that no more than 2% of the portfolio should be invested in a single debtor. The 4F Fund manager constantly monitors the performance of the fund, and appropriate action is taken 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 can be invested in shares.

2) Market risk

Market risk is divided into three types:

- Currency risk – the risk that the value of Oikocredit currency positions will fluctuate due to changes in foreign currency exchange rates.
- Interest rate risk – the risk that changes in market interest rates will cause fluctuations in the value of Oikocredit's development financing or term investment portfolio.
- Equity risk – the risk that the value of Oikocredit equity investments will fluctuate due to changes in the value of equity investments, for example due to specific business risks, sectorial risks and country risks.

Currency risk

A significant part of Oikocredit's investments in development financing is outstanding in US dollar and in domestic currencies. The Society issues US dollar, British pound, Canadian dollar, Swiss franc and Swedish krona denominated shares and has received long-term loans in US and Canadian dollars and other currencies which reduces this currency exposure. The objective of issuing shares and receiving loans in US dollars is to achieve a better match between assets and liabilities in the different currencies.

It is expected that Oikocredit's US dollar and domestic currency exposure will increase as a result of further growth in the development financing portfolio. This is because most newly issued member capital tends to be in euros. Taking into account the considerations in the above-mentioned paragraphs, the Oikocredit supervisory board decided that Oikocredit should hedge at least 50% to 75% of its exposure in US dollars (currently hedged for approximately 90%), Canadian dollars, British pounds and Swedish kronor with a view to maintaining the value of its member capital. Derivatives are used for this purpose.

The majority of foreign currency exposures are not hedged. Oikocredit has obtained funds (via the Oikocredit International Support Foundation) to absorb these losses or part of these losses, should they occur.

Interest rate risk - development financing

Oikocredit has established an interest rate model for interest rates used in loans to its partners. These loans use base rates in the currencies in which Oikocredit works (Euribor, Libor, swap rates and similar rates) plus surcharges for risks and costs. Minimum base rates used in this model (to establish interest rates to be charged to partners) are the dividends we expect to pay plus the costs of raising capital.

The interest rates on loans denominated in US dollars and euros granted to our partners are usually fixed for the term of the loan. The loans have an average tenor of around three and a half years. Individual loans can have tenors from one up to 10 years. Each year, a proportion of the loan portfolio matures and is repaid. Oikocredit replaces the loans with new loans to new or existing partners. The new loan agreements we enter 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 we enter into a new loan agreement. The interest rates on loans denominated in the domestic currencies of the countries we work in granted to our partners are usually variable and repriced quarterly or semi-annually. Therefore, market interest rate developments influence the value of our loan portfolio stated in domestic currencies in a limited way.

The main focus of the Society in concluding derivatives is currency hedging.

Interest rate risk - term investments

The average effective duration of the 4F Funds' portfolio is a measure of the sensitivity of the fair value of the 4F Funds' fixed-interest securities to changes in market interest rates. The management of the 4F Funds 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.

Interest rate risk - liabilities

The risk of market interest rate changes influencing the market value of the liabilities is reduced, as each year new long-term loans are added with fixed interest rates prevailing at the moment Oikocredit enters into a new loan agreement.

Equity risk - development financing

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

- A separate equity unit operates within Oikocredit. This unit is responsible for monitoring equity investments.
- For all major equity investment stakes Oikocredit has invested in, Oikocredit has a board seat.

3) Liquidity risk

Liquidity risk refers to the risk that Oikocredit will encounter difficulty in raising funds to meet its commitments.

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

Furthermore, the Society 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 (or partial redemption) will be at the nominal value. However, if the net asset value per share is lower than the nominal value per share in the most recent audited (interim) balance sheet preceding the redemption by the Society, the amount payable upon redemption of the share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet. To date, the Society has not used these provisions to delay redemptions of its member capital.

5 Tangible fixed assets

Changes in tangible fixed assets in 2014 and in the costs of acquisition and accumulated depreciation as at 31 December 2014 can be specified as follows:

	Land and buildings	IT equipment	Furniture	Total 2014 € ,000	Total 2013 € ,000
Historical cost price as at 1 January	116	1,494	1,098	2,708	2,259
Accumulated depreciation as at 1 January	(58)	(1,035)	(788)	(1,881)	(1,629)
Balance as at 1 January	58	459	310	827	630
Investments	-	640	78	718	449
Disposals	(58)	-	-	(58)	-
Depreciation	-	(134)	(107)	(241)	(252)
Movements in the year	**(58)**	**506**	**(29)**	**419**	**197**
Historical cost price as at 31 December	58	2,134	1,176	3,368	2,708
Accumulated depreciation as at 31 December	(58)	(1,169)	(895)	(2,122)	(1,881)
Balance as at 31 December	**-**	**965**	**281**	**1,246**	**827**

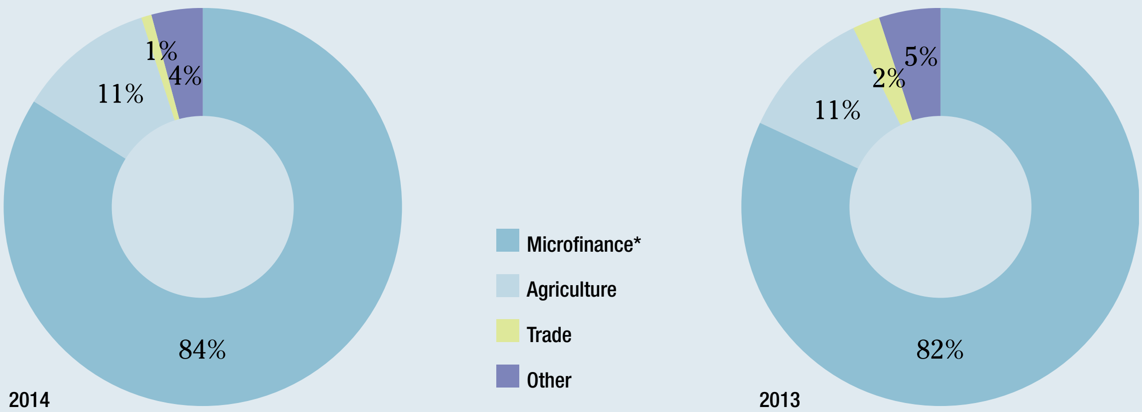
The useful life of the furniture is estimated at five years on average. Information Technology (IT) equipment is depreciated in three years. Buildings are depreciated in 25 years.

6 Development financing

Changes in development financing outstanding			
Can be specified as follows:		**2014**	**2013**
		€ ,000	**€ ,000**
Outstanding as at 1 January		590,540	530,543
Disbursements		337,907	306,073
Capitalized interest and dividends		499	212
Less:	- repayments	(231,769)	(205,873)
	- write-offs	(6,080)	(7,535)
Exchange adjustments		43,509	(32,880)
Outstanding as at 31 December		**734,606**	**590,540**
Approved in the year		383,811	297,319
Less:	- commitments cancelled	(8,851)	(12,894)
Not yet disbursed 1 January		129,455	140,388
Credit lines (repayments, cancelled commitments)		26,885	33,002
Less:	- disbursements	(337,907)	(306,072)
Exchange adjustments		16,389	(22,288)
Approved as at 31 December		**944,388**	**719,995**
Equity investments in process of finalization		31,425	11,365
Committed on credit lines, not yet taken up by partners		60,393	25,613
Loans committed < 6 months		88,889	68,657
Loans committed > 6 months		29,075	23,820
Commitments not yet disbursed as at 31 December		**209,782**	**129,455**
Outstanding as at 31 December		**734,606**	**590,540**

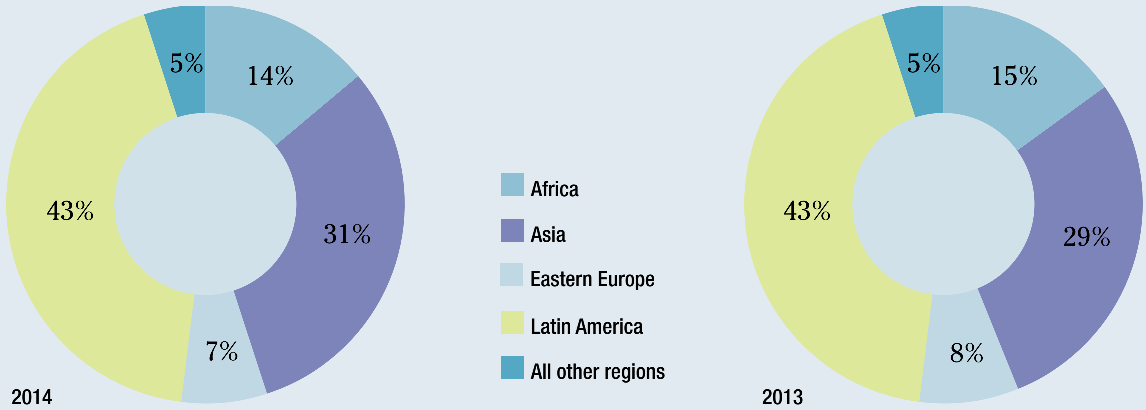
Breakdown of development financing outstanding

Development financing outstanding by sector as at 31 December 2014

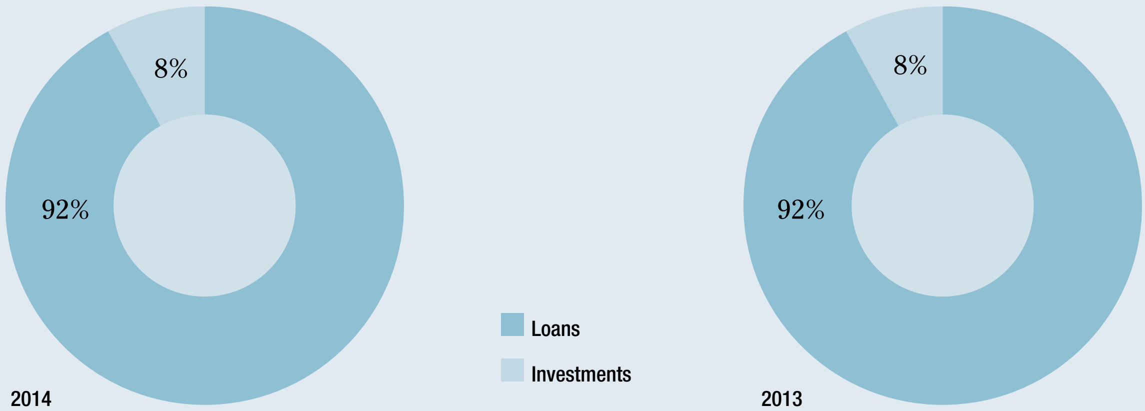


* including microcredit, SME finance and wholesale funding.

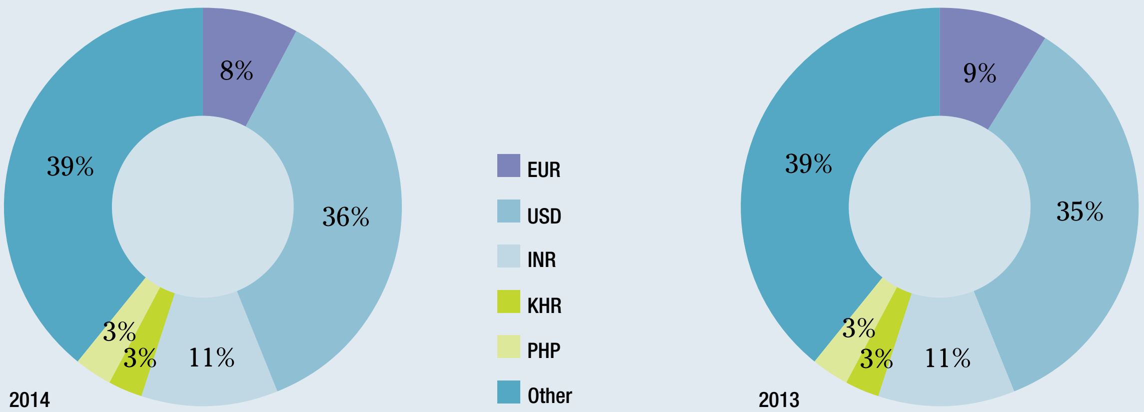
Development financing outstanding by region as at 31 December 2014



Development financing outstanding by type of financing (loans and equity investments) as at 31 December 2014



Development financing outstanding by type of currency as at 31 December 2014



Maturity of development financing outstanding		
Can be specified as follows:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Instalments maturing < 1 year	259,539	213,984
Instalments maturing > 1 < 5 years	393,229	326,618
Instalments maturing > 5 years	25,048	2,520
Equity investments	56,790	47,418
	734,606	**590,540**

Equity investments included in development financing outstanding		
Cost of equity investments as at 31 December 2014 [1]	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Vision Banco S.A.E.C.A., Paraguay	5,960	5,960
Actiam FMO SME Fund, the Netherlands	5,300	-
Darjeeling Organic Tea Estates Pvt, India	2,693	2,694
Hatha Kaksekar Limited, Cambodia	2,378	1,504
RGVN (North East) Microfinance Ltd., India	2,304	-
AfricInvest Fund II, Mauritius	2,084	4,198
Yalelo Ltd., Zambia	1,974	-
Balkan Financial Sector Equity Fund CV, the Netherlands	1,911	1,851
Banco FIE S.A., Bolivia	1,858	1,858
Banco de Desarrollo Rural S.A., Guatemala	1,746	1,746
Fondo de la Comunidad S.A., Bolivia	1,727	1,728
Barefoot Power Pty Ltd., Australia	1,599	874
Divine Chocolate Ltd., United Kingdom	1,564	743
Cafédirect Plc, United Kingdom	1,403	1,403
Financiera Proempresa S.A., Peru	1,344	1,169
Opportunity Microcredit Romania IFN S.A., Romania	1,271	1,271
EKK Renewable Energy Fund Emerging Markets, Luxemburg	1,250	-
Finance Trust Bank Ltd., Uganda (before: Uganda Finance Trust Ltd.)	1,222	1,222
Opportunity International Savings and Loans Limited, Ghana	1,219	1,219
Fonds Cauris Croissance II Limited, Mauritius	1,213	1,061
Wizzit Payments (Pty) Ltd., South Africa	1,037	1,037
Fidelity Equity Fund II, Ghana	1,028	948
SC Microinvest SRL, Moldova	905	905
Banco Solidario S.A., Ecuador	896	896
Schulze Global Ethiopia Growth and Transformation Fund I L.P., Ethiopia	875	1,218
LeapFrog Financial Inclusion Fund II, United Kingdom	774	57
Horizon Fund III Trust, South Africa	755	690
Gebana Brazil Cataratas do Iguaçu Produtos Orgânicos Ltd., Brazil	747	747
Servicios Financieros Enlace S.A. de C.V., El Salvador	730	422
Financiera Confianza S.A., Peru	723	723
Equip Plus S.A., Senegal	686	686
People Tree Ltd., United Kingdom	673	673
Fonkoze S.A., Haiti	666	666
Ecoenterprises Partners II L.P., Costa Rica	577	524
ESAF Microfinance and Investments Ltd., India	496	496
COFAC, Uruguay	485	485
Shalom Microfinance Limited, India	462	462
Tujijenge Tanzania Limited, Tanzania	429	173
Banco Oportunidade SARL, Mozambique	389	389
Pymecapital Latin America Fund S.A., Nicaragua	371	371

Wizzit Group (Pty) Ltd., South Africa	259	259
Fides Microfinance, Senegal	195	195
Guaguazu S.A., Bolivia	175	175
Fundo de Investimentos Riqueza Social para Todos, Brazil	171	-
AfricInvest Limited, Mauritius	149	371
Inversiones para el Desarrollo S.A., Chile	100	100
Les Saveurs du Sud S.A., Senegal	17	17
JSC Bank Constanta, Georgia	-	1,340
Divine Chocolate Inc., United States of America	-	821
Opportunity Banka A.D., Serbia	-	739
Women's Microcredit Network LLC, Russia	-	325
Sociedad Anónima para el Desarrollo Uruguay, Uruguay	-	7
	56,790	**47,418**

[1] Excluding impairments for lower market value included in loss provisions. Some of the partners in which we have equity investments also received a loan. These loans are not included in the above-mentioned overview.

Except for the EKK Renewable Energy Fund Emerging Markets, none of the equity investments are listed.

Equity investments above 20% participation				
Of the equity investments, stated in note 6, the share participation of the following investments as at 31 December 2014 was more than 20%	**Participation**	**Participation**	**Net equity (latest available)**	**Result (latest available)**
	2014 %	**2013 %**	**€ ,000**	**€ ,000**
Guaguazu S.A., Bolivia	42.55%	42.55%	300	(34)
Tujijenge Tanzania Limited, Tanzania	37.53%	20.92%	1,203	170
Gebana Brazil Cataratas do Iguaçu Produtos Orgânicos Ltd., Brazil	31.05%	30.86%	492	(48)
Fondo de la Comunidad S.A., Bolivia	25.39%	25.13%	8,955	308
Equip Plus S.A., Senegal	24.60%	24.60%	3,334	-
Shalom Microfinance Limited, India	23.08%	23.08%	360	(585)
Les Saveurs du Sud S.A., Senegal	22.16%	22.16%	12	-
Barefoot Power Pty Ltd., Australia	21.93%	15.67%	(134)	(425)

The presented net equity value is based on local accounting standards. Financial reporting may not always be comparable to the quality under part 9, Book 2, of the Netherlands Civil Code and may not be available in a timely manner. As such all the equity investments above 20% participation are valued at cost less impairment.

Provision for possible losses		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	39,603	46,307
Additions	9,074	2,980
Exchange adjustments	3,299	(2,465)
	51,976	46,822
Less: - write-offs	(5,747)	(7,219)
Balance as at 31 December	**46,229**	**39,603**

Impairments equity investments		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	7,066	6,548
Additions	1,814	834
Reversals	-	-
	8,880	7,382
Less: - write-offs	(333)	(316)
Balance as at 31 December	**8,547**	**7,066**

Total loan loss provision and impairments equity	**2014**	**2013**
	€ ,000	**€ ,000**
Loan loss provision	46,229	39,603
Impairments equity	8,547	7,066
Balance as at 31 December	**54,776**	**46,669**

Fair value of development financing loan portfolio

- The development financing portfolio consists of local currency loans and hard currency loans usually with semi-annual or annual instalments that have to be repaid equally over the loan period.
- The interest rates charged to our partners on local currency loans consist of base rates (local interbank or other appropriate base rates) plus an additional margin for risk and costs and are usually comparable to local market rates. The majority of Oikocredit's local currency loans are repriced quarterly or semi-annually.
- The interest rates charged to our partners on hard currency loans are usually fixed interest rates for the full loan period and consist of base rates plus an additional margin for risks and costs. Oikocredit uses the applicable EUR/USD swap rates as base rates for the period the loan is agreed upon or, if higher, a minimum base rate of 3.5%; this minimum has been applicable for the last six years.
- The loans have an average maturity of around 3.5 years.
- An analysis of the recoverability of the loans is performed annually and a provision for possible losses on the development financing loan portfolio is formed.

Considering the above mentioned, the fair value of the development financing loan portfolio at least equals the book value, which is estimated at € 631.6 million (2013: € 503.5 million).

Fair value of development financing equity portfolio

- Equity investments are valued at cost less impairment.
- Oikocredit operates in countries where there is no active market for these equity stakes. The fair value is however determined taking into account suitable valuation methods such as price-earnings ratios and recent sale prices of similar investments.
- The net asset value of the equity portfolio is substantially higher than the book value of the equity portfolio.

Considering the above mentioned, it is estimated that the fair value of the equity portfolio at least equals the book value, which is estimated at € 48.2 million (2013: € 40.4 million).

7 Term investments

Summary of term investments:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Term investments in bonds issued by development banks and developing countries and by companies active in - and with particular beneficial impact in - developing countries	102,352	91,748
Other term investments	52,235	54,545
Balance as at 31 December	**154,587**	**146,293**
Changes in term investments can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	146,293	147,336
Investments during the year at cost	3,681	3,836
Disinvestments/redemptions during the year	(7)	(345)
Revaluation to market value as at 31 December	4,121	(4,388)
Exchange adjustments	499	(146)
Balance as at 31 December	**154,587**	**146,293**

	31/12/14	**31/12/13**
	€ ,000	**€ ,000**
Bonds issued by development banks, developing countries and by companies active in – and with particular beneficial impact in – developing countries [1]		
4F-Euro, Fund for Fair Future, the Netherlands [1]	95,299	85,171
4F-USD, Fund for Fair Future, the Netherlands [1]	2,980	2,547
	98,279	*87,718*
Other development-related term investments		
TCX, The Currency Exchange Fund N.V., the Netherlands	7,071	7,071
TCX, The Currency Exchange Fund N.V., the Netherlands (held for Triple Jump, the Netherlands)	(1,708)	(1,708)
TCX, The Currency Exchange Fund N.V., the Netherlands (held for Grameen Crédit Agricole Microfinance Foundation, Luxembourg)	(1,816)	(1,816)
Other	526	483
Subtotal other development-related term investments	*4,073*	*4,030*
Subtotal bonds and other term investments with development impact	**102,352**	**91,748**

Other term investments		
4F-Euro, Fund for Fair Future, the Netherlands [1]	51,089	53,544
4F-USD, Fund for Fair Future, the Netherlands [1]	846	701
GLS Bank, Germany	300	300
Subtotal other term investments	**52,235**	**54,545**
Total term investments	**154,587**	**146,293**

[1] For a specification of the bonds that were invested in through the 4F Fund, we refer to annex 1 of the annual report.
All investments in bonds in the 4F Fund comply with the following Ethibel Sustainability Index labels and sub-labels:

- Ethibel 'Excellence' label, including companies active in developing countries with particular beneficial impact in these countries.
- Ethibel label for bonds in developing countries and emerging markets.

Fair value of term investments

With the exception of the investment in TCX, The Currency Exchange Fund N.V., the fair value equals the carrying amount. The fair value of TCX, The Currency Exchange Fund N.V, at least equals the carrying amount.

Part of the term investments serves as collateral for the credit facilities with banks – reference is made to note 10.

Maturity of term investments		
Can be specified as follows:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Maturity < 1 year	7	7
Maturity > 1 < 5 years	23	30
Maturity > 5 years	154,557	146,256
Total	**154,587**	**146,293**

The average duration of the 4F Fund portfolio as at 31 December 2014 was 3.8 (31 December 2013: 4.0). The target duration of the fund is 4.5 to 5.5 years, but the fund manager can keep the duration shorter for capital preservation purposes in a low interest environment. The 4F Funds invest in investment grade bonds according to Moody's rating agency.
None of the term investments are listed, but the 4F Funds invest solely in listed bonds.

8 Other financial fixed assets

Summary of other financial fixed assets:	31/12/14	31/12/13
	€ ,000	€ ,000
Hedge contracts financial institutions [1]	472	9,006
Staff loans [2]	665	614
Deferred tax asset [3]	-	570
Total	**1,137**	**10,190**

[1] The fair values of these hedge contracts and other details are disclosed in note 29.
[2] All housing loans to staff are covered by mortgages. Market interest rates are charged on staff loans.
[3] The deferred tax asset relates to a tax benefit for Maanaveeya Development & Finance Private Limited in India due to portfolio write-offs in 2012.

Hedge contracts financial institutions		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	9,006	7,340
Movements	(8,534)	1,666
Balance as at 31 December	**472**	**9,006**

Staff loans		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	614	609
Movements	51	5
Balance as at 31 December	**665**	**614**

Deferred tax asset		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	570	1,213
Movements	(570)	(643)
Balance as at 31 December	**-**	**570**

9 Receivables and other current assets

Can be specified as follows:		31/12/14		31/12/13
		€ ,000		**€ ,000**
Accrued interest on development financing net of allowance		10,374		7,812
Interest receivable		4,567		2,001
- face value	9,398		7,748	
- less: allowance for uncollectability	(4,831)		(5,747)	
Amounts prepaid		1,938		1,525
Hedge contracts (refer to note 29)		519		2,125
Accrued interest bank accounts and deposits		434		490
Staff loans [1]		211		216
Value added tax and wage taxes		186		666
Receivable Sofipe		-		733
Sundry receivables		586		286
Balance as at 31 December		**18,815**		**15,854**
Changes in the allowance for uncollectability are specified as follows:		**2014**		**2013**
		€ ,000		**€ ,000**
Balance as at 1 January		5,747		7,643
Additions charged to income		1,566		2,568
Write-offs from allowance		(2,721)		(4,263)
Exchange adjustment		239		(201)
Balance as at 31 December		**4,831**		**5,747**

[1] All housing loans to staff are covered by mortgages. Market interest rates are charged on staff loans.

10 Cash and banks

Can be specified as follows:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Cash and banks including time deposits maturing within one year	51,513	62,189
Balance as at 31 December	**51,513**	**62,189**

Part of the cash was deliberately invested in savings accounts, being considered part of the term investment portfolio. Income generated from these accounts was added to the term investment income.

Oikocredit maintains its funds in banking institutions in Europe, Asia, Latin America, Africa and the United States of America. The time deposits included in cash and banks as at 31 December 2014 all mature in 2015.

The Society has credit facility agreements with Dutch banks amounting to € 5.75 million. These facilities, which were not used in 2014, are subject to the following conditions:

- Audited financial statements should be provided within six months after year-end.
- The solvency ratio should be at least 70%.
- The Society should keep its bond portfolio and liquidities free of any encumbrances for 125% of the amounts of the credit lines of the Dutch institutions (€ 7.2 million).
- Without the written permission of the credit institution, Oikocredit is not allowed to sell or securitize fixed assets or establish mortgages or other encumbrances on fixed assets (except for transactions taking place in the normal course of business) and to issue guarantees for liabilities of third parties.

11 Group equity

For details regarding the issued capital, general reserves and restricted exchange fluctuation reserve, please refer to the notes for the Society financial statements.

12 Member capital and general reserves

The Society issues shares in euros, British pounds, Canadian dollars, Swedish kronor, Swiss francs and US dollars.

The shares shall be redeemed no later than five years after a redemption request has been submitted and is as such a liability (puttable shares). Redemption (or partial redemption) will be at the nominal value. However, if the net asset value per share is lower than the nominal value per share in the most recently audited (interim) balance sheet preceding the redemption by the Society, 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 (article 13 of the Articles of Association).

The management team opted to make use of the exemption in Dutch GAAP to classify part of this liability, member capital denominated in euros, as equity (RJ 290.808). Although member capital denominated in foreign currency has the same characteristics as member capital in euros, in respect of dividends, redemption and voting rights, nevertheless no use could be made of the exemption in Dutch GAAP to classify these puttable shares as equity in the consolidated financial statements. One of the requirements is that the puttable shares should have identical characteristics. The fair value in euros of the foreign currency denominated member capital changes as a result of changes in the exchange rates. These changes in euros do not reflect the changes in the fair value of the instruments and as such no use could be made of the exemption. For that reason, member capital denominated in foreign currency is classified as non-current liabilities in the consolidated financial statements only.

Member capital in foreign currency, translated at year-end exchange rates, amounts to € 58.3 million (31 December 2013: € 52.0 million). Reference is made to note 40.

General reserve		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as of 1 January	64,833	52,804
Appropriation of the prior-year results	1,010	12,417
Exchange rate effects and dividends on shares in foreign currency previous years	572	(1,192)
Dividends on shares in foreign currency current year	788	804
Balance as at 31 December	**67,203**	**64,833**

For the restricted exchange fluctuation reserve please refer to note 41 of the Society financial statements.

13 Local currency risk funds

The currency risk funds are used to cover potential currency losses on loans issued in the currencies of developing countries where Oikocredit operates, rather than issuing loans in US dollars or euros in those countries. The funds originate from grants and subsidies from members and third parties and from the allocation of profits.

Local currency risk funds	Philippines	Indonesia	General	Local currency risk fund Africa	Local currency risk fund South and East Asia	Local currency risk fund Mexico, Central America and the Caribbean	Local currency loans cumulative exchange rate differences [1]	TOTAL
	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
Balance as at 1 January	2,265	428	26,766	2,815	4,417	-	(12,749)	23,942
Transfer from funds for subsidized activities and model costs	-	-	-	-	-	1,022	-	1,022
Addition to/released from fund	88	99	3,305	201	142	-	11,213	15,048
Balance as at 31 December	**2,353**	**527**	**30,071**	**3,016**	**4,559**	**1,022**	**(1,536)**	**40,012**

[1] Local currency loans cumulative exchange rate differences account: this amount is included as a separate item in the local currency risk fund as long as local currency loans have not yet matured. The difference in interest rates agreed with our partners for these local currency loans and interest rates in euros (if these loans had been granted in euros) are added or charged to this account. Exchange rate differences on local currency loans when translated to euros are charged or added to this account as well. If losses or profits are realized when the loans in local currency matured, the cumulative profits or losses will be taken out of this cumulative exchange rate difference account and charged or added to the specified local currency risk funds mentioned above.
For the addition to and releases from these funds, we refer to note 28.

14 Funds for subsidized activities and model costs

The funds below originate from grants received for purposes described for each separate fund below. The Oikocredit International Support Foundation charges the related A and B costs to these funds. We refer to the general information (note 1) for an explanation of category A and B costs.

Funds for subsidized activities and model costs, capacity building and guarantee funds		
Can be specified as follows:	31/12/14	31/12/13
	€ ,000	€ ,000
Funds for subsidized activities and model costs	1,285	1,425
Capacity building and guarantee funds	3,060	3,977
Balance as at 31 December	**4,345**	**5,402**

Funds for subsidized activities and model costs			
	Donated investments [1]	Funds for subsidized activities and model costs [2]	TOTAL
	€ ,000	€ ,000	€ ,000
Balance as at 1 January	357	1,068	1,425
Addition to/released from fund	14	(154)	(140)
Balance as at 31 December	**371**	**914**	**1,285**

[1] This fund was established to account for donated shares.

[2] This fund was set up in 1999 to cover the subsidized activities and model costs of Oikocredit.

Capacity building and guarantee funds								
	Capacity building Africa, South and East Asia [1]	Capacity building fund [2]	General guarantee fund [3]	Guarantee fund for Africa [3]	Schokland capacity building fund [4]	Schokland projects MCAC fund [5]	Geographic programmes fund [6]	TOTAL
	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
Balance as at 1 January	(1)	44	1,269	1,222	31	1,412	-	3,977
Transfer to local currency risk funds	-	-	-	-	144	(1,166)	-	(1,022)
Addition to/released from fund [7]	-	58	42	286	(35)	(246)	-	105
Balance as at 31 December	**(1)**	**102**	**1,311**	**1,508**	**140**	**-**	**-**	**3,060**

[1] This fund originated from the Church of Sweden Aid and was set up in 2004 for capacity building of existing and potential partners and for feasibility studies of potential partners in Africa and South and East Asia.

[2] This fund was set up for capacity building of existing and potential partners and feasibility studies of potential partners in all countries.

[3] The two guarantee funds were established to enable institutional donors and individuals to participate in a fund that insures part of the counterparty risk (equity or loan and accumulated interest) of partners to be financed by Oikocredit.

[4] The Schokland capacity building fund was set up for capacity building of existing and potential partners and feasibility studies of potential partners in Central America and the Dominican Republic.

[5] The Schokland projects MCAC fund was set up to co-fund projects in Central America and the Dominican Republic.

[6] The Geographic programmes fund is a specific capacity building fund from the Church of Sweden for a Farmer based organization incubation project in Uganda, the strengthening of the coffee sector in Peru and the strengthening of small cooperatives in Guatemala and Honduras.

[7] For the additions to and releases from these funds, we refer to note 28.

15 Third-party interests

Consists of third-party interests of participants in the Low Income Countries Loan Fund.

Can be specified as follows:	2014	2013
	€ ,000	€ ,000
Balance as at 1 January	1,583	1,106
Net additions to third-party participation	1,683	522
Results	(366)	(45)
Balance as at 31 December	**2,900**	**1,583**

16 Non-current liabilities

Can be specified as follows:	**31/12/14**	**Remaining term**	**Remaining term**	**31/12/13**
	€ ,000	**> 1 year**	**> 5 years**	**€ ,000**
Member capital in foreign currencies (refer to note 12)	**58,342**	**-**	**58,342**	**52,033**
Bank loans [1]	18,704	18,704	-	12,470
US note loans [2]	14,993	13,992	1,001	7,851
Hedge contracts (refer to note 29)	8,115	8,115	-	74
Loans for investment in development financing [3]	435	435	-	909
First Oikocredit Canada [4]	-	-	-	772
Other liabilities	15	15	-	422
Total other non-current liabilities	**42,262**	**41,261**	**1,001**	**22,498**
Balance as at 31 December	**100,604**	**41,261**	**59,343**	**74,531**

Repayment obligations due within 12 months of the end of the financial year are included under the current liabilities.

[1] Consists of the following loans:
- Loans with a total principal amount of INR 480 million from a financial institution in India maturing in 2015 for INR 240 million (included under current liabilities) and in 2016 for the remaining INR 240 million. The loans carry an average interest rate of 11.1%.
- A loan granted by a German bank amounting to € 15.6 million (2013: € 11.4 million). The loan matures on 18 May 2017 for € 13 million and the remaining part (maximum € 11 million) matures on 30 January 2019. The loan carries an interest rate equal to the base rate of the financial institution (as at 31 December 2014: 0.2%) plus an agreed margin (as at 31 December 2014: 0.568%). This facility is subject to the condition that the Society keeps its debt from external loans below 20% of total assets. The loan is unsecured for the first € 4 million. From an outstanding amount of € 4 million up to € 24 million, the loan is guaranteed by KfW, Germany.

[2] Loans taken from Oikocredit USA against their US notes issue. The average interest rate of the loans over 2014 was 1.8% (2013: 1.7%). The loans mature in 2015 for € 9.5 million (included under current liabilities) and in 2016 until 2020 for € 15.0 million.

[3] Loans managed by Oikocredit on behalf of funders which have been invested in Oikocredit's development financing. Oikocredit receives these loans under contract from various co-financing donors or development agencies and social ethical funds. The loans for investment in development financing are managed by Oikocredit for the risk and account of these donor agencies and funds. From the total loans managed, € 0.4 million is classified under non-current liabilities and € 0.6 million under current liabilities.

[4] Loans taken from First Oikocredit Canada against their Canadian notes issue repayable in 2015. The average interest rate of the loans over 2014 was 1.75% (2013: 1.75%). Due to a change of the Oikocredit investment offering in Canada, all Canadian notes are offered for redemption (or reinvestment in depository receipts) in 2015. The full loan amount (€ 1.4 million) is classified under current liabilities as at 31 December 2014.

Fair value of long-term liabilities

The majority of the bank loans are at variable interest rates. Therefore, the fair value of the current liabilities approximates the book value. The interest rates of the US notes and First Oikocredit Canada loans are in line with the applicable market interest rates for similar loans. Loans for investment in development financing have been invested in the Oikocredit development financing portfolio for risk and account of the funders.

17 Current liabilities

All current liabilities mature within one year and can be specified as follows:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Long-term loans expired or expiring within one year [1]	15,025	19,528
Hedge contracts (refer to note 29)	5,214	117
Other taxes payable [2]	3,297	398
Accrued expenses, sundry liabilities	1,989	3,011
Accrued personnel expenses	1,694	1,364
Loans for investment in development financing	1,172	666
Accounts payable	769	665
Hedge premiums payable	698	314
Provident fund premiums	-	897
Balance as at 31 December	**29,858**	**26,960**

[1] Consist of amounts maturing within one year from loans taken from Oikocredit USA for € 9.5 million, from loans taken from a financial institution in India for INR 240 million (€ 3.1 million), from loans taken from First Oikocredit Canada for € 1.4 million, from loans managed by Oikocredit on behalf of funders for € 0.6 million and from a loan taken from a Swiss organization for € 0.4 million.

[2] The growth of the organization has led us to thoroughly review Oikocredit's tax and legal structures in the countries where we have offices, to ensure that we have a structure in place to pay our fair share of taxes. We have included an amount of € 2.9 million for possible tax payments from the past.

Fair value of current liabilities
The interest rates of the current liabilities are in accordance with applicable market interest rates. Therefore, the fair value of the current liabilities approximates the book value.

18 Commitments and contingencies not included in the balance sheet

The Society entered into a rental agreement for seven years starting from 01 July 2007. The total yearly rent payments amount to € 333,000 per year and are indexed. For this agreement a bank guarantee was issued for € 100,000. The new rental agreement is currently under negotiation.

The hedging agreements with Standard Chartered Bank and TCX, The Currency Exchange Fund N.V. contain an obligation to post eligible collateral under a credit support annex. In the contract with Standard Chartered Bank, the threshold for Oikocredit is set at US$ 3 million and for Standard Chartered Bank at US$ 50 million. In the contract with TCX, the threshold is set at US$ 3 million for both Oikocredit and TCX. As at 31 December 2014 the mark to market value of the hedge contracts with TCX was US$ 2.5 million negative. As at 31 December 2014 the mark to market value of the hedge contracts with Standard Chartered Bank was US$ 2.2 million negative. Therefore, it was not necessary to post or receive collateral.

The Society issued a corporate guarantee for a maximum of INR 600 million to Rabobank, the Netherlands for loans issued by Rabo India Finance Limited to Maanaveeya Development & Finance Private Limited in India.

The Society issued two guarantees for a total amount of € 1.1 million to an Ethiopian bank, covering loans issued by the bank to two partners in Ethiopia.

19 Interest and similar income

Can be specified as follows:	2014	2013
	€ ,000	€ ,000
Interest on development financing portfolio	**56,335**	**49,453**
Interest on term investments:		
- interest unrealized	4,787	4,885
- interest realized	132	320
Total interest on term investments	**4,919**	**5,205**
Revaluation term investments	**4,121**	**(4,388)**
Total interest and similar income	**65,375**	**50,270**

20 Interest and similar expenses

Can be specified as follows:	2014	2013
	€ ,000	€ ,000
Interest payable on long-term loans, current accounts and other short-term liabilities	(1,242)	(1,532)
Dividends payable to non-EUR shareholders	(788)	(804)
Total	**(2,030)**	**(2,336)**

21 Grant income

Grants		
	2014	2013
	€ ,000	€ ,000
Grants recognized from Dutch government	-	1,281
Grants recognized from ICCO	920	1,394
Grants recognized from Church of Sweden	648	764
Other grants recognized	294	222
Total grants	**1,862**	**3,661**

Grants are received according to contractual agreements with partners or from other parties, such as donations from dividend or legacies. Grants are recognized as income when they are spent during the year. Unused grants are accounted for under current liabilities. Other grants, such as donations and legacies, are recognized in the year received. In 2014 we received € 990,000 from ICCO in line with our agreement 2011-2015. Grants are used, in accordance with the terms of the agreement, for capacity building, technical assistance to SMEs and SPM audit and follow-up. From the Church of Sweden we received in 2014 SEK 2,000,000 for general capacity building activities and another SEK 2,850,000 for specific geographic programmes. We also repaid SEK 370,873 to the Church of Sweden, related to unused capacity building agricultural grants from 2013. An additional SEK 2,225,661 was received from the Church of Sweden for the existing guarantee fund. All relevant conditions regarding the subsidy agreements were met in 2014.

22 Other income and expenses

Can be specified as follows:	2014	2013
	€ ,000	€ ,000
Exchange rate differences	11,091	(15,810)
Hedge premiums	(2,941)	(2,698)
Management fees	70	96
Total	**8,220**	**(18,412)**

Exchange rate differences		
Can be specified as follows:	2014	2013
	€ ,000	€ ,000
Local currency exchange rate differences (covered by local currency risk funds)	9,140	(15,995)
Hard currency exchange rate differences (unhedged)	1,951	185
Total	**11,091**	**(15,810)**

23 Personnel

The number of employees who were directly or indirectly employed by the Society and group companies at the end of 2014 on the basis of full-time equivalents (FTE) amounted to 253 (2013: 254). This number includes staff based outside the Netherlands employed by the regional, country and national support offices (2014: 167 FTE, 2013: 175 FTE). Of the total FTEs (253), 54% are female and 46% are male. Of the total management FTEs (6), 50% are female and 50% are male.

Personnel expenses		
	2014	2013
	€ ,000	€ ,000
Salaries	(10,624)	(9,937)
Social security charges	(1,436)	(1,276)
Expenses temporary staff	(912)	(792)
Other allowances (13th month, holiday allowance)	(891)	(841)
Pension charges	(757)	(759)
Settlements	(603)	(270)
Provident fund charges	(457)	(443)
All other personnel costs	(705)	(677)
Total personnel expenses	**(16,385)**	**(14,995)**
Breakdown personnel expenses of staff based in the Netherlands:		
Salaries for staff based in the Netherlands	(5,200)	(4,905)
Pension charges for staff based in the Netherlands	(656)	(672)
Social securities charges for staff based in the Netherlands	(679)	(602)

24 General and other expenses

General and other expenses	2014	2013
	€ ,000	€ ,000
Contribution to support associations	(2,901)	(1,544)
Office expenses	(2,008)	(1,940)
Capacity building expenses	(1,974)	(2,729)
Marketing expenses	(1,085)	(1,067)
Consultancy expenses including audit fees (refer to note 25)	(653)	(1,007)
IT-related expenses (including development costs new software)	(625)	(660)
Legal expenses	(447)	(577)
Restructuring costs Terrafina	(405)	-
Expenses AGM and board	(235)	(218)
All other general expenses	(771)	(429)
Total general and other expenses	**(11,104)**	**(10,171)**

25 Audit fees

The following audit fees were expensed in the income statement in the reporting period:	2014	2013
	€ ,000	€ ,000
Audit of financial statements	(97)	(102)
Other non-audit services	(13)	(4)
Total audit fees	**(110)**	**(106)**

26 Additions to loss provisions and impairments

Can be specified as follows:	2014	2013
	€ ,000	€ ,000
Additions to provisions against losses and equity impairments		
- equity impairments	(1,814)	(834)
- on principal projects	(9,074)	(2,980)
- on interest	(1,566)	(2,568)
Total	**(12,454)**	**(6,382)**

27 Taxes

	2014	2013
	€ ,000	€ ,000
Taxes regional and country offices	(3,086)	(162)
Taxes Maanaveeya Development & Finance Private Limited	(1,303)	(924)
Taxes Financial Company Oikocredit Ukraine	(48)	(51)
Total taxes	**(4,437)**	**(1,137)**

	2014	2013
	€ ,000	€ ,000
Taxes 2014	(2,346)	(1,137)
Taxes previous years	(2,091)	-
Total taxes	**(4,437)**	**(1,137)**

The effective tax rate of the Society is 0%, as the tax authorities in the Netherlands have exempted the Society from corporate income tax provided that the Society complies with certain conditions, all of which were complied with in 2014. The effective tax rate of the entire organization is on average 6.5%.

28 Additions to and releases from funds

	2014	2013
	€ ,000	€ ,000
Local currency risk fund the Philippines		
Exchange rate differences on invested funds	(2)	(4)
Exchange rate differences local currency loans repaid	15	997
Interest added	75	(6)
Released from/addition to fund	88	987
Local currency risk fund Indonesia		
Exchange rate differences on invested funds	-	(1)
Exchange rate differences local currency loans repaid	83	275
Interest added	16	(1)
Released from/addition to fund	99	273
Local currency risk fund general		
Grants received	181	122
Exchange rate differences on invested funds	(19)	(72)
Exchange rate differences local currency loans repaid	2,220	6,236
Interest added	923	(78)
Released from/addition to fund	3,305	6,208
Local currency risk fund Africa		
Exchange rate differences on invested funds	(2)	(9)
Exchange rate differences local currency loans repaid	108	128
Interest added	95	(9)
Released from/addition to fund	201	110
Local currency risk fund South and East Asia		
Exchange rate differences on invested funds	(3)	(15)
Interest added	145	(15)
Released from/addition to fund	142	(30)
Local currency loans cumulative exchange rate differences		
Addition exchange rate differences local currency loans repaid	(2,425)	(7,636)
Addition exchange rate differences and premiums	13,638	(13,082)
Released from/addition to fund	11,213	(20,718)
Subtotal local currency risk funds	**15,048**	**(13,170)**
Donated investments		
Grants received	14	45
Released from/addition to fund	14	45
Subsidized activities and model costs		
Grants received	17	54
Interest received (paid) allocated to fund	33	(4)
Category A costs [1]	(147)	(151)
Other costs; office expenses	(57)	(111)
Released from/addition to fund	(154)	(212)
Capacity building Africa and South and East Asia		
Grants received	214	568
Non-allocated grants	5	(20)
Other costs	(219)	(446)
Released from/addition to fund	-	102

	2014	2013
	€ ,000	€ ,000
Capacity building funds		
Grants received	1,044	1,639
Non-allocated grants	(14)	(29)
Interest added (paid)	-	(1)
Other costs	(972)	(1,787)
Released from/addition to fund	58	(178)
General guarantee funds		
Interest added (paid)	42	(5)
Released from/addition to fund	42	(5)
Guarantee fund for Africa		
Grants received	242	-
Interest added (paid)	44	(4)
Released from/addition to fund	286	(4)
Schokland capacity building fund		
Grants received	-	21
Other costs	(35)	(5)
Released from/addition to fund	(35)	16
Schokland projects Mexico, Central America and the Caribbean		
Grants received	-	1,260
Interest added (paid)	-	(2)
Other costs	(246)	154
Released from/addition to fund	(246)	1,412
Geographic programmes		
Grants received	306	-
Non-allocated grants	(147)	-
Other costs	(159)	-
Released from/addition to fund	-	-
Subtotal capacity building and guarantee funds	**(35)**	**1,176**
Total addition to funds	**15,013**	**(11,994)**

[1] Definitions of category A and category B costs are included in the summary of accounting policies under the note 'description of the organization'.

29 Use of financial instruments

Balance sheet item	Product	31/12/14 Notional € ,000	31/12/14 Carrying amount € ,000	31/12/13 Carrying amount € ,000
Oikocredit has entered into the following derivatives to cover its exposure:				
Fixed assets				
FX derivatives	Under hedge accounting	-	-	2,507
Cross currency swaps	Under hedge accounting	24,942,097	472	6,499
	Total		**472**	**9,006**
Current assets				
FX derivatives	Under hedge accounting	(3,546,653)	96	1,032
Cross currency swaps	Under hedge accounting	21,772,772	423	1,093
	Total		**519**	**2,125**
Non-current liabilities				
FX derivatives	Under hedge accounting	38,959,691	(4,001)	-
Cross currency swaps	Under hedge accounting	74,464,759	(4,114)	(74)
	Total		**(8,115)**	**(74)**
Current liabilities				
FX derivatives	Under hedge accounting	73,025,043	(4,222)	(117)
Cross currency swaps	Under hedge accounting	17,350,270	(992)	-
	Total		**(5,214)**	**(117)**

The total book value of the hedge contracts as at 31 December 2014 was € 12.3 million negative, while the market value was € 11.2 million negative. The hedge effectiveness test has proven that all hedge contracts were effective during 2014.

30 Overview total result

Movement in group equity and funds can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Equity and funds as at 1 January	**676,150**	**624,992**
Income before taxation	36,198	2,467
Exchange rate differences on investments in group companies	3,928	(6,860)
Corporate income taxes	(4,437)	(1,137)
Third-party interest	366	45
Total direct changes in equity and funds	(143)	(7,952)
Total result group excluding third-party interests	**36,055**	**(5,485)**
Net addition member capital (new shares minus redemptions)	72,560	66,767
Dividends paid to members	(10,999)	(10,124)
	61,561	**56,643**
Equity and funds as at 31 December	**773,766**	**676,150**

Overview operational results		
The operational result can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Income after taxation	**31,761**	**1,330**
Adjustments for extraordinary items:		
Revaluation term investments (note 7)	(4,121)	4,388
Exchange rate differences (note 22)	(11,091)	15,810
Sale of equity participations	(2,157)	-
One-off tax payable (note 17)	2,919	-
Operational result	**17,311**	**21,528**

The operational result adjusted for extraordinary items for 2014 shows a decrease compared to the operational result for 2013. The main reasons for this decrease relate to the pressure on development financing yields, higher additions to the loan loss provision and higher costs for investing in the future of the organization including the support association network.

31 Remuneration policies

Remuneration policy

On 20 June 2014 the AGM adopted a new policy on the remuneration of members of the board (up to 14 July 2014)/ supervisory board (as of 15 July 2014) to be implemented retroactively with effect from 1 January 2014. Oikocredit's remuneration of the members of the supervisory board is a honorarium or fee to compensate for the services rendered on the supervisory board, and should not be considered as a salary to compensate for work done on the basis of a contract between employer and employee.

The remuneration structure is composed of four elements:

a) annual fee: the same basic amount for all supervisory board members. A one-size-fits-all approach to keep the structure simple. This annual fee must cover the cost related to time spent on the board membership on the basis of eight supervisory board meeting days and supervisory board committee meeting days per year;
b) supervisory board meeting attendance fee, to be paid out for every supervisory board meeting day that exceeds the eight basic meeting days per year. A supervisory board meeting and supervisory board committee meeting on the same day count as one meeting. Other meetings and activities should be covered by the annual fee;
c) additional fee for members that chair a supervisory board committee, and for the President as chairperson of the supervisory board.
d) compensation for costs.

The total compensation/remuneration in 2014 amounted to € 63,100.

In 2013 in general, no remuneration was paid to the board of directors. However, board members received compensation in case of loss of income when attending Oikocredit board or committee meetings. The total remuneration for loss of income in 2013 amounted to € 47,900.

Remuneration of management team		
The remuneration can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Managing director:		
G.D. Woods gross salary, holiday and year-end allowance	114	111
G.D. Woods expense allowance and 30%-facility [1]	48	48
Other management team members:		
Gross salary, holiday, year-end allowance and performance reward (a part was paid net in Oikocredit shares)	481	370
Expense allowances and 30%-facilities	75	70
Total (2014: six members; 2013: five members for 11 months, six members for 1 month)	**718**	**599**
Payments related to end of service management team members	**2014**	**2013**
	€ ,000	**€ ,000**
B.H.J. Simmes (holiday allowance, performance reward and leave)	-	16
Total	**16**	**16**

[1] An employer may grant a foreign employee a free (untaxed) reimbursement for the extra costs that the employee is possibly confronted with because he or she comes to work in the Netherlands (the so-called extraterritorial costs). An employer may also provide a foreign employee with 30% of his or her wage, including reimbursement, tax-free. This facility is known as the 30%-facility. The 30%-facility may only be used after a valid decision has been received from the Dutch Tax Authority. The Dutch Tax Authority checks whether all conditions have been met, one of which being that the employee has specific expertise that is not or is only barely available on the Dutch employment market.

Staff based in the Netherlands

The remuneration policy and employment conditions for staff working in the Netherlands are in principle (unless specific circumstances require a surcharge) based on similar employment conditions formulated by a Dutch development organization.

The Society has introduced a ‘median wage’ pension system for its employees in the Netherlands, to which the employer and the employees each contribute part of the pension premiums. Pensions are indexed, based on the average salary increases during the year, which will be determined from year to year.

Staff based outside the Netherlands

Local staff members based in our regional and country offices outside the Netherlands, are paid in the currencies of the countries in which they reside and work. They are remunerated according to standards applicable to employees with similar responsibilities in those countries.

A savings/provident fund scheme is available for staff outside the Netherlands to which the employer and employees each contribute a fixed percentage of the staff member’s gross remuneration.

Performance reward

A performance reward was awarded to all staff members with a permanent contract and working for the organization longer than one year (as an acknowledgement for good results based on specific social and financial objectives agreed with the supervisory board) for 2013 (paid in 2014) as well as 2012 (paid in 2013).
A part of the performance reward is awarded in Oikocredit shares (at nominal value) and a part in cash, both subject to taxation. This amount is accounted for under personnel expenses.

Supervisory board and management team holdings in Oikocredit share capital

Some supervisory board and management team members have indirect holdings in Oikocredit shares. These holdings do not have any voting rights.

Society financial statements

Society **balance sheet**

(before appropriation of net income)

Notes		31/12/14	31/12/13
		€ ,000	**€ ,000**
	NON-CURRENT ASSETS		
33	**Tangible fixed assets**	**1,232**	**814**
	Financial assets		
34	Development financing		
	Total development financing outstanding	680,213	538,602
	Less: - loss provision and impairments	(50,390)	(42,806)
		629,823	**495,796**
	Consists of:		
	Loans (net of loss provision)	*582,076*	*457,034*
	Equity (net of impairments)	*47,747*	*38,762*
35	Investments in group companies	36,329	31,481
36	Term investments	123,437	116,950
37	Other financial assets	9,206	33,872
	Total financial assets	**168,972**	**182,303**
	Total non-current assets	**800,027**	**678,913**
	CURRENT ASSETS		
38	Receivables and other current assets	24,073	16,516
39	Cash and banks	44,224	58,789
	Total current assets	**68,297**	**75,305**
	TOTAL	**868,324**	**754,218**

The accompanying notes are an integral part of these financial statements.

Society **balance sheet**

(before appropriation of net income)

Notes		31/12/14	31/12/13
		€ ,000	**€ ,000**
	MEMBER CAPITAL AND RESERVES		
40	Member capital in euros	651,154	578,595
40	Member capital in foreign currencies	59,958	56,213
41	General reserves	61,990	61,039
41	Restricted exchange fluctuation reserve	(6,062)	(9,990)
	Undistributed net income for the year	20,526	12,560
		787,566	**698,417**
43	**NON-CURRENT LIABILITIES**	**39,126**	**21,440**
44	**CURRENT LIABILITIES**	**41,632**	**34,361**
	TOTAL	**868,324**	**754,218**

The accompanying notes are an integral part of these financial statements.

Society **income statement**

Notes		2014	2013
		€ ,000	**€ ,000**
	RESULTS		
35	Results participation in group companies after taxes	1,669	2,206
	Other results	21,943	10,516
	INCOME BEFORE TAXATION	**23,612**	**12,722**
	Taxes	(3,086)	(162)
	INCOME AFTER TAXATION	**20,526**	**12,560**

The accompanying notes are an integral part of these financial statements.

Notes to the **Society financial statements**

32 General

The Society financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The accounting policies of the Society financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value in accordance with the accounting policies for the consolidated financial statements.

For the accounting policies of the Society financial statements, we refer to the summary of accounting policies as included in the notes to the consolidated financial statements.

33 Tangible fixed assets

Changes in tangible fixed assets in 2014 and in the costs of acquisition and accumulated depreciation as at 31 December 2014 can be specified as follows:

	Land and buildings	IT equipment	Furniture	Total 2014 € ,000	Total 2013 € ,000
Historical cost price as at 1 January	116	1,473	1,098	2,678	2,243
Accumulated depreciation as at 1 January	(58)	(1,020)	(786)	(1,864)	(1,628)
Balance as at 1 January	58	453	303	814	615
Investments	-	635	77	712	435
Disposals	(58)	-	-	(58)	-
Depreciation	-	(130)	(106)	(236)	(236)
Movements in the year	**(58)**	**505**	**(29)**	**418**	**199**
Historical cost price as at 31 December	58	2,108	1,166	3,332	2,678
Accumulated depreciation as at 31 December	(58)	(1,150)	(892)	(2,100)	(1,864)
Balance as at 31 December	**-**	**958**	**274**	**1,232**	**814**

The useful life of the furniture is estimated at five years on average. Information Technology (IT) equipment is depreciated in three years. Buildings are depreciated in 25 years.

34 Development financing

Changes in development financing outstanding		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Outstanding as at 1 January	538,602	479,300
Disbursements	310,963	273,267
Transfer Oikocredit Seed Capital Fund	1,476	-
Capitalized interest and dividends	499	192
Less: - repayments	(206,661)	(184,069)
- write-offs	(4,355)	(3,994)
Exchange adjustments	39,689	(26,094)
Outstanding as at 31 December	**680,213**	**538,602**
Approved in the year	383,811	297,319
Less: - commitments cancelled	(8,851)	(12,894)
Not yet disbursed 1 January	129,455	140,388
Credit lines (repayments, cancelled commitments)	26,885	33,002
Less: - disbursements	(310,963)	(273,267)
- disbursements through subsidiary Maanaveeya	(21,366)	(28,160)
- disbursements through Low Income Countries Loan Fund	(5,155)	(4,096)
- disbursements through subsidiary Oikocredit Ukraine	(422)	(449)
- disbursements through OSCap Fund	-	(100)
Exchange adjustments	3,149	(30,169)
Approved as at 31 December	**876,756**	**660,176**
Equity investments in process of finalisation	31,425	11,205
Committed to credit lines, not yet taken up by partners	59,872	25,280
Loans committed < 6 months	77,583	62,522
Loans committed > 6 months	27,663	22,567
Commitments not yet disbursed as at 31 December	196,543	121,574
Outstanding as at 31 December	**680,213**	**538,602**

Equity investments above 20% participation [1]				
Of the equity investments the share participation of the following investments as at 31 December 2014 was more than 20%	**Participation**	**Participation**	**Net equity (latest available)**	**Result (latest available)**
	2014 %	**2013 %**	**€ ,000**	**€ ,000**
Guaguazu S.A., Bolivia	42.55%	42.55%	300	(34)
Tujijenge Tanzania Limited, Tanzania	37.53%	20.92%	1,203	170
Gebana Brazil Cataratas do Iguaçu Produtos Orgânicos Ltd., Brazil	31.05%	30.86%	492	(48)
Fondo de la Comunidad S.A., Bolivia	25.39%	25.13%	8,955	308
Equip Plus S.A., Senegal	24.60%	24.60%	3,334	-
Shalom Microfinance Limited, India	23.08%	23.08%	360	(585)
Les Saveurs du Sud S.A., Senegal	22.16%	22.16%	12	-
Barefoot Power Pty Ltd., Australia	21.93%	15.67%	(134)	(425)

[1] Oikocredit does not have any significant influence in these equity investments.

Provision for possible losses		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	36,288	40,802
Transfer Oikocredit Seed Capital Fund	50	-
Additions	6,887	1,404
Exchange adjustments	3,103	(1,924)
	46,328	40,282
Less: - write-offs	(4,022)	(3,994)
Balance as at 31 December	**42,306**	**36,288**

Impairments equity investments		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	6,518	6,311
Transfer Oikocredit Seed Capital Fund	85	-
Additions	1,814	207
Reversals	-	-
	8,417	6,518
Less: - write-offs	(333)	-
Balance as at 31 December	**8,084**	**6,518**

Total loan loss provision and impairments equity	**2014**	**2013**
	€ ,000	**€ ,000**
Loan loss provision	42,306	36,288
Impairments equity	8,084	6,518
Balance as at 31 December	**50,390**	**42,806**

We refer to note 6 of the consolidated financial statements for further detailed information on consolidated development financing.

35 Group companies

Net asset value investments in group companies		
	31/12/14	**31/12/13**
	€ ,000	**€ ,000**
Maanaveeya Development & Finance Private Limited, Hyderabad, India [1]	32,088	26,618
Financial Company Oikocredit Ukraine, Lviv, Ukraine [2]	1,341	2,122
Low Income Countries Loan Fund, Amersfoort, the Netherlands [3]	2,900	1,583
Oikocredit Seed Capital Fund, Amersfoort, the Netherlands [3]	-	1,158
Balance as at 31 December	**36,329**	**31,481**

[1] The investment in Maanaveeya Development & Finance Private Limited., Hyderabad, India, consists of 100% of the ordinary shares amounting to INR 2.4 billion.

[2] The investment in Financial Company Oikocredit Ukraine in Lviv, Ukraine, consists of 100% of the ordinary shares, amounting to UAH 20 million.

[3] This amount represents the Society's participation in the Oikocredit Seed Capital Fund (100%) and the Low Income Countries Loan Fund (50%). These funds were created as restricted, open-ended, tax transparent investment funds for members/shareholders. The funds are not incorporated legal entities, but unincorporated contracts of their own nature. The Oikocredit Seed Capital Fund was liquidated and transferred to the Society in 2014.

Maanaveeya Development & Finance Private Limited		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	26,618	34,535
Result for the year	1,805	2,057
Interest paid to Oikocredit on compulsory convertible debentures	(1,274)	(2,766)
Exchange adjustments	4,939	(7,208)
Balance as at 31 December	**32,088**	**26,618**

Financial Company Oikocredit Ukraine		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	2,122	1,959
Net result for the year	230	309
Exchange adjustments	(1,011)	(146)
Balance as at 31 December	**1,341**	**2,122**

Low Income Countries Loan Fund		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	1,583	667
Investments	1,683	961
Result for the year	(366)	(45)
Balance as at 31 December	**2,900**	**1,583**

Oikocredit Seed Capital Fund		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	1,158	748
Investments	-	525
Result for the year [1]	(89)	(115)
Redemptions	(1,069)	-
Balance as at 31 December	**-**	**1,158**

[1] The result over 2014 is classified under other results in the income statement.

The participants of the Oikocredit Seed Capital Fund were bought out at the end of 2013 and the fund was liquidated on 21 August 2014. All assets and liabilities were transferred to the Society.

The Society has direct interests in the following entities:	**Share in equity 31/12/14 (%)**
Fully consolidated	
Maanaveeya Development & Finance Private Limited, Hyderabad, India	100
Financial Company Oikocredit Ukraine, Lviv, Ukraine	100
Low Income Countries Loan Fund, Amersfoort, the Netherlands	50

36 Term investments

Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	116,950	117,757
Investments during the year at cost	3,065	3,125
Disinvestments / redemptions during the year	(7)	(345)
Revaluation to market value as at 31 December	3,373	(3,570)
Exchange adjustments	56	(17)
Balance as at 31 December	**123,437**	**116,950**

None of the term investments are listed, but the 4F Funds invest solely in listed bonds. For a breakdown of the individual titles in the 4F fund, refer to annex 1 of the annual report.

Summary of term investments:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Bonds [1]		
4F-Euro Fund for Fair Future, the Netherlands	122,552	116,128
4F-USD Fund for Fair Future, the Netherlands	457	388
Subtotal bonds	123,009	116,516
Other term investments		
GLS Bank, Germany	300	300
Other	128	134
Subtotal other term investments	428	434
Balance as at 31 December	**123,437**	**116,950**

[1] All investments in bonds in the 4F Fund comply with the following Ethibel Sustainability Index labels and sub-labels:
- Ethibel ‘Excellence’ label, including companies active in developing countries with particular beneficial impact in these countries.
- Ethibel label for bonds in developing countries and emerging markets.

Fair value of term investments
The fair value equals the carrying amount.

Part of the term investments serves as collateral for the credit facilities with banks – reference is made to note 39.

The average duration of the 4F Fund portfolio as at 31 December 2014 was 3.8 (31 December 2013: 4.0). The target duration of the fund is 4.5 to 5.5 years, but the fund manager can keep the duration shorter for capital preservation purposes in a low interest environment. The 4F Funds invest in investment grade bonds according to Moody's rating agency. None of the term investments are listed, but the 4F Funds invest solely in listed bonds.

37 Other financial assets

Summary of other financial assets:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Loans to group companies	6,533	11,751
Hedge contracts related parties (Oikocredit International Support Foundation)	1,536	12,749
Staff loans	665	614
Hedge contracts financial institutions	472	8,758
Balance as at 31 December	**9,206**	**33,872**

38 Receivables and other current assets

The receivables maturing within one year can be specified as follows:		**31/12/14**		**31/12/13**
		€ ,000		**€ ,000**
Accrued interest on development financing net of allowance		10,626		7,726
Loans to group companies expiring within 1 year		6,533		-
Interest receivable:		2,538		1,819
- face value	6,998		7,325	
- less: allowance for uncollectability	(4,460)		(5,506)	
Amounts prepaid		1,938		1,525
Receivables from group companies (refer to note 46)		945		1,237
Hedge contracts		449		2,100
Accrued interest on bank accounts and deposits		434		490
Staff loans [1]		211		216
Value added tax and wage taxes		186		143
Receivable Sofipe		-		733
Sundry receivables		213		527
Balance as at 31 December		**24,073**		**16,516**

[1] All housing loans to staff are covered by mortgages. Market interest rates are charged on staff loans.

39 Cash and banks

Part of the cash was deliberately invested in savings accounts, being considered part of the term investment portfolio. Income generated from these accounts was added to the term investment income.

The Society maintains its funds in banking institutions in Europe, Asia, Latin America, Africa and the United States of America. The time deposits included in cash and banks as at 31 December 2014 all mature in 2015.

The Society has credit facility agreements with Dutch banks amounting to € 5.75 million. These facilities, which were not used in 2014, are subject to the following conditions:

- Audited financial statements should be provided within six months after year-end.
- The solvency ratio should be at least 70%.
- The Society should keep its bond portfolio and liquidities free of any encumbrances for 125% of the amounts of the credit line and guarantees given.
- Without the written permission of the credit institution, the Society is not allowed to sell or securitize fixed assets or establish mortgages or other encumbrances on fixed assets (except for transactions taking place in the normal course of business) and to issue guarantees for liabilities of third parties.

40 Member capital

Can be specified as follows:		**2014**	**2013**
		€ ,000	**€ ,000**
Issued capital			
Balance as at 1 January		634,808	558,530
New euro shares issued		75,229	74,890
New shares in other currencies issued		5,420	6,450
Redemption of euro shares		(2,651)	(4,620)
Redemption of shares in other currencies		(1,694)	(442)
Balance as at 31 December		**711,112**	**634,808**
Of which	- euro shares	651,154	578,595
	- shares in other currencies (at original exchange rate)	59,958	56,213

The Society issues euro shares of € 200 each, British pound shares of £ 150 each, Canadian dollar shares of C$ 200 each, Swedish krona shares of SEK 2,000 each, Swiss franc shares of CHF 250 each and US dollar-denominated shares of US$ 200 each. The number of authorized shares of capital stock is unlimited. The shares shall be redeemed no later than five years after a redemption request has been submitted and is as such a liability (puttable shares). Redemption (or partial redemption) will be at the nominal value. However, if the net asset value per share is lower than the nominal value per share in the most recent audited (interim) balance sheet preceding the redemption by the Society, 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 (article 13 of the Articles of Association).

41 General and other reserves

General reserves [1]		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	61,039	48,703
Appropriation of prior-year results	951	12,336
Balance as at 31 December	**61,990**	**61,039**

[1] The Oikocredit supervisory board allocated a part of the general reserve for specific purposes, we refer to note 47.

Restricted exchange fluctuation reserve [1]		
Can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Balance as at 1 January	(9,990)	(3,130)
Exchange-rate differences	3,928	(6,860)
Balance as at 31 December	**(6,062)**	**(9,990)**

[1] The restricted exchange fluctuation reserve represents the accumulation of gains and losses on investments in group companies. This reserve also contains the results (gains, losses and premiums) on the hedge contracts concluded on our investment in group companies.

42 Differences in equity and net income between the society and consolidated financial statements

Changes in the difference between the Society and consolidated equity and profit/loss in the financial year can be specified as follows:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Equity according to society financial statements	**787,566**	**698,417**
Reclassification of members' capital to non-current liabilities	(58,342)	(52,033)
Reserves Oikocredit International Support Foundation	3	3
Reserves Oikocredit International Share Foundation	242	183
Net result Oikocredit International Share Foundation	(130)	(37)
Local currency risk funds Support Foundation	40,012	23,942
Funds for subsidized activities and model costs Support Foundation	4,345	5,402
Revaluation result hedges share capital	70	273
Third-party interests	2,900	1,583
Group equity and funds according to consolidated financial statements	**776,666**	**677,733**

Difference in net income of society and consolidated financial statements		
	2014	2013
	€ ,000	€ ,000
Net income according to the society financial statements	**20,526**	**12,560**
Net result Oikocredit International Share Foundation	(130)	(37)
Exchange rate differences on members' capital in foreign currency	(2,494)	1,650
Dividends paid on members' capital in foreign currency	(788)	(804)
Net income according to consolidated financial statements	**17,114**	**13,369**

43 Non-current liabilities

Can be specified as follows:	31/12/14	Remaining term	Remaining term	31/12/13
		> 1 year < 5 years	> 5 years	€ ,000
	€ ,000	€ ,000	€ ,000	€ ,000
Bank loans [1]	15,568	15,568	-	11,820
US note loans [2]	14,993	13,992	1,001	7,851
Hedge contracts (refer to note 29, consolidated financial statements)	8,115	8,115	-	74
Loans for investment in development financing [3]	435	435	-	909
First Oikocredit Canada [4]	-	-	-	772
Other liabilities	15	15	-	14
Total non-current liabilities	**39,126**	**38,125**	**1,001**	**21,440**
Repayment obligations due within 12 months of the end of the financial year are included under the current liabilities.				

[1] A loan granted by a German bank amounting to € 15.6 million (2013: € 11.4 million). The loan matures on 18 May 2017 for € 13 million and the remaining part (maximum € 11 million) matures on 30 January 2019. The loan carries an interest rate equal to the base rate of the financial institution (as at 31 December 2014: 0.2%) plus an agreed margin (as at 31 December 2014: 0.568%). This facility is subject to the condition that the Society keeps its debt from external loans below 20% of total assets. The loan is unsecured for the first € 4 million. From an outstanding amount of € 4 million up to € 24 million, the loan is guaranteed by KfW, Germany.

[2] Loans taken from Oikocredit USA against their US notes issue. The average interest rate of the loans over 2014 was 1.8% (2013: 1.7%). The loans mature in 2015 for € 9.5 million (included under current liabilities) and in 2016 until 2020 for € 15.0 million.

[3] Loans managed by Oikocredit on behalf of funders which have been invested in Oikocredit's development financing. Oikocredit receives these loans under contract from various co-financing donors or development agencies and social ethical funds. The loans for investment in development financing are managed by Oikocredit for the risk and account of these donor agencies and funds. From the total loans managed, € 0.4 million is classified under non-current liabilities and € 0.6 million under current liabilities.

[4] Loans taken from First Oikocredit Canada against their Canadian notes issue repayable in 2015. The average interest rate of the loans over 2014 was 1.75% (2013: 1.75%). Due to a change of the Oikocredit investment offering in Canada, all Canadian notes are offered for redemption (or reinvestment in depository receipts) in 2015. The full loan amount (€ 1.4 million) is classified under current liabilities as at 31 December 2014.

Fair value of long-term liabilities

The majority of the bank loans are at variable interest rates. Therefore, the fair value of the current liabilities approximates the book value. The interest rates of the US notes and First Oikocredit Canada loans are in line with the applicable market interest rates for similar loans. Loans for investment in development financing have been invested in the Oikocredit development financing portfolio for risk and account of the funders.

44 Current liabilities

All current liabilities mature within one year and can be specified as follows:	**31/12/14**	**31/12/13**
	€ ,000	**€ ,000**
Group companies (refer to note 46)	15,323	13,252
Long-term loans expired or expiring within one year [1]	11,889	15,298
Accrued expenses, sundry liabilities	4,039	4,316
Hedge contracts	5,214	117
Other taxes payable [2]	3,297	398
Funds under management	1,172	666
Hedging premiums payable	698	314
Balance as at 31 December	**41,632**	**34,361**

[1] Consist of amounts maturing within one year from loans taken from Oikocredit USA for € 9.5 million, from loans taken from First Oikocredit Canada for € 1.4 million, from loans managed by Oikocredit on behalf of funders for € 0.6 million and from a loan taken from a Swiss organization for € 0.4 million.
[2] The growth of the organization has led us to thoroughly review Oikocredit's tax and legal structures in the countries where we have offices, to ensure that we have a structure in place to pay our fair share of taxes. We have included an amount of € 2.9 million for possible tax payments from the past.

Fair value of current liabilities
The interest rates of the current liabilities are in accordance with applicable market interest rates. Therefore, the fair value of the current liabilities approximates the book value.

45 Commitments not included in the balance sheet

The Society entered into a rental agreement for seven years starting from 01 July 2007. The total yearly rent payments amount to € 333,000 per year and are indexed. For this agreement a bank guarantee was issued for € 100,000. The new rental agreement is currently under negotiation.

The hedging agreements with Standard Chartered Bank and TCX, The Currency Exchange Fund N.V. contain an obligation to post eligible collateral under a credit support annex. In the contract with Standard Chartered Bank, the threshold for Oikocredit is set at US$ 3 million and for Standard Chartered Bank at US$ 50 million. In the contract with TCX, the threshold is set at US$ 3 million for both Oikocredit and TCX. As at 31 December 2014 the mark to market value of the hedge contracts with TCX was US$ 2.5 million negative. As at 31 December 2014 the mark to market value of the hedge contracts with Standard Chartered Bank was US$ 2.2 million negative. Therefore, it was not necessary to post or receive collateral.

The Society issued a corporate guarantee for a maximum of INR 600 million to Rabobank, the Netherlands for loans issued by Rabo India Finance Limited to Maanaveeya Development & Finance Private Limited in India.

The Society issued two guarantees for a total amount of € 1.1 million to an Ethiopian bank, covering loans issued by the bank to two partners in Ethiopia.

46 Related party transactions

Transactions with Oikocredit Foundations during the year
Material transactions with the Oikocredit International Support Foundation: during 2014, € 146,767 of category A[1] costs were directly charged to the Oikocredit International Support Foundation (2013: € 150,669).

Oikocredit did not charge any costs related to subsidized activities and 'model costs' (category B[1] costs) to the Support foundation's funds for subsidized activities and model costs in 2014 (2013: € 50,000).

Oikocredit added unrealized cumulated exchange rate differences on local currency loans to the fund for local currency loans cumulative exchange rate differences amounting to € 9.1 million (2013: charge of € 16.0 million).

Transactions with the Oikocredit International Share Foundation
There were no material transactions with the International Share Foundation during 2014 or 2013 other than investments and redemptions of shares of the Society.

Transactions with Maanaveeya Development and Finance Private Limited
Oikocredit charged interest to Maanaveeya on non-convertible debentures totalling € 1.3 million.

Transactions with Provident Fund
Oikocredit contributed € 107,460 (2013: € 109,282) and US$ 516,084 (2013: US$ 498,575) to the Provident Fund in 2014.

Transactions with members (Support Associations)
Oikocredit granted a contribution for costs to the support associations during 2014 for € 3,048,000 (2013: € 1,544,000). There are no outstanding balances with the Support Associations.

[1] For a description of category A and category B costs as well as local currency risk funds, we refer to the 'Description of Organization' included in the summary of accounting policies.

Amounts owed by and to Oikocredit foundations and other group companies [1]		
	31/12/14	**31/12/13**
	€ ,000	**€ ,000**
Amounts owed to group companies		
Oikocredit International Support Foundation	15,323	13,252
Total owed to group companies (refer to note 44)	**15,323**	**13,252**
Amounts owed by group companies		
Oikocredit International Support Foundation cumulated exchange rate differences (refer to note 37)	1,536	12,749
Low Income Countries Loan Fund	680	698
Oikocredit International Share Foundation	265	309
OSCap Fund	-	230
Total owed by group companies (refer to note 38)	**945**	**1,237**

[1] Market interest rates are charged on these amounts

Funds available within the Oikocredit Support Foundation
Total funds available within the International Support Foundation to cover future category A and B costs, as well as guarantees and capacity building by Oikocredit, amount to approximately € 4.3 million at year-end (2013: € 5.4 million).

At year-end, the available local currency risk funds within the Support Foundation, to cover future currency losses on local currency loans, amounted to approximately € 40.0 million (2013: € 23.9 million).

47 Other information

Proposal for allocation of net income
Since 2008, unrealized gains and losses from term investments, as well as unrealized exchange differences on members' capital denominated in foreign currencies, have to be taken to the income statement of the Society. The annual changes in the market value of the term investments as well as exchange rate differences may cause material fluctuations in the net income.

In order to prevent the Society from distributing unrealized gains on the term investments and exchange rate differences as dividend, the Oikocredit decided that these amounts should be added to the general reserve. These amounts will be separated within the general reserve and are designated for unrealized losses on term investments and exchange rate differences in future years. The remaining net income is available for dividend distribution.

With respect to the allocation of net income, the Society's Articles of Association determine the following (article 42): 'The net profits shall be allocated by the annual general meeting after receiving the proposals of the management team'.

The management team will make the following proposal to the annual general meeting 2015 with regard to 2014 net income:

- To pay a dividend of 1/12th of 2% for every full calendar month of 2014 that the EUR, USD, CAD, SEK and GBP shares were registered.
- To pay a dividend of 1/12th of 1% for every full calendar month of 2014 that the CHF shares were registered.
- *To add the amount in excess of the net result needed to pay the dividend to the general reserve, of which:*
  a. € 4,522,000 to be added to the general reserve to cover for currency differences related to unhedged currency positions
  b. € 3,373,000 to be added to the general reserve in respect of revaluations of term investments
  c. € 1,765,000 to be added to the general reserve allocated as a reserve for tax and legal structure
  d. € 232,000 to be withdrawn from the general reserve allocated as a reserve for the loans & investment systems
  e. € 1,000,000 to be withdrawn from the general reserve allocated as a reserve for the business plan
  f. € 1,000,000 to be withdrawn from the general reserve allocated as a reserve for development insurance activities
  g. € 166,000 (10% of the net result after conditions a, b, c, d, e and f have been met) to be added to the general reserve allocated for capacity building expenditure. An additional € 100,000 to be added to the general reserve allocated for capacity building expenditure in relation to the 40th anniversary of Oikocredit. € 497,000 of capacity building expenses incurred in 2014 to be withdrawn from the general reserve allocated for capacity building expenditure
  h. € 129,000 remaining to be added to the general reserve

Allocation of net income		
The management team proposes to appropriate the net income as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Dividend distribution	**13,200**	**11,609**
General reserve		
Reserve for local currency loans	-	5,000
Reserve for business plan	(1,000)	2,000
Loan loss reserve	-	(3,000)
Reserve for development insurance activities	(1,000)	-
Reserve for tax and legal structure	1,765	-
Reserve for loans & investment systems	(232)	(21)
Capacity building for partners (addition less withdrawals)	(231)	(466)
Unrealized exchange differences (withdrawal)	4,522	(1,385)
Unrealized revaluation of term investments	3,373	(3,570)
Other	129	2,393
	7,326	**951**
Net income	**20,526**	**12,560**

Information on cumulative unrealized results and specific designated amounts in general reserve		
The breakdown of the balance of the cumulative amounts of the unrealized results included in the general reserve can be specified as follows:	**2014**	**2013**
	€ ,000	**€ ,000**
Cumulative amount of unrealized revaluation of term investments	11,869	8,496
Local currency loans [1]	7,932	7,932
Cumulative amount of unrealized exchange differences in results	7,503	2,981
Cumulative amount of reserve set aside for tax and legal structure	1,765	-
Cumulative amount of reserve set aside for new loans & investment systems	1,747	1,979
Cumulative amount set aside for the business plan	1,000	2,000
Capacity building for partners	309	540
Cumulative amount of reserve set aside for development insurance activities	-	1,000
Total unrealized results and designated amounts included in general reserve	**32,125**	**24,928**

[1] An amount for local currency loans (€ 7,932,000) will be used for exchange rate differences, resulting from local currency loans, insofar as these exchange rate differences cannot be covered by the local currency risk funds in the Oikocredit International Support Foundation.

KPMG

Independent auditor's report

To: the General Meeting of Members of Oikocredit Ecumenical Development Cooperative Society U.A.

Report on the financial statements

We have audited the accompanying financial statements 2014 of Oikocredit Ecumenical Development Cooperative Society U.A., Amersfoort, which comprise the consolidated and society balance sheet as at 31 December 2014, the consolidated and society income statement and the consolidated cash flow statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Oikocredit Ecumenical Development Cooperative Society U.A. as at 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

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

Amstelveen, 24 February 2015

KPMG Accountants N.V.

E.D.H. Vinke-Smits RA

Annex 1 to the annual report

Overview of all 4F Fund bonds that Oikocredit has invested in through its participation in the 4F Funds.

	31/12/14	31/12/13
	€ ,000	**€ ,000**
Bonds issued by development banks, developing countries and by companies active in – and with particular beneficial impact in – developing countries		
Bonds issued by development banks:		
Kreditanstalt für Wiederaufbau, Germany	8,237	7,949
Agence Française de Développement, France	2,212	2,270
Inter-American Development Bank, United States of America	993	838
Financieringsmaatschappij voor Ontwikkelingslanden, the Netherlands	662	588
Bonds issued by companies active in - and with particular beneficial impact in - developing countries:		
Danone, France	7,317	6,786
Suez Environnement, France	7,307	6,647
ABB Finance, Switzerland	7,278	6,890
Linde Finance B.V., the Netherlands	7,118	6,563
Australia & New Zealand Banking Group Ltd., Australia	7,067	7,046
Atlas Copco, Sweden	6,623	6,156
Legrand SA, France	6,579	5,464
Schneider, France	6,434	6,093
Air Liquide, France	6,415	6,495
Koninklijke DSM, the Netherlands	6,355	6,663
Telia Sonera, Sweden	5,309	-
Aegon N.V., the Netherlands	4,177	-
Telefónica SA, Spain	2,714	-
Orange, France	2,697	-
Telenor ASA, Norway	-	6,705
British Telecom, UK	2,269	2,388
Akzo Nobel, the Netherlands	2,031	2,158
Intel, United States of America	186	163
Subtotal bonds with development impact	*99,980*	*87,862*
Other term investments		
Sovereign bonds		
Republic of Poland	7,881	7,089
Czech Republic	7,460	6,818
Republic of Slovakia	6,901	5,487
Republic of Lithuania	2,829	2,178
Republic of Latvia	-	2,669
Corporate bonds		
Société Nationale des Chemins de Fer Français (SNCF), France	7,262	6,885
Telstra, Australia	7,211	4,525
Sanofi, France	6,695	6,403
Wolters Kluwer N.V., the Netherlands	2,616	-
ASML Holding, the Netherlands	2,469	2,506
Bank Nederlandse Gemeenten, the Netherlands	560	476
ÖBB-Infrastruktur, Germany	-	4,779
Deutsche Bahn, Germany	-	4,212
Telecom Italia, Italy	-	1,012
Subtotal other bonds	*51,884*	*55,039*
Total	**151,864**	**142,901**

Office information

International office

Management team

- Mr David Woods
  Managing director

- Mr Florian Grohs
  Credit director

- Mr Albert Hofsink
  Risk, compliance & IT director

- Ms Ging Ledesma
  Social performance &
  credit analysis director

- Ms Irene van Oostwaard
  Finance director

- Ms Ylse van der Schoot
  Investor relations director

Regional offices

East Africa

- Ms Judy Ngarachu
  Kenya, Rwanda, Tanzania, Uganda
  rdc.ea.office.ke@oikocredit.org

West Africa

- Mr Yves Komaclo
  Benin, Burkina Faso, Côte d'Ivoire,
  Ghana, Mali, Senegal, *Togo*
  region.wa.office.ci@oikocredit.org

India

- Mr Gouri Sankar
  rdc.india.office.in@oikocredit.org

Southeast Asia

- Ms Ma. Theresa Pilapil
  Cambodia, The Philippines,
  Indonesia, Lao People's
  Democratic Republic, Vietnam
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Mexico, Central America and the Caribbean

- Mr Eduard Walkers
  Costa Rica, Dominican Republic,
  El Salvador, Guatemala, Honduras,
  Mexico, Nicaragua, *Haiti*
  rdc.mcac.office.rdcr@oikocredit.org

Eastern Europe and Central Asia

- Ms Rakhat Gravesteijn Uraimova
  Bosnia and Herzegovina, Bulgaria,
  Kyrgyzstan, Moldova, Romania,
  Russian Federation, Ukraine,
  Albania, Armenia, Azerbaijan,
  Georgia, Kazakhstan, Kosovo,
  Mongolia, Montenegro, Serbia,
  Slovak Republic, *Tajikistan*
  rdc.eeca.office.eca@oikocredit.org

South America northern region

- Mr Frank Rubio
  Colombia, Ecuador, Peru
  rdc.sanr.office.pe@oikocredit.org

South America southern region

- Mr Mario Umpierrez
  Argentina, Bolivia, Brazil,
  Paraguay, Uruguay
  rdc.sasr.office.sasr@oikocredit.org

International office

- Cameroon, Mozambique, Nigeria,
  Australia, Chile, Egypt, Ethiopia,
  Germany, Luxemburg, Madagascar,
  Malawi, Morocco, Mauritius,
  Netherlands, Samoa, Spain, South
  Africa, Tunisia, United Kingdom,
  United States of America

Oikocredit has eight regional offices and offers funding in almost 70 countries.
Non-focus countries are in italics.

National support offices

Canada

- Oikocredit Canada (Toronto)
  Mr Eugene Ellmen
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France

- Oikocredit France (Paris)
  Mr Gaël Marteau
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Germany

- Oikocredit Germany
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United States of America

- Oikocredit USA (Washington)
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Support associations

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- Oikocredit Western Pennsylvania (Pittsburgh)
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Oikocredit terminology

Capacity building
In addition to providing financial services, Oikocredit offers its partners capacity building programmes to help them develop expertise and management skills in areas like finance, risk management and social performance.

Country office
Oikocredit's office working directly with partners and beneficiaries in national or regional markets.

Focus country
Country of special interest where Oikocredit believes there is significant need for financial services and where it can have a high impact.

National support office
Oikocredit's office coordinating and supporting efforts to attract investors, working closely with local support associations.

Non-convertible debentures in India
A loan-linked instrument to raise long term capital which cannot be converted into equity.

Non-financial sector
Financial services Oikocredit provides to entities other than microfinance institutions (MFIs). The largest category of non-financial services consists of loans to agricultural cooperatives and fair trade organizations.

Non-focus country
A country where Oikocredit offers funding, but generally does not have an office.

Oikocredit international office
Oikocredit's headquarters in the Netherlands that coordinates and supports its activities worldwide.

Oikocredit International Share Foundation
The Share Foundation facilitates investments in Oikocredit for banks, development organizations and individuals in countries without support associations or national support offices.

Oikocredit International Support Foundation
The Support Foundation mobilizes grant funds to cover costs of Oikocredit's capacity building activities and certain types of operational costs.

Portfolio at risk - PAR 90
Percentage of our portfolio with a delay in payment of 90 days or more.

Regional office
Oikocredit's office coordinating our development finance activities in a particular region.

Subsidized activities and model costs
Services such as capacity building support that Oikocredit provides to clients in addition to its core business of providing financial services.

Support association
Local organization engaged in promoting Oikocredit.

Term investments
Oikocredit's investments in bonds.

Strategic partners

COOPERATION
www.icco.nl

CERISE
www.cerise-microfinance.org

Terrafina Microfinance
www.terrafina.nl

GRAMEEN FOUNDATION
Connecting the World's Poor to Their Potential
www.grameenfoundation.org

Church of Sweden
www.svenskakyrkan.se

Relevant networks

CSAF Council on Smallholder Agricultural Finance
www.csaf.net

Agri Pro Focus
www.agriprofocus.com

mix
www.themix.org

Eurosif
www.eurosif.org

coop International Co-operative Alliance
www.ica.coop

ECLOF INTERNATIONAL
www.eclof.org

mftransparency.org
www.mftransparency.org

SocialPerformance TASK FORCE
www.sptf.info

EUROPEAN MICROFINANCE PLATFORM
NETWORKING WITH THE SOUTH
www.e-mfp.eu

INAISE
www.inaise.org

FINANCIAL INCLUSION EQUITY COUNCIL
www.cmef.com

RIA Responsible Investment Association
www.riacanada.ca

the smart campaign | Keeping clients first in microfinance
www.smartcampaign.org

npm platform for inclusive finance
www.inclusivefinanceplatform.nl

Text and production
Oikocredit staff
Miles Litvinoff
Angèle Vermeulen

Photographs
Opmeer reports (including cover),
Tom Bamber, Clemens Rikken,
Nicolas Villaume, Oikocredit partners
and staff

Design
Van Santen Productions

Printing
Drukkerij Atlas

www.oikocredit.coop

Oikocredit's vision is 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.

40 years
OIKO CREDIT
investing in people

Oikocredit International

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