Oikocredit

Annual Report 2024

Adapting and succeeding together

Contents

About the cover picture:

Fapecafes

Apolo Espinoza is head of quality control and chief coffee taster at Fapecafes, Oikocredit's smallholder ecological coffee growers' association partner in southern Ecuador. He proudly wears his cupping spoons in his apron pocket.

The Regional Federation of Small Ecological Coffee Growers' Associations of Southern Ecuador, Fapecafes, represents approximately 1,800 small-scale coffee producers. Fapecafes brings together six grassroots coffee farmer organisations in the provinces of El Oro, Loja and Zamora. It collects members' coffee harvest, processes the coffee and exports it, especially to Europe. Fapecafes coffee is 95% certified organic; 5% has special recognition as origin coffee that, while not certified, is produced ecologically.

Fapecafes became an Oikocredit partner in 2011. It values its relationship with Oikocredit, based on mutual trust. Fapecafes buys members' coffee between June and February, so access to financing at the right times of year is important. Member organisations pay the farmers fair trade prices when they deliver their harvest. Previously, when there were no growers' associations, local intermediary buyers exploited the farmers.

Most Fapecafes members grow food crops for household consumption. Many are experiencing the effects of climate change, especially in the Ecuadorean Amazon region. Fapecafe members today work with others to halt deforestation and plant coffee, cocoa, and fruit and other trees on previously cleared land. Their goal is to create fully sustainable production using only organic fertiliser so that the soils remain productive.

From the Managing Director

Oikocredit entered its 50th year in 2024. Almost five decades of pioneering and influential social impact investing with a cooperative and participatory approach are no small achievement. Much has sustained us in our work and continues to strengthen us now: being mission driven and committed to advancing human solidarity and environmental sustainability; the satisfaction of effectively balancing risk, return and social impact; and seeing our work grow, benefit partners and their clients, bring together members and investors, and help set and maintain standards across our sector.

Standing still is never an option for our cooperative. This past year we saw continual change in the external context of our work, both in the European countries where we raise most of our capital and in the lower-income countries of Africa, Asia, and Latin America and the Caribbean where we invest. There was much to respond to.

Internally we continued to adjust to our renewed capital-raising model, held a mid-term review of our 2022-2026 strategy, and began an internal conversation about the meaning, opportunities and challenges of operating as a cooperative.

Personal highlights for me in 2024 included the further successful development of our community-focused portfolio with investments in education, housing, water and sanitation, renewable energy, and (most recently) climate-smart agriculture, and with strong strategic partnerships. Another key achievement is our evolving Client Self-Perception Survey and the way it increasingly informs the work of both our partners and ourselves. Willingness as an organisation to evaluate our performance and seek to improve is a third source of satisfaction.

Not all has gone well for Oikocredit this year. The severe US dollar crisis in Bolivia has probably been the worst, and least foreseen, occurrence influencing our results. And we have not yet achieved the anticipated turnaround in capital raising, although we were able to finance and modestly grow the development financing portfolio.

Our current members and investors, and our partners and their clients, continue to motivate and inspire us. For example, Apolo Espinoza, featured on this year’s cover page, is head of quality control and chief coffee taster at Fapecafes, a federation of smallholder ecological coffee growers’ associations in southern Ecuador and an Oikocredit partner since 2011. Fapecafes brings together six grassroots organisations and hundreds of farmer members to gather, process and export high-quality organic fair trade coffee to Europe. In the face of climate change, Fapecafe members work to halt deforestation, interplanting coffee with fruit and other trees, and using only organic fertiliser.

As our latest 2024 Impact Report states, people and communities living on low incomes do little or nothing to cause times of crisis yet experience crises most severely. In the face of today’s political, economic, social and ecological instability, community-level resilience is essential if disadvantaged people are to maintain and improve their lives and livelihoods.

Hence our increasing work with organisations that support lower-income communities in building resilience, which complements our long-standing focus on financial inclusion, smallholder agriculture and renewable energy.

Once again, it is my pleasure and privilege to commend this Annual Report to you and to thank all who are a part of, or work with, our cooperative as members, investors, donors, partners, support associations, staff, volunteers and board members for another year of valuable effort and achievement. Long may our collective efforts continue!

Mirjam ’t Lam
Managing Director

Five-year Oikocredit key figures

Figures from the consolidated financial statements as at 31 December						
	2024	**2023**	**2022**	**2021**	**2020**	**Reference**
Members	222	490	528	546	552	
Investors (approximate number)	46,361	48,200	56,300	58,900	58,400	
Outflow offices [1]	10	10	13	14	14	
Inflow offices [2]	5	5	3	3	3	
Support associations [2]	20	20	22	22	22	
National support offices and support associations [2]	n/a	n/a	26	26	26	
Staff members in full-time equivalents (FTE) [3]	280	277	250	206	192	Note 28
Partners in portfolio [4]	487	540	519	517	563	
€ millions						
Total consolidated assets	1,147.0	1,156.9	1,252.5	1,258.1	1,241.7	Consolidated balance sheet
Member and investor capital	967.0	1,000.8	1,110.7	1,129.0	1,104.1	Consolidated balance sheet
Other funding [5]	107.7	104.0	100.5	88.0	109.3	Consolidated balance sheet
Total funds available for investing	1,074.7	1,104.8	1,211.2	1,217.0	1,213.4	
Development financing activities						
New disbursements	474,7	530.5	408.5	474.1	243.5	Note 9
De/Increase in disbursements (%)	*-10.5%*	*29.9%*	*-13.8%*	*94.7%*	*-39.8%*	
Cumulative disbursements	6,330.9	5,856.2	5,325.7	4,917.2	4,443.1	
Total cumulative payments (capital, interest and dividends) by partners [6]	6,048.8	5,516.1	5,030.1	4,572.4	4,168.7	
Total development financing outstanding	1,105.3	1,084.7	1,007.2	995.9	845.1	Note 9
As % of total funds available for investing at 1 January	*100.0%*	*89.6%*	*82.8%*	*82.1%*	*66.5%*	
Portfolio at risk 90 days [7]	8.3%	5.8%	3.8%	5.5%	5.8%	
Loan loss provisions on capital and interest and impairment of equity [8]	89.6	64.6	69.5	96.7	109.9	Notes 9 and 12
Loan loss provisions on capital and interest and impairment of equity as % of development financing outstanding	*8.1%*	*6.0%*	*6.9%*	*9.7%*	*13.0%*	
Write-offs of capital charged to loan loss provisions	20.7	11.1	28.2	12.8	12.9	Note 9
As % of development financing outstanding loan portfolio	*2.2%*	*1.2%*	*3.3%*	*1.5%*	*1.9%*	
Term investments	-	-	-	214.4	182.8	Consolidated balance sheet
Total financial income [9]	113.6	91.8	105.0	69.3	78.6	Consolidated income statement
General and administrative expenses [10]	45.5	44.6	36.8	29.5	29.1	Consolidated income statement
As % of total assets	*4.0%*	*3.9%*	*2.9%*	*2.3%*	*2.3%*	
General and administrative expenses excluding grant-based expenses [11]	44.1	43.5	36.2	29.1	28.4	
As % of total assets	*3.8%*	*3.8%*	*2.9%*	*2.3%*	*2.3%*	
Impairments and additions to loss provisions	(47.9)	(10.8)	(11.6)	(1.8)	33.0	Consolidated income statement
As % of development financing outstanding	*-4.3%*	*-1.1%*	*-1.2%*	*-0.2%*	*3.9%*	
Net income available for distribution [12]	(8.0)	1.2	6.8	15.3	(22.2)	Society income statement
Dividend	0	5.3	5.6	5.6	0	Other information

1 Countries with legal entities that no longer carry out operational activities are not included in this number.
2 As of 2023 we have split the inflow offices (formerly known as national support offices) figure and the support association figure.
3 Including staff employed by outflow offices and inflow offices.
4 Partners in portfolio includes development financing outstanding as well as partners currently in the process of disbursement. It excludes partner funding that has been repaid, written off or cancelled. A partner is an organisation to which Oikocredit is extending a loan or in which Oikocredit has an equity investment.
5 Other funding is general reserves (2024: EUR 80.7 million) and non-current liabilities (2024: EUR 32.2 million) excluding hedge contracts and other liabilities (2024: EUR 9.2 million).
6 Total cumulative payments by partners comprises payments of capital, interest and dividends.
7 Portfolio at risk 90 days comprises all partners that are 90 days overdue or longer.
8 Loan loss provisions on capital and impairments on equity investments (2024: EUR 86.6 million) and loan loss provisions on interest (2024: EUR 3.0 million).
9 Consists of interest on the development financing portfolio (2024: EUR 94.7 million), arrangement and maintenance fees (2024 EUR 3.1 million) and income from equity investments (2024: EUR 15.8 million).
10 Including expenses covered by grants (for example capacity building expenses).
11 Excluding expenses covered by grants (for example capacity building expenses).
12 Please refer to the Society financial statements.

Corporate governance

Weziza Benin, an Oikocredit partner since 2022, provides affordable and reliable off-grid renewable electricity for lower-income Beninese rural and peri-urban households and small businesses. Part of the Energicity Group of companies, Weziza won a Benin government competition to electrify 16 off-grid communities in three regions.

Weziza's solar photovoltaic mini-grids enable clients to avoid expenditure on diesel generators, batteries, paraffin and candles, expand their productive activities, increase their incomes and reduce their CO_2 emissions.

In the photograph a Weziza technician inspects solar panels in Gounsoe village, Collines department, central Benin.

Corporate governance

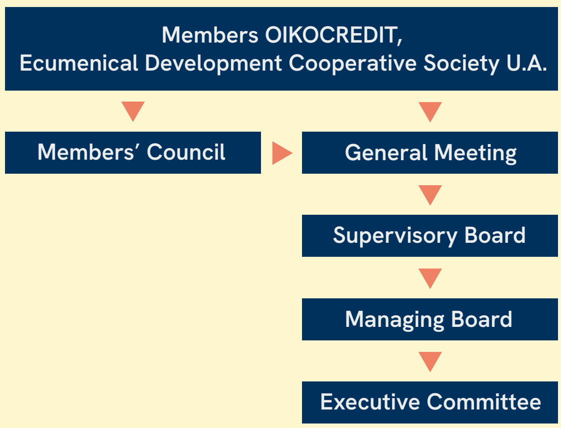
Introduction

Oikocredit is a cooperative under Dutch law. The 'structure regime' under Dutch law has applied to Oikocredit since August 2019. The Dutch Corporate Governance Code is not applicable to the cooperative as its participations (investment products) are not listed on a government-recognised stock exchange (or any other exchange). However, certain best practices from the code are reflected in the cooperative's Articles of Association and rules for both its Supervisory Board and Managing Board as necessary.

Governance structure

In July 2022 Oikocredit adopted a new governance structure, with a Managing Board consisting of four statutory directors and an Executive Committee consisting of the Managing Board members and four non-statutory directors responsible for strategy implementation and the day-to-day operation of Oikocredit. The structure is designed to support implementation of the 2022-2026 strategy, to enhance decision-making, efficiency and effectiveness, and to further embed our focus on social impact.

Governance bodies at Oikocredit



General Meeting

The General Meeting is the highest governing body of The General Meeting is the highest governing body of Oikocredit. It is the sole body of the cooperative with the power (among other powers) to alter the Articles of Association, appoint members of the Supervisory Board upon nomination by the Supervisory Board, adopt the annual accounts, allocate profits and declare dividends, and discharge the Managing Board and the Supervisory Board.

Every member of the cooperative in 2024 had one vote at the General Meeting, regardless of the total value of its participations in the cooperative. The Annual General Meeting in June 2024 approved a proposed change in the voting system, which can result in additional votes per country. This was introduced based on a request from the General Meeting in 2021 to better reflect the number of members of support associations in the voting system.

The following rules apply when allocating additional votes to support associations:

- Additional votes can be allocated to support associations (SAs) only.
- Additional votes will be determined per country (not per SA), only in countries where at least one SA has its registered seat.
- The number of votes is determined for each General Meeting based on the number of participants in a country.
- One additional vote for each block of 2,000 participants in a country.
- Cap of maximum 32 additional votes per country.

The revised voting system will go into effect in 2025. The new system does not affect ownership or control of the organisation; Oikocredit is not directly or indirectly owned or controlled by any member or other entity. While exercising their voting right at the General Meeting, a member may be represented by an alternative representative on the basis of a written power of attorney. No person may represent more than three members.

Members' Council

The Members' Council was established to represent and promote the interests of Oikocredit's members, to share members' views with regard to relevant matters with the Supervisory Board and the Managing Board, and to advise accordingly and coordinate meetings of members (other than General Meetings). The Members' Council consists of at least five people elected by the General Meeting.

The maximum number of members of the Members' Council and other composition details are laid down in the profile of the Members' Council, which has been adopted by the General Meeting.

The Members' Council meets regularly between the General Meetings of members to discuss members' issues and gives input to other governing bodies on topics of interest or concern to members. It was initially set up in 2016, and the General Meeting in 2022 adopted a proposal to strengthen and formalise the role of the council as a formal body of Oikocredit. The work of the Members' Council over the past year is described in the council's report starting on page 33.

Supervisory Board

Oikocredit has a two-tier governance structure in which the Supervisory Board acts as the deliberative, guiding and supervising non-executive body. As its formal employer, it oversees the work of the Managing Board, which is responsible for the overall management of Oikocredit. Both boards together are responsible for keeping Oikocredit true to its vision, mission and values.

The Supervisory Board supervises the policies pursued by the Managing Board and the general course of affairs of Oikocredit and the business enterprise connected with it. The Supervisory Board also assists the Managing Board by actively providing advice. In carrying out its duties, the Supervisory Board is guided by the interests and the values of Oikocredit and the business enterprise connected with it, and it takes into account the relevant interests of the cooperative's members and other stakeholders.

Supervision of the Managing Board by the Supervisory Board includes:

- The realisation of the objectives of Oikocredit;
- Strategy and the risks inherent in the business activities;
- The design and effectiveness of the internal risk management and control systems;
- The financial reporting process;
- Compliance with regulations and legislation;
- The relationship with cooperative members; and
- Corporate social responsibility and sustainability issues relevant to the cooperative's business.

The Supervisory Board has established four committees from its members to assist its work: the Remuneration, Nomination and Selection Committee; the Audit, Risk and Compliance Committee; the Impact Investments and Innovation Committee; and the Member and Investor Engagement Committee (until March 2024 named the Capital Inflow Committee). Board committees have an advisory role and no decision-making powers.

The work of the Supervisory Board over the past year is described in the board's report starting on page 27.

Managing Board and Executive Committee

The Supervisory Board appoints the members of the Managing Board. All Managing Board members are based at the Oikocredit international office, Berkenweg 7, 3818 LA, Amersfoort, the Netherlands.

The Managing Board has wide powers with regard to the management of Oikocredit, including authority to decide on matters not specifically attributed and reserved to the General Meeting or the Supervisory Board. The Managing Board is charged with developing and implementing the strategy and with compliance with legislation, regulations, risk management and auditing requirements. The Managing Board has the power to delegate its powers to Oikocredit staff members nominated as proxy holders; such delegation can be made subject to conditions and limitations.

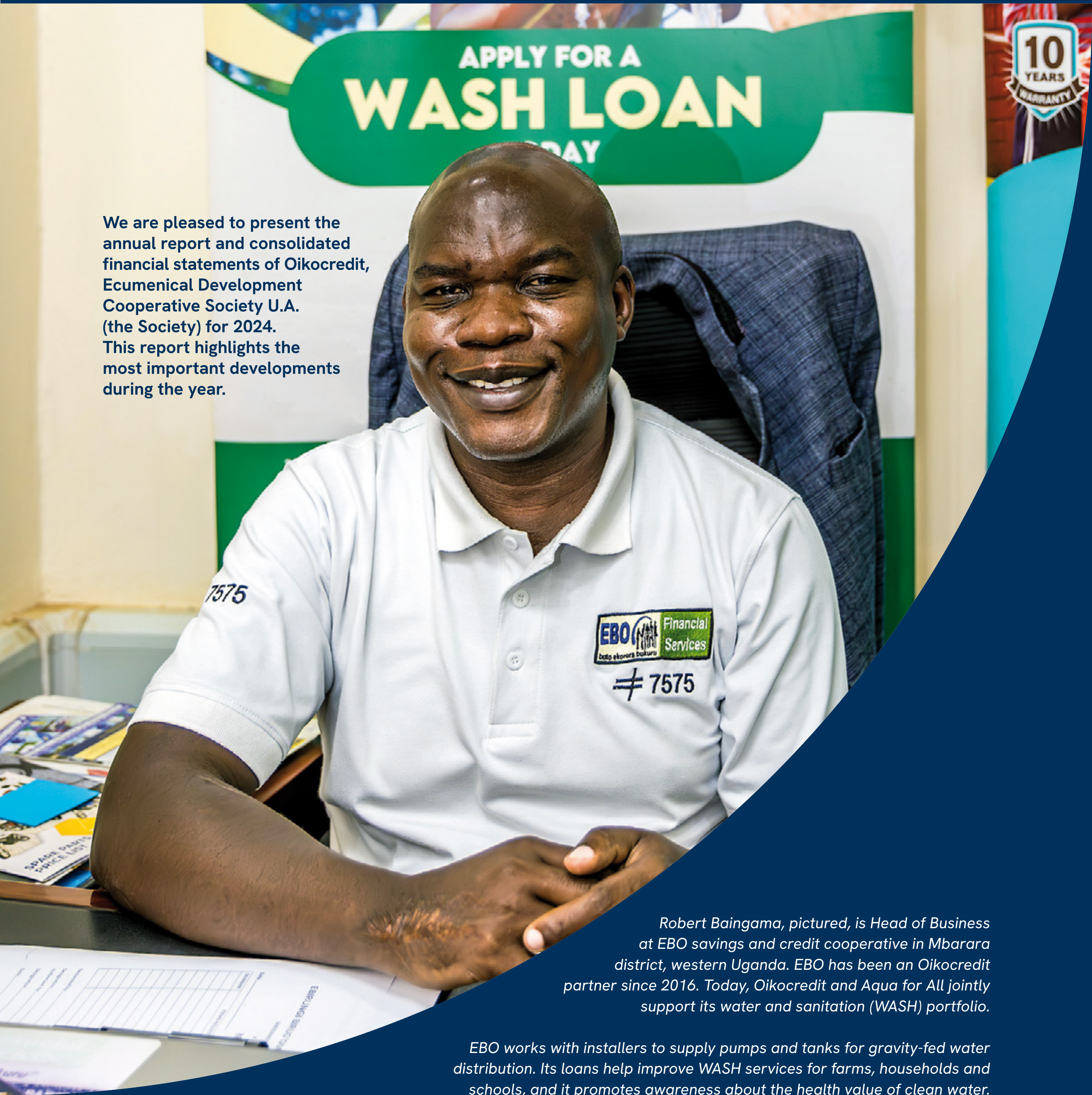
The Executive Committee was introduced in July 2022 and consists of all members of the Managing Board (the statutory directors of the cooperative) and four non-statutory members. The Executive Committee is responsible for implementing the strategy, for the day-to-day management of Oikocredit, for ensuring adequate funding and risk management are in place, for establishing the policy framework, and for maintaining the values and culture of Oikocredit.

The members of the Managing Board (the statutory directors of the Executive Committee) are: Managing Director, Director of Finance & Risk, Director of Inflow & Business Enablers and Director of Impact Investments.

The non-statutory directors of the Executive Committee are: Director of Accounting, Control & Tax, Director of Investor Relations & Capital Raising, Director of Specialised Finance & Community Building and Director of People & Development. The Director of Strategy & Sustainable Impact joined Executive Committee meetings for the discussion of relevant topics but as of June 2024 is no longer a member of the committee.

Managing Board report

We are pleased to present the annual report and consolidated financial statements of Oikocredit, Ecumenical Development Cooperative Society U.A. (the Society) for 2024. This report highlights the most important developments during the year.



Robert Baingama, pictured, is Head of Business at EBO savings and credit cooperative in Mbarara district, western Uganda. EBO has been an Oikocredit partner since 2016. Today, Oikocredit and Aqua for All jointly support its water and sanitation (WASH) portfolio.

EBO works with installers to supply pumps and tanks for gravity-fed water distribution. Its loans help improve WASH services for farms, households and schools, and it promotes awareness about the health value of clean water.

"EBO offers financing for clients who can afford to take a loan but lack the upfront funds to invest in water infrastructure," Robert explains.

Adapting and succeeding together

Oikocredit has always worked for a peaceful, equitable and sustainable future for humankind. Facing the current 'polycrisis', we remain true to our vision and mission and committed to our strategy. In 2024 our cooperative achieved a great deal, responded to challenges, and stayed aware of the further changes we may need to make to continue leading by example to promote responsible impact investing in today's world.

In 2024 Oikocredit came face to face with new external and internal realities. Externally, we saw more political change and unpredictability around the world, following elections in many countries. Changing climate and weather patterns impacted on populations and enterprises on all continents, confirming the reality of climate injustice: disadvantaged and least-polluting communities experience greater harm.

Investors' appetite for social impact investing and for risk appear to be reducing, despite continuing high levels of need. Access to financial services is maturing with digitalisation and technology. Now that our work of promoting financial inclusion has proved so fruitful across Africa, Asia, and Latin America and the Caribbean, we see that poverty and inequality are increasingly multidimensional. Disadvantage involves not only a lack of money but also, for example, unequal access to energy, good nutrition, knowledge and markets, as well as health problems arising from pollution, the disruption of livelihoods by biodiversity loss, soil depletion, droughts and floods, and other factors.

Our cooperative is changing internally too. We are adjusting the organisational structure to align with our recently adopted new capital-raising model. This has altered the division of roles and responsibilities between the international office in Amersfoort and the support associations. The international office is now responsible for the acquisition and servicing of investors. We have complemented staff transferred from the support associations with new hires experienced in marketing and in digitalisation of investment processes.

We are also gradually modifying the impact investing portfolio to place more emphasis on community-focused investments and climate resilience. Simultaneously, we see that we must become more agile in responding to new types of portfolio risk such as in Bolivia and Cambodia (reported below).

We continue to develop our information technology to optimise efficiency and lead times and to improve security levels. Further, we are working on our operational skills and culture. Changing rules and regulations, in addition to reputational concerns, require consistent attention to compliance and to internal policies and procedures.

The cooperative opened its first regional partner service centre, for Latin America and the Caribbean, and has decided to close the Southeast Asia regional office in the Philippines (where we no longer have active partnerships) and to take on investment staff in Cambodia and Indonesia.

At Managing Board level, we were sorry to lose Gwen van Berne, our Director of Finance & Risk, who left us at the end of the year to pursue another career opportunity, and sorry that Dave Smit, Director of Impact Investments, decided to leave Oikocredit, with his departure set for 1 April 2025. Gwen's responsibilities will be taken on an interim basis by the Managing Director, with specific tasks divided among the Executive Committee members. While, Hans Perk, currently Director of Specialised Finance & Community Building, will succeed Dave on an interim basis. We welcomed two new Supervisory Board members and two new Members' Council representatives at the Annual General Meeting (AGM) in Costa Rica in June.

Implementing our strategy

Oikocredit's 2022-2026 strategy sees our work of investing to support people who live on low incomes to improve their lives and livelihoods, strengthening community resilience, and advancing responsible impact investing as the apex of a pyramid. We aim to achieve this by building a holistic approach to support communities, nurturing our global investor movement and facilitating interconnections.

Our portfolio of carefully designed community resilience projects in areas such as education, water and sanitation, housing, infrastructure, and climate-smart agriculture is expanding. In several cases we now have thriving multi-year collaborations with strategic partners such as Opportunity International (education) and Aqua for All (water and sanitation).

Our annual Client Self-Perception Survey is proving its worth in helping direct our attention to where the people we serve most need support or see opportunity to develop. Partner organisations increasingly draw on client survey findings in their design of financial and non-financial products and services. We too are responding to what we hear from partners and their clients via the survey as we prepare to launch our first Global Learning for Transformation and Advocacy campaign, 'Invest in Climate Action', in 2025.

Regarding the cooperative's investor movement, we spent much of 2024 attending to capital preservation and adapting our structure to the recently changed capital-raising model. This has meant helping staff settle into new roles, developing plans and capabilities, and conducting further 'know your customer' remediation. Amid these changes, member and investor capital continued to decline, with more redemptions than purchases of our investment product, participations.

To facilitate connections, our Oikocredit Journey for investors to Peru, with a focus on coffee supply chains, was a success, as was the learning journey we organised to Cambodia. We also held multiple online and offline events during the year to bring stakeholders together.

Oikocredit's 2024 mid-term review

We have undertaken a mid-term review to assess how well our strategy implementation addresses the cooperative's vision of a more just society where all people can live sustainably and with dignity. We concluded that our work should have greater focus on promoting climate justice and climate resilience, while also confirming that 'gender lens' investing works: female entrepreneurship and livelihoods are elevated when we and our partners invest to support women.

The review recognised the potential social impact benefits of augmenting our capacity building (much of it co-implemented with donor funds to maximise impact), the Client Self-Perception Survey, and work with partners on their environmental, social and governance (ESG) performance. It also showed the need to optimise the composition of the impact investing portfolio to better balance impact, risk and return. In the countries where we raise finance, our focus should be on capital preservation in tandem with onboarding new and younger investors.

Internally, we are working on cultural and structural changes to enhance our efficiency, effectiveness and financial performance.

Setbacks

As previously reported, we have been in dialogue with three non-governmental organisations (NGOs) following their complaint to the Dutch National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct alleging non-compliance with the guidelines in relation to Oikocredit's work in Cambodia. The NCP's good offices procedures ended in January 2025 after three rounds with no fully mediated agreement. Parties found common ground on three points: first, there are problems in Cambodia's microfinance sector; second, some borrowers are suffering adverse impacts, which need to be addressed; and third, a grievance mechanism and fund, which comply with the OECD Guidelines and the United Nations Guiding Principles on Business and Human Rights, should be established to address these problems and adverse impacts. The NCP will issue a final statement in 2025.

In Bolivia, as we describe below, exceptional politico-economic circumstances have created major difficulties for partners in obtaining US dollars to make their payments. This has required large loan loss provisions on our side that have prevented us from achieving the year's anticipated net positive result.

Underperformance of our capital raising among members and investors has also been disappointing for several reasons, as we discuss below.

Oikocredit's 2024 mid-term review

In 2024 the cooperative's mid-term review of the 2022-2026 strategic plan confirmed that our work continues to offer solutions to help build sustainable and climate-resilient communities, ensure quality of life for current and future generations, demonstrate impact and generate a fair return for stakeholders. The review indicated that, although the fundamentals of our strategy remain sound, we should make adjustments for 2025-2026 in view of market circumstances that we did not anticipate when defining the strategy.

These circumstances include lacklustre economic growth worldwide; heightened global uncertainty; the commercialisation of financial inclusion; the severity for our partners' clients and their communities of rapidly intensifying and increasingly frequent adverse climate change impacts; an increasing regulatory, reporting and compliance burden; effects of the mainstreaming and growth of impact investing; and rising interest rates, returns and levels of risk.

While staying faithful to our mission, we consequently need to focus more on the financial sustainability of our operating model (lowering costs and risk, increasing productivity, and investing in technology and systems to support the strategy); acknowlede our people's performance, nurture talents and delivere on agreed targets; adopte a more conscious and cautious approach to portfolio development; build impactful partnerships; and achieve modest growth in member and investor capital while changing the composition (new investor groups and younger investors).

Our work is today better informed than ever by our annual Client Self-Perception Surveys and partner social and financial performance data. Our primary investing approach in financial inclusion, agriculture and renewable energy will therefore be augmented, with stronger gender, climate and environmental dimensions, transitioning from social impact to sustainable impact for people and their communities.

These adjustments will require careful collective embedding within the organisation. But we are confident that our caring culture will enable us to support one another as we adapt, grow and succeed together.

To read more about our revised strategy for 2025-2026, scan or click on this QR code:

Cooperative values and identity discussion

Everybody who is involved in Oikocredit can take satisfaction from the way we continue to operate according to our cooperative values of participatory decision-making and reciprocity. The design of our forthcoming Global Learning for Transformation and Advocacy work to promote climate justice has been a collective endeavour, closely involving the support associations – who will co-lead the campaign – and responding to realities faced, and concerns expressed, by partners and clients.

We are proud of our diverse, empowered and engaged workforce, and of our attention to our organisation's sustainability, both of which we report on below.

Since the AGM, Oikocredit's members have started an open discussion about the future of the cooperative, including but not limited to aspects such as membership, mission, vision and the nature of our business activities. This has followed the circulation of a document from the Members' Council, Supervisory Board and Managing Board describing the strains and challenges the organisation now appears to face. Led by a core team of member representatives, supported by staff, and with a steering committee for oversight and advice, the dialogue aims to make the cooperative fit for another 50 years of impact investing.

Sustainability statement

Oikocredit's work has always been concerned with the delivery of sustainable impact. We have developed the following sustainability statement to formalise our approach:

At Oikocredit, we see a world where smallholder farmers produce roughly one third of the world's food but often don't receive a fair price;[1] nearly one in two people live on less than USD 6.85 per day;[2] one in ten people have no access to electricity;[3] one in five children have no access to education;[4] and only one in three women are part of the formal economy.

We want to contribute to building a better world where everyone has access to opportunities and resources for a life of dignity. A world where every household makes sufficient income to live safely and enjoy good health, education and decent work. A world where everyone has meaningful participation in decision-making in the political, economic and social spheres.

We are an impact investor that puts human rights and social and environmental impact at the core of our purpose. We support millions of people around the world in their efforts to improve their lives and increasingly focus on climate. We do this through investments in microfinance institutions, small and medium enterprise banks, agricultural cooperatives and renewable energy enterprises across Africa, Asia, and Latin America and the Caribbean.

Oikocredit's financial and non-financial support helps increase access to decent jobs and improve wellbeing, including through more affordable water and sanitation, health services, education, renewable energy and housing. We advocate and work for an environmentally sustainable world where humankind lives within planetary boundaries;[5] We create opportunities for a solidarity economy, international cooperation, innovation and partnerships.

Our local presence in our countries of operation enables us to build long-term relationships with investee partner organisations and to continually enrich our understanding of country- and sector-specific circumstances and challenges. This proximity to our partners facilitates the development of joint solutions to enhance their financial, social and environmental performance, thereby improving organisational value in the long term.

This commitment to financial, social and environmental performance – a holistic approach to sustainability – shapes our mission, leading to positive outcomes in five essential areas:

Income resilience

Oikocredit provides financial services and supports organisations to improve the quality of life of people and communities living on low incomes in a sustainable way. This means ensuring that our partners directly or indirectly provide living wages and income-generating opportunities for people and households, ultimately enhancing their resilience and contributing towards their progress out of poverty. When unforeseen income shocks arise, Oikocredit is there to help partners navigate these challenges through financial and non-financial services that support clients.

Social justice and inclusiveness

To contribute to the building of a just global society, Oikocredit is committed to providing inclusive access to financial services. We seek to include and support cooperatives, as we consider their structure and dynamics to be strongly aligned with our values. We strive for gender equality and inclusion of youth. We support our partners in following client protection standards, and in ensuring fair and respectful treatment of clients, transparent interest rates and contracts that prevent over-indebtedness.

Within our own organisation, we recognise that fostering a diverse and inclusive workplace is fundamental to achieving our goals. We want to ensure that every individual associated with Oikocredit feels valued, respected and empowered. Diversity, equity and inclusion are not simply buzzwords for us but integral pillars of our organisational culture.

We cherish and acknowledge what we have achieved together. We are a gender-diverse organisation, we embrace what makes us unique and we treat each other with respect.

[1] Lowder, Sánchez and Bertini, 'Which farms feed the world and has farmland become more concentrated?' World Development, 142, June 2021, https://www.sciencedirect.com/science/article/pii/S0305750X2100067X?via%3Dihub

[2] World Bank Group, Correcting Course: Poverty and Shared Prosperity 2022, https://www.worldbank.org/en/publication/poverty-and-shared-prosperity

[3] Ritchie, Rosado and Roser, 'Access to Energy', OurWorldInData.org, 2019, https://ourworldindata.org/energy-access

[4] Ritchie, Samborska, Ahuja, Ortiz-Ospina and Roser, 'Global Education', OurWorldInData.org, 2023, https://ourworldindata.org/global-education

[5] Doughnut Economics Action Lab, 'About Doughnut Economics', https://doughnuteconomics.org/about-doughnut-economics

As an organisation we offer everyone the development opportunities they need to reach their full potential and treat all employees equally.

Environmental sustainability

Oikocredit's ambition focuses on delivering our strategy within planetary boundaries. This includes building sustainable infrastructure for communities and working with future generations of leaders and enterprise owners on ways to achieve sustainable long-term community development and wellbeing.
Where we suspect high environmental risk, we ask our partners to conduct environmental impact assessments. And through our investments in renewable energy (solar electricity and clean cooking stoves), and regenerative agriculture and we seek to reduce and offset CO_2 emissions and contribute towards a carbon-neutral economy. Where emissions cannot be completely eliminated, Oikocredit aims to offset these through our own value chain.

Community services and quality of life

Recognising that income resilience and social justice are incomplete without good-quality community services, Oikocredit supports communities' access to education, affordable housing, water, sanitation and renewable energy. We believe that access to such good-quality services and infrastructure improves wellbeing and contributes towards enhancing climate adaptation and mitigation. Building communities' resilience strengthens and supports local economic development.

Organisational resilience and enhanced capacities

Over the years, Oikocredit has learned that social impact and development benefits are best sustained if we work with our partners to address challenges relating to skills, governance, management capacity, new technology, networks and markets. We have therefore developed our capacity building programmes to help enhance partners' organisational effectiveness and clients' wellbeing.

Oikocredit seeks to incorporate income resilience, social justice, inclusivity, environmental sustainability and community access to infrastructure in our work and outcomes to contribute towards a sustainable future for everyone. While not every project we invest in aims to address all aspects of sustainability, we make thoughtful decisions that prioritise sustainable impact, yield decent returns and strike a balance with risk.

Community of investors

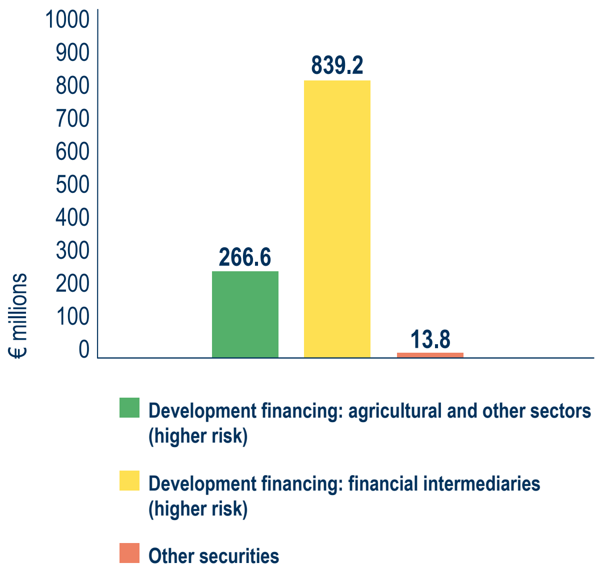
Oikocredit's structure as a cooperative reflects the importance we give to the engagement, inclusion, participation and empowerment of our stakeholders. Our members and investors are indispensable for the functioning and operation of the cooperative.

Our operational model nurtures the formation of communities of members and investors around themes, campaigns and issues. Our members and investors include individuals and organisations from various backgrounds across a number of countries who share a commitment to impact investing with a focus on social development, financial inclusion and sustainability. We believe that building a strong base of members and investors and fostering mutual learning with

2024 in graphs

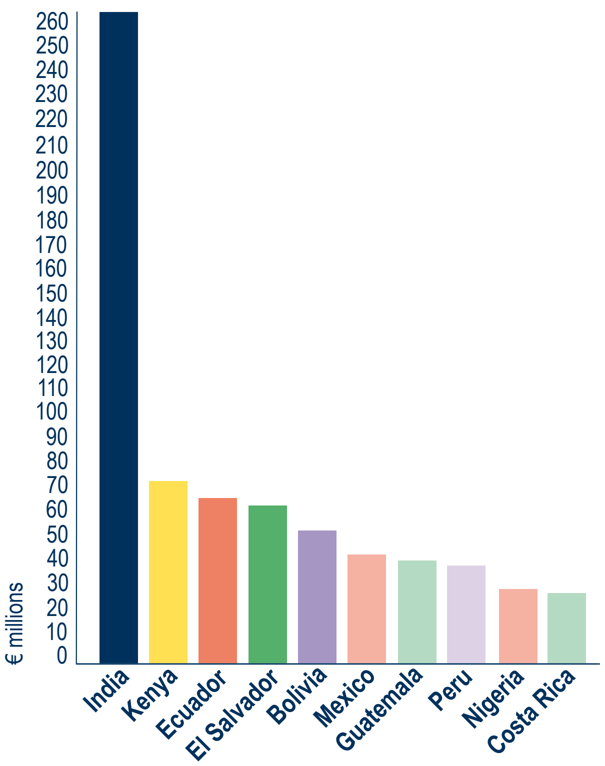
Investment mix Oikocredit invested funds

As at 31 December 2024



10 countries with highest development financing outstanding

As at 31 December 2024



current and future generations in the countries where we raise capital are essential to achieve a more equitable and environmentally sustainable world.

Financial results

Oikocredit closed 2024 with a loss of EUR 8.1 million. This result, unforeseen earlier in the year, arose from the exceptional political and economic situation in Bolivia, our fifth largest development financing portfolio country. Amid much political instability, expatriation of US dollars from Bolivia became possible only with payment of excessive fees that rose very fast during the second half of the year. We had to make large additional loan loss provisions because of this, while also starting discussions with Bolivian partners on eligibility for loan rescheduling or a moratorium.

The extraordinary events this past year in Bolivia are among the risks Oikocredit takes deliberately as part of our social impact investing mission. Had loan loss provisioning for Bolivia not been necessary, we would have closed 2024 with a positive overall result of EUR 2.8 million.

In terms of other results, we came close to meeting our development financing goal for the year, with total credit and equity growing solidly. Member and investor capital growth, by contrast, underperformed. Reasons for this included competition from higher bank and savings interest rates, which attracted some of the capital we hoped would come to us, and the current economic uncertainty, leading many people to invest with caution. Our continuing ‘know your customer’ and anti-money-laundering remediation also led to redemptions.

We exceeded our anticipated operating income, benefitting from strong net interest margins (interest on development financing portfolio minus hedging premiums) and from equity sales and dividends. General and administrative costs increased in line with expectations – and subject to stringent controls – as our new capital-raising model required much-needed investments in digitalisation and automation to service retail investors.

Income statement 2024

The cooperative’s net EUR 8.1 million loss for the year reversed our 2023 positive result of EUR 1.6 million. Our total development financing income (loan interest, equity investment income and other income) was EUR 113.6 million, up from EUR 91.8 million in 2023. Total operating income (interest income and expenses, income from equity investments, grant income, and other income and expenses) grew to EUR 85.1 million from EUR 59.4 million.

Oikocredit realised a net capital gain of EUR 9.0 million through the sale of nine equity investments, four of which generated a gain and five a loss, and we received EUR 7.5 million in equity dividends. We also sold our remaining investment in GLS Microfinanzfonds (part of Oikocredit’s other securities), with a gain of EUR 0.5 million.

We continued to protect our investing against foreign exchange rate risk by hedging, adopting new strategies in hedging our exposure to foreign exchange and interest rate risks and adjusting our hedging of risk exposure relating to our wholly owned Indian subsidiary, Maanaveeya. Total hedging premiums reduced during the year from EUR 26.3 million to EUR 24.6 million – both because of the higher interest rate environment and as we ceased to hedge our open-ended investment in Maanaveeya. We started to hedge against Euribor (Euro interbank offered rate) fluctuations to help stabilise interest income.

Operational expenses

Operating costs for the year at EUR 45.3 million (up from EUR 44.6 million in 2023) were as expected and without exceptional items. We are satisfied with the effectiveness of our cost management, including quarterly cost control meetings. General and administrative costs (excluding grant-based expenses) declined to 3.8% of total assets (from 3.9% in 2023), while the cost-to-income ratio fell from 75.0% to 53.3%.

Loan loss provisions and equity impairments

Total loan loss provisions and impairments on equity investments grew from 5.7% to 7.8% of total outstanding credit and equity, and from EUR 61.6 million to EUR 86.6 million in total. With portfolio quality deteriorating as measured by our portfolio at risk ratio (PAR 90), loan loss provisioning increased from EUR 45.4 million to EUR 63.6 million and from 4.9% to 6.7% of the credit portfolio. This was mainly because of the macroeconomic situation in Bolivia and in relation to loans to two large partners in Peru and to partners in Africa and in agriculture. Loan write-offs increased compared with 2023.

Equity impairments were up from EUR 16.1 million to EUR 23.0 million and from 10.8% to 14.9% of the equity portfolio, consistent with expectations.

Cash and liquidity management

At the end of 2024 net liquidity stood at 14.8% of assets, rising from 11.3% the previous year and well above our internal threshold. We monitor the liquidity ratio monthly, increasing this to weekly when it falls into our contingency range. At such times, we can draw on our revolving credit facility at two banks. We have extended this short-term facility for a further year, increasing it to EUR 100 million. In periods of excess liquidity, we place our cash in short-term bank deposits, which this year earned a positive return of EUR 0.6 million.

Reserves and annual dividend

Oikocredit’s general reserves continue at a good level. They decreased in 2024 from EUR 84.7 million to EUR 80.7 million, because of the decision at the June 2024 Annual General Meeting (AGM) to pay members and investors a 0.5% dividend for 2023, which in total exceeded the positive result for the year of EUR 1.6 million.

The restricted exchange fluctuation reserve reduced from EUR 4.4 million to EUR 3.8 million. This reserve is restricted to INR exchange rate fluctuations linked to our subsidiary Maanaveeya, which we ceased to hedge during 2024.

With the unforeseen loss arising in 2024 from the situation in Bolivia, the Managing Board, with the Supervisory Board’s endorsement, will propose no dividend be awarded for the year at the June 2025 AGM.

Impact investments

Oikocredit provides loans, equity investments and capacity building to organisations working with people and communities living on low incomes across Africa, Asia, and Latin America and the Caribbean. Despite the challenging environment we operate in, our financial support for partners continued to increase in 2024. We disbursed EUR 474.7 million during the year, to both current and new partners, and with healthy growth in our community-focused investing. And we surpassed the EUR 1.1 billion development finance portfolio mark.

With portfolio growth, we generated a good level of income. The main contributing factor was that we could realise an increase in net interest margins on loans, reflecting rising credit risk. We also realised substantial equity results, including both divestments and dividends, to which all regions contributed.

Loan loss provisions increased, mainly due to issues in the agriculture sector and the extraordinary situation of repatriation risk materialising in Bolivia, as discussed under 'Financial results' above. With heightened risk levels, we were more cautious in onboarding new partners.

Elections in a record number of countries, international turbulence and uncertainty, and climate change and extreme weather challenge our investing. The European Union's new Deforestation Regulation has generated new costs and concerns about compliance for many rural enterprise partners and smallholder farmer clients. Uneven portfolio quality, measured by our portfolio at risk ratio, therefore remains a point of increased attention.

We now use Salesforce software for all our core investing processes, including disbursements and change requests, enabling a better grip on our processes and reducing throughput time. Straight-through automated processing has brought efficiency to our repeat lending to financial inclusion partners. Standardised and adjusted loan agreements enable partners to share data with the Atlas platform, avoiding duplicative reporting when dealing with more impact investors.

Another innovation has been the establishment of our first regional partner service centre, covering Latin America and the Caribbean. This new unit handles systemic data collection and due diligence on our investments and partnerships in the region. It enables investment officers to focus on supporting partners, adding value and exploring new business opportunities.

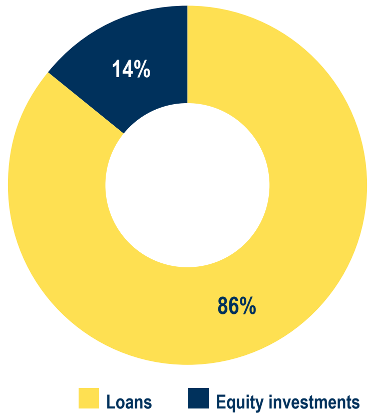
Portfolio volume, approvals and disbursements

In our investing this year, we adopted a more cautious approach to taking on new partners and tightened our internal country and product limits in view of the perceived elevated risks. We nevertheless disbursed substantially to partners to help them support people living on low incomes, and their communities, in improving their quality of life in a sustainable way.

The cooperative's total development financing portfolio of outstanding credit and equity grew from EUR 1,084.7 million to EUR 1,105.3 million, an increase of 1.9% from 2023. Net

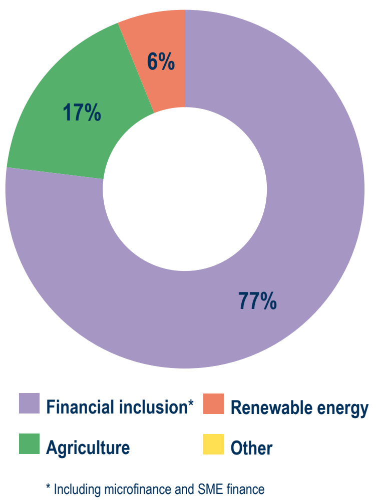
Type of financing offered by Oikocredit

As at 31 December 2024



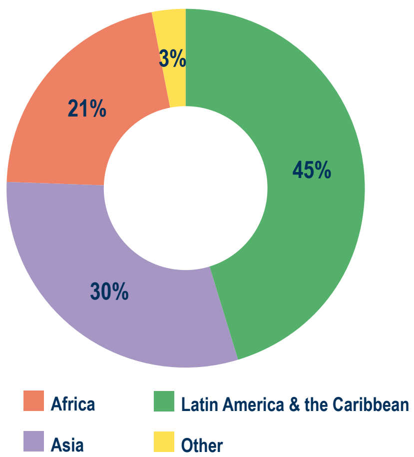
Development financing outstanding by sector

As at 31 December 2024



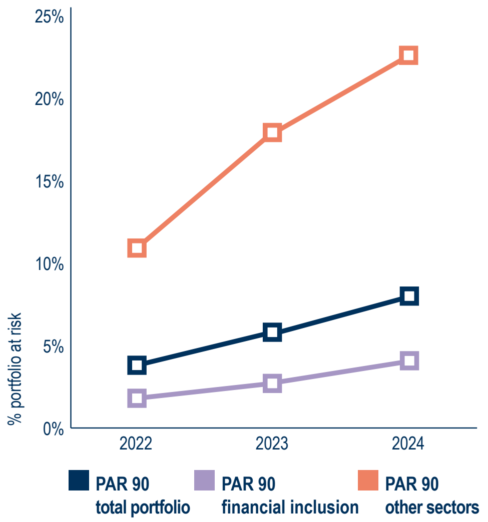
Development financing outstanding by region

As at 31 December 2024



Portfolio at risk

As percentage of loan portfolio
As at 31 December 2024

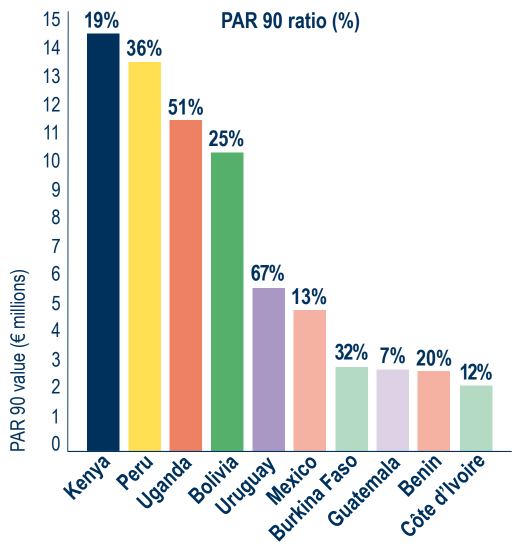


Progression of the development financing portfolio

As at 31 December 2024

10 countries with highest PAR 90

As at 31 December 2024



approvals reduced by 37.8% from EUR 602.3 million in 2023 to EUR 374.8 million, and disbursements by 10.5% from EUR 530.6 million to EUR 474.7 million. We closed the year with 487 partners in 52 countries (compared with 540 partners in 52 countries in 2023). We are active in 32 countries in our focus regions – Africa, Asia, and Latin America and the Caribbean – and winding down in the Philippines.

Our disbursements of credit and equity this year comprised EUR 430.8 million to current partners and EUR 43.9 million to new partners. Average financing per partner was EUR 2.3 million (2023: EUR 2.0 million), and the average loan period was 4.0 years (2023: 4.1 years).

Sector developments

Financial inclusion, agriculture and renewable energy comprise Oikocredit's three focus areas for investing. Financial inclusion, our largest sector, accounted for 77.3% of total credit and equity at year-end (compared with 76.8% at end-2023). We had EUR 854.7 million (up by 2.6% from EUR 833.4 million) invested in 337 financial inclusion partners, including microfinance institutions (MFIs) and financial institutions supporting small to medium enterprises (SMEs). Approvals of new loans and investments in financial inclusion totalled EUR 327.9 million (31.0% down from 2023) and disbursements EUR 331.5 million (15.7% down).

In our lending to MFIs and financial institutions serving SMEs we continue to strive for greater efficiency and balance on our risk-impact-return mandate with careful monitoring of partner performance and attention to portfolio quality.

Agriculture, our second largest focus sector, represented 16.7% of the cooperative's total impact investing in 2024 (17.1% in 2023). Credit and equity in agriculture totalled EUR 184.7 million (down by 0.6% from EUR 185.8 million), invested in 116 partners. New approvals in agriculture came to EUR 35.3 million (66.4% down from 2023) and disbursements EUR 120.1 million (0.8% up).

Our work with smallholder farmer organisations and agriculture-based SMEs faces trade tensions, extreme weather, volatile commodity prices, and post-pandemic effects such as labour shortages and logistic hurdles. Some partners, especially in Africa in subsectors such as tea and nuts, have had difficulties making payments on time. Noting increasing agriculture portfolio risk, we started a mid-term review of the sector investment strategy (with a revisited sector strategy to be presented early in 2025). In view of concerns over the quality of the agriculture portfolio, we decided to focus on supporting current partners and to pause adding new agriculture partners from the second half of the year onwards.

AgriGRADE – our strategic collaboration with Agriterra, IDH, IDH Farmfit Fund and SCOPEinsight – continues to increase impact in supporting smallholder cooperatives and other farmer organisations in Kenya and Tanzania. We are also deepening our partnership with IDH Farmfit Fund in Latin America, helping consolidate our position as the largest smallholder trade finance provider in these markets.

Credit and equity in renewable energy, our third focus sector, comprised 5.7% of the total outstanding portfolio in 2024 (5.4% in 2023). Here our investments grew to EUR 63.1 million (up by 7.6% from EUR 58.6 million), with a total of 28 partners (including two new partners this year).

Our renewable energy portfolio followed general market trends, with some partners impacted by foreign exchange issues, and inflationary pressures leading to affordability constraints reducing some clients' ability to pay for off-grid solutions. There is an increasing sense of urgency about addressing the need for access to off-grid energy, with 2030 drawing ever closer and progress towards SDG7 (sustainable energy for all) stalling. The World Bank and African Development Bank have launched a new initiative to accelerate energy access across sub-Saharan Africa. Our renewable energy investments in Nigeria, Uganda and other African countries stand to benefit.

Community-focused projects

Oikocredit's 2022-2026 strategy embraces investing to support lower-income communities in building resilience in the face of increasing uncertainty and threats such as climate change, extreme weather, environmental degradation and health crises. The community-focused segment of our portfolio, including investments in education, water and sanitation, housing and community infrastructure, is gaining traction and clearly meets market demand, reaching EUR 84.4 million in 2024 (up from EUR 57.3 million in 2023).

Two multi-year community-focused strategic partnerships are achieving considerable impact. With Opportunity International, we support financial institutions that lend at fair rates to non-state schools and to families for school fees, increasing access to capital for affordable child education in underserved communities. And with Aqua for All, we are scaling up the availability of loans from financial institutions to water and sanitation SMEs in Africa and Asia, widening access to low-cost sustainable client services.

We have launched a new strategic partnership with Water.org to provide loans and technical assistance to selected financial institutions supporting water and sanitation projects in Brazil, Mexico and Peru.

Many of our inclusive finance partners serve the affordable housing sector by providing credit and other support to increase availability of good-quality housing for people in lower-income communities. This year we took an equity stake in Indian housing finance company Altum Credo, which provides long-term home loans to clients who would otherwise struggle to access credit.

Our investing in community infrastructure mainly supports renewable energy projects driving productive use of energy and adjacent services in local communities. In addition, in 2024 we made our first investment in a carbon sequestration solution in the agricultural value chain by partnering with French green-tech company NetZero in support of its biochar production facility in Brazil. NetZero extracts atmospheric carbon and enables smallholder coffee farmers to improve their crop yields and their incomes.

Regional portfolios

Oikocredit's three focus regions are Africa, Asia (India and Southeast Asia), and Latin America and the Caribbean.
In Africa the development financing portfolio increased by 4.4% in 2024 from EUR 225.7 million to EUR 235.5 million, comprising 21.3% of our credit and equity (2023: 20.8%) and with 126 partners.

Most African countries where we operate have experienced high inflation, devaluation and currency volatility. Other contextual factors include climate change impacts, effects on trade due to the wars in the Middle East and Ukraine, and political instability in the Sahel countries. These dynamics affect the ability of micro, small and medium enterprises to do business and the livelihoods of smallholder farmers and other people on low incomes. Some West African countries involved in monetary cooperation agreements with France have challenged this collaboration, resulting in complications in currency repatriation for Oikocredit.

Yet, despite the challenges, our investing in Africa held up well, with most of our activity in countries and sectors where difficulties were less severe. We were pleased to mark 30 years of doing business in Africa with a celebratory event in Nairobi, Kenya. Our community-focused investing in education and in water and sanitation in the region expanded. African partners' environmental, social and governance (ESG) scores for new transactions remained above average, and we continue to work with African partners with low ESG scores to make improvements.

In Asia outstanding credit and equity grew by 7.4% from EUR 308.9 million to EUR 331.9 million, accounting for 30.0% of our impact investing (2023: 28.5%) and involving 116 partners. In India our wholly owned subsidiary, Maanaveeya, recorded another good year of portfolio expansion, quality, diversification, social impact and mandatory corporate social responsibility activities. Currently Maanaveeya reaches more than 37 million clients through its 95 partners; 95% of these clients are women and 72% are rural dwellers. Celebrating its 20th anniversary in 2024, Maanaveeya has developed proposals to increase impact in the years ahead.

Economic conditions in Southeast Asian countries are challenging. We continue to support our partners, particularly smaller microfinance institutions (MFIs), by providing both liquidity and capacity building. In Indonesia we conducted risk management training for three partners and co-hosted a water and sanitation roadshow with Aqua for All. We organised a microfinance learning journey to Cambodia for our support associations to deepen their understanding of our work with microfinance partners there.

As previously announced, we are gradually winding down the Southeast Asia regional office in the Philippines and have instead recruited officers in the countries we are active in, to be closer to partners in Cambodia and Indonesia.

Our outstanding investments in Latin America and the Caribbean declined by 1.0% from EUR 507.3 million to EUR 502.3 million, representing 45.4% of our portfolio (2023: 46.8%) and supporting 229 partners. Several countries in the region face social, political, fiscal and growth issues, worsening inequality, high informality and significant gender gaps. Problems are generally less acute, and opportunities better, in Brazil, Central America and Mexico, where we currently focus our investing. We stay close to and carefully monitor partners both to maintain and improve portfolio quality and to be alert to new high-impact investment opportunities.

Notable new portfolio developments in the region include our collaboration with NetZero in Brazil to produce biochar and the approval of other new community-focused investments. Organisationally, this year we established the cooperative's first regional partner service centre in Latin America and the Caribbean. With the departure of our former regional director, two team members have taken on joint leadership of our investing in the region.

Credit portfolio

Oikocredit aims to provide approximately 85% of its impact investing for partners in the form of credit, with the balance of 15% as equity capital. At end-2024 outstanding credit was 86.0% of our total investments, rising by 1.7% from EUR 935.1 million (2023) to EUR 950.8 million (excluding loan loss provisions). We had 444 credit partners (2023: 490). New loan approvals (145 in number) totalled EUR 356.4 million (2023: 212 new approvals totalling EUR 558.0); disbursements were EUR 450.5 million (2023: EUR 512.3 million).

By sector, our lending was distributed between financial inclusion (up by 1.4% from EUR 743.4 million to EUR 753.7 million; 79.2% of the credit portfolio), agriculture (up by 5.2% from EUR 147.3 million to EUR 154.9 million; 16.3% of credit) and renewable energy (down by 0.2% from EUR 41.2 million to EUR 41.1 million; 4.3% of credit). Regional allocations were Africa, 21.0%; Asia, 28.7%; Latin America and the Caribbean, 48.2%; other regions, 2.1%.

Equity portfolio

Equity represented 14.0% of our outstanding portfolio at year-end, up by 3.3% from EUR 149.6 million (2023) to EUR 154.5 million (excluding impairments). New equity approvals stood at EUR 18.4 million (2023: EUR 44.3 million), disbursements at EUR 23.9 million (2023: EUR 18.2 million). We held equity in 50 partners in 28 countries: EUR 101.1 million (65.3% of the equity portfolio) in financial inclusion; EUR 29.8 million (19.3% of equity) in agriculture; EUR 21.9 million (14.2%) in renewable energy; and EUR 1.9 million (1.2%) in other sectors. 23.1% of our equity investments were in Africa, 38.5% in Asia, 28.0% in Latin America and the Caribbean, and 10.4% in other regions.

Equity made a very strong contribution to income generation in 2024, with record dividends, strong investment activity and exits with significant capital gains. Dividend income was EUR 7.5 million (63.1% up from EUR 4.6 million in 2023), and income from exits EUR 9.0 million. Notable equity sales included full divestment from Banrural (Guatemala), after supporting the bank to become a key enabler of financial inclusion across the country, and from Ivoire Coton (Côte d'Ivoire), having added significant strategic and social value, and a partial exit from Annapurna (India).

Selling some financially weak equity holdings created space for new investments such as in Altum Credo and Sindhuja (both in India). We also supported existing equity partners such as Djamo (Côte d'Ivoire) and Solar Panda (operating in Kenya) with additional capital.

As an example of value-add, TIME magazine recognised our Ghanaian equity partner Farmerline's AI-powered regenerative farming mentor app as one of the 'best inventions of 2024'.

The ESG performance scores of our more recent equity investee partners have risen by an average of 8% in the last two years. Two equity partners – Enlace (El Salvador) for the second year and Financiera FDL (Nicaragua) for the first time – participated in the 2024 Client Self-Perception Survey. On balance, we are shifting the equity portfolio towards more community-focused and innovative investments.

Portfolio quality and portfolio at risk

Portfolio quality is a matter of concern and increased attention. The portfolio at risk (PAR 90) ratio – the percentage of loans with payments more than 90 days overdue – deteriorated from 5.8% to 8.3%, exceeding our target threshold. This was due mainly to rising PAR 90 in agriculture (29.1%, up from 20.0% in 2023) and in financial inclusion (4.5%, up from 2.7%). In response we have intensified portfolio monitoring, stepped up partner visits and been more selective in onboarding new partners. PAR 90 in renewable energy declined from 10.0% to 0.1%.

Local currency loans

In 2024 local currency loans comprised EUR 437.7 million or 46.0% of our total credit portfolio (2023: EUR 419.5 million, 44.9%), with the remaining EUR 513.7 million (54.0%) in hard currencies (2023: EUR 515.6 million, 55.1%). Local currency lending helps protect partners from exchange rate volatility and devaluation risk, which we mitigate for the cooperative by hedging. Some partners prefer US dollar loans, to match their US dollar revenues. Appreciation of the US dollar following the US presidential election had a positive effect on the value of our portfolio, since we hold much of it in dollars and dollar-linked currencies.

Partner perception survey

In 2024 Oikocredit received the results of a partner perception survey undertaken for us by an independent social and brand research institute early in the year. Based on online questionnaire responses from 139 credit and equity partners, plus 13 in-depth interviews with current partners and four with ex-partners, the survey found that partners mainly value our support to bridge funding gaps or expand their services. Respondents were aware of Oikocredit's activities mainly through professional networks.

Most partners indicated they had a good understanding of our financial products and were highly satisfied with both the products and their interactions with our staff. Some partners expressed the wish for more in-person visits and meetings. For most, Oikocredit's mission and values are clear; they identified with our values and perceived our cooperative as honest, transparent, and providing solid and reliable services. Agility of service, adaptation to partners' needs, capacity building and technical assistance were mentioned as areas for improvement. Most partners were determined or open to continue working with us in the future.

Social and environmental performance management

Oikocredit achieves social and environmental impact through the work of its partner organisations. Therefore, we are committed to supporting our partners' sustainable performance management. For us this begins with our exclusion list of harmful activities that we will not finance. We published a revised list in 2024 in which we more clearly defined our exclusion criteria for fossil fuels.

We use environmental, social and governance (ESG) scorecards to initially select which partners to work with and subsequently to monitor, support and help them improve their performance and social impact. We apply tailored scorecards to each of our focus sectors – financial inclusion, agriculture and renewable energy – and in 2024 we pilot-tested a revised scorecard for agriculture partners.

With our support, partners' ESG scores generally improve over time. During the past year 40% of our active partners improved their ESG scores. In 2024 we piloted a new approach to support equity partners in raising their ESG performance.

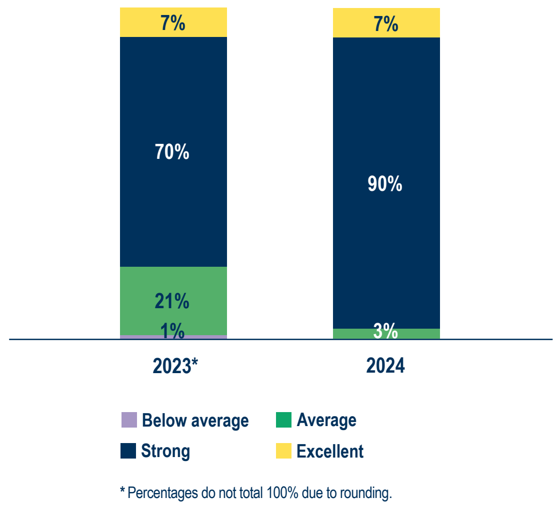
The annual Client Self-Perception Survey is also an important element in our cooperative's support for partners' sustainable performance. The online survey programme, which we undertake jointly with partners that want to participate, asks partners' clients about significant changes in their lives over the past 12 months. The survey is refined each year and individually tailored to include each partners' products and services. In 2024 we published our third survey report. This was based on responses in nine languages from more than 40,000 clients (over three-quarters of them women) of 34 financial inclusion partners in 15 countries in Africa, Asia, and Latin America and the Caribbean.

Our surveys demonstrate to clients the care with which we aim to serve them, and they generate a wealth of insights and social data, covering important developments relating to income, livelihoods, household savings, and access to basic facilities and services.

In undertaking the fourth client survey in 2024, we worked with 46 partners, of which 38 completed the survey by year-end. The programme expanded into French-speaking Africa and the renewable energy sector, gathering responses in 10 languages and four dialects from more than 48,000 clients in 18 countries. The findings (not yet reported in detail) indicate that partners' clients who are business owners are likely to have seen their incomes grow – although, paradoxically, clients also increasingly experience income disruption from extreme weather events. Renewable electricity is proving effective in enabling children to study after dusk; and financial

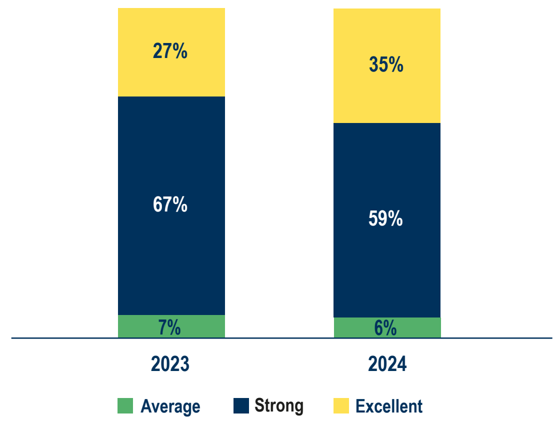
ESG score classification financial inclusion

Partners approved for financing



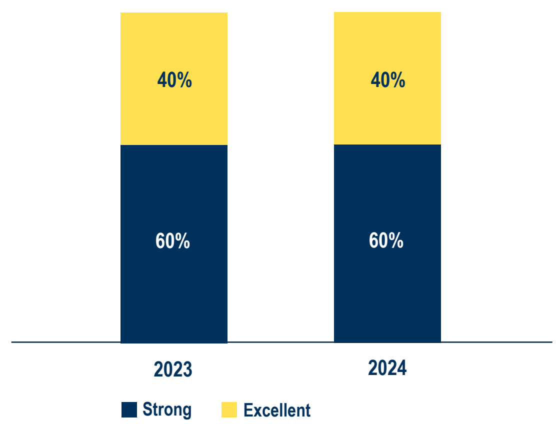
ESG score classification agriculture

Partners approved for financing



ESG score classification renewable energy

Partners approved for financing



inclusion partners' products and services help foster resilience.

The survey findings help Oikocredit and our partners understand clients' needs, opportunities and risks and inform our decision-making and capacity building to serve clients better. Based on survey outcomes, partners in Southeast Asia have requested and received environmental performance management and disaster preparedness training. Several partners have introduced new loan products and non-financial services such as financial literacy training, or have improved their client services in other ways, consequent to the survey findings.

Seeing the evident value of our client surveys in providing data that supports decision-making, some like-minded investors have expressed interest in working with us on future surveys.

We also publish an annual Impact Report based on data we gather from partners and on our own performance, and showing how our work contributes to the United Nations Sustainable Development Goals (SDGs). The latest report, published in 2024, demonstrates our impact through our partnerships in 2023. Highlights include our partners' supporting financial inclusion for 53 million people (10 million more than the previous year), and that most people we served were women (87%) and based in rural areas (65%). Our partners reached approximately 4.29 million micro, small and medium enterprises; 89% of agriculture partners offered environmental awareness training; and our renewable energy portfolio brought clean energy to 170,000 households and avoided a total of 422,564 tonnes of CO_2 emissions.

In our sustainable performance management, we seek digital innovations that can enhance our data-driven approach and have automated reporting dashboards for the Client Self-Perception Survey. We are open to new strategic collaborations and working closely with a partner university on online training modules to enhance partners' data-driven decision-making.

Together with leading financial inclusion sector actors, we continue to stress the importance of human rights and client protection. We promote the Universal Standards for Social and Environmental Performance Management and the client protection pathway that Cerise+SPTF have developed with the sector over many years.

In relation to the environment, Oikocredit's sustainability ambition embraces respect for planetary boundaries. We are alert to environmental risk in our investments and continue to focus much of our investing and capacity building on solutions-focused environmental action.

Results gathered from partners in 2024 show that close to 38% of financial inclusion partners reporting had provided 'green loans' (for renewable energy, energy efficiency, sustainable and climate-smart agriculture, recycling and waste management). A little over 96% of agriculture partners had applied organic farming practices, with 88% of them certified under at least one internationally recognised sustainability standard (organic farming, sustainable forestry or fair trade) and 76% practising sustainable forestry.

Besides avoiding and reducing CO_2 emissions through our investing, we buy FairClimateFund Fairtrade Gold Standard carbon credits to offset our unavoidable Scope 1 (direct) and Scope 2 (indirect from generation of purchased energy) carbon emissions. In 2024 we offset 891 tonnes of CO_2 emissions from 2023. Of these emissions, 51% came from business travel, 34% from office fossil fuel energy consumption, 8% from paper use and 7% from office commuting.

We are moving towards also measuring the carbon footprint of our financed activities (that is, our Scope 3 emissions). This involves work with the JIM Foundation to apply its 'Joint Impact Model', which many financial institutions use to provide a proxy for their portfolio emissions.

Oikocredit has been preparing to meet its first anticipated deadline for reporting under the European Union's Corporate Sustainability Reporting Directive (CSRD) in 2026 on the forthcoming financial year (2025). However, the draft Dutch CSRD implementation regulation published in June 2024 indicates that the regulator aims to exclude 'cooperative legal forms', which would make Oikocredit, as a Dutch cooperative, exempt from this reporting obligation. As we await clarity on when and how CSRD implementation is likely to be formalised in the Netherlands, and because of the significant implementation costs involved, we are reviewing the best next steps for us. Regardless of the Dutch decision, we aim to meet our stakeholders' sustainability information needs fully in the spirit of the new EU requirements.

Capacity building

Oikocredit's capacity building supports partners and potential partners in acquiring new skills, technology and access to markets, and in strengthening their governance and their financial and social performance management. Priority areas are climate change awareness and adaptation; smallholder farmers and rural livelihoods; and improving organisations' readiness for, and access to, finance.

In 2024 we undertook 64 capacity building initiatives, approved 33 new initiatives, and provided capacity building support to 151 current and prospective partners (compared with 85 in 2023). We invested a total of EUR 1,415,591 in capacity building (2023: EUR 956,631), with donors contributing EUR 1,127,215 (2023: EUR 765,663) and the Oikocredit International Support Foundation EUR 288,376 (2023: EUR 190,968).

Agriculture received the largest share of our capacity building spending (56.5%), followed by financial inclusion (42.6%) and renewable energy (0.9%); regionally we allocated 63.4% of the funds to Africa, 7.4% to Latin America and the Caribbean, and 10.7% to Asia. We estimate that our capacity building reached approximately 185,978 individual clients (including agriculture organisations' farmer members) in 2024, compared with 271,000 in 2023.

Climate change

Climate change increasingly affects our capacity building practice, especially work with farmer-based organisations in rural areas. Several trainings for smallholder farmers were postponed because extreme weather made roads impassable. Use of digital platforms for training can sometimes address this challenge, but it is not always an effective solution. Climate change is also increasing the prevalence of plant diseases and soil management issues affecting our partners' farmer clients and cooperative members, and we seek ways to increase our support in these areas.

Key initiatives and partnerships

Notable among Oikocredit's capacity building initiatives in the past year has been our partnership with Agri Evolve in Uganda, which began in 2023. This joint project aims to improve access to Rainforest Alliance certification, digital supply chains, and fair and transparent prices for 10,000 smallholder coffee growers, most of them women. It involves local-language training in financial literacy, integrated pest management, and soil and water conservation. The project has to date supported thousands of farmers in obtaining certification and with training, and we expect it to help farmer households significantly raise their income.

Another project, with our equity and agritech partner Farmerline in West Africa, also works with previously economically excluded smallholder farmers. Co-financed by the Smallholder Safety Net Upscaling Programme (SSNUP), the project is expanding Farmerline's services from Ghana into Benin, Côte d'Ivoire and Togo. It has to date provided tens of thousands of producers (over a third of them women) via their mobile phones with on-demand information on climate-smart practices, market prices, marketplace services and local weather. This supports them in managing their farm businesses sustainably and profitably. The World Economic Forum has recognised Farmerline as one of seven 'African Technology Pioneers'.

We have collaborated with Kenya Women Microfinance Bank and Strathmore University Business School in Nairobi to address the issue of succession in Kenyan (and one Ugandan) family-run small and medium enterprises (SMEs). Because many such businesses fail to survive beyond their founders, our project aimed to help prepare 17 selected SMEs for transitioning to the next generation and to professionalise, thereby enhancing their financial sustainability and investability. With African Guarantee Fund and SSNUP co-funding, the project involved a short course on Strathmore University's family business executive programme and six months of coaching including on-site sessions.

We continue to implement the AgriGRADE pilot project (our partnership with Agriterra, IDH, IDH Farmfit Fund and SCOPEinsight), which supports smallholder farmer cooperatives in Tanzania. In selecting and working with 45 such farmer organisations, the project aims to improve food security, trade and local economic value addition. It graduates cooperatives though technical assistance towards higher levels of professionalism and efficiency, strengthening their value chains and increasing their access to finance. SSNUP supports the project.

In Guatemala we have implemented Q'uch, a year-long initiative with our partners Solidaridad and Lendahand. Named from the Indigenous Maya K'iché word for cooperation and reciprocity, the project assisted small agricultural enterprises in accessing finance and tackling sustainability and climate change issues. Q'uch mobilised capital for agricultural producers, food processors and marketing enterprises and helped business support organisations share innovative climate-smart models, with a focus on mutual value creation with communities. USAID's Guatemala Entrepreneurship Development Initiative and the Aspen Network of Development Entrepreneurs co-funded the initiative, which promoted organic farming, agroforestry, renewable energy use, water conservation and waste reduction, used digital tools, and emphasised women's and youth leadership.

Besides the donors and strategic partners mentioned above, in 2024 we also worked on capacity building with the support of Alongside Hope (the former Primate's World Relief and Development Fund of the Anglican Church), Oikocredit Stiftung Deutschland and We Effect.

Members, investors and capital raising

Oikocredit's cooperative members and non-member investors co-finance our work by purchasing participations. With their funds entrusted to us, we provide partner organisations with loans, equity investments and capacity building to support lower-income people and communities in our focus countries to improve their lives, livelihoods and collective resilience.

Operational model

In 2024, following implementation of our new capital-raising model in 2023, we introduced a new operating structure to handle our marketing to, and the flow of capital from, members and investors. This has involved a major reorganisation of our marketing, sales and investor support functions to standardise and optimise the work. As part of this reorganisation, we have created dedicated teams to support institutional investors and individual (retail) investors. We intend these changes to make the conversion of prospective investors into actual investors more seamless and effective.

Meanwhile, the support associations are refocusing their role on public awareness raising and on community building among our members and investors (see below).

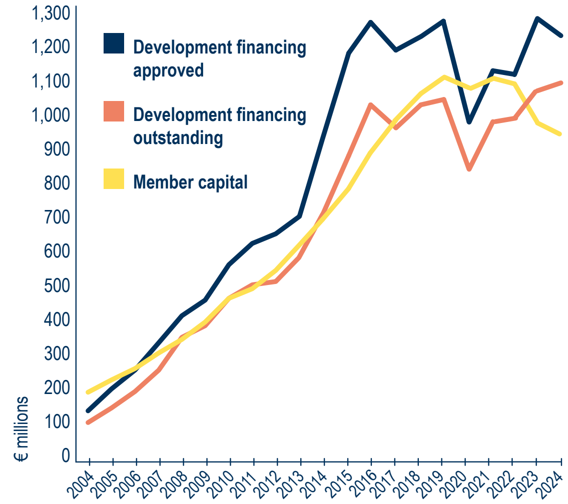
Members and investors

Member and investor numbers have continued to decrease, mainly for the reasons given below. The cooperative's total number of member organisations reduced in 2024 from 490 to 222. We were, however, delighted to welcome one new member, the Evangelical Church in the Rhineland (Germany).

Redemptions resulted in a fall in member and investor numbers from 48,182 to 46,361 (35,729 individuals, 6,240 families and 4,392 organisations).

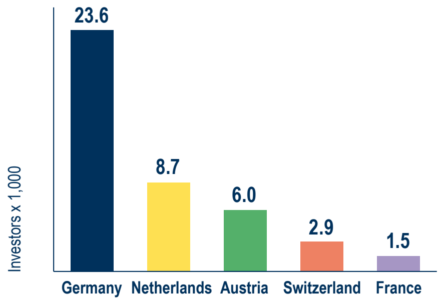
Member capital and development financing

As at 31 December 2024



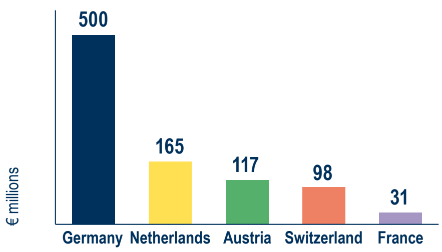
Number of investors

Top five countries as at 31 December 2024



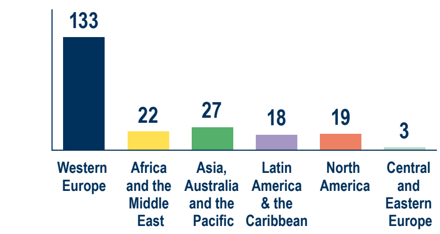
Five countries with highest member capital

Top five countries as at 31 December 2024



Number of members per region

As at 31 December 2024



Reasons for the reduction in numbers include mergers of some smaller congregations and churches and the enhancement of our 'know your customer' and anti-money-laundering measures, requiring us to have more documentation on each member or investor. In some cases, we have been unable to reach members and investors, or they did not respond or want to comply.

Even so, we much appreciate the large number of organisations, families and individuals who continue to comprise our loyal member and investor base. They include churches, church-related organisations, NGOs and foundations that in numerous cases combine their investing with active promotion of our work.

We report every quarter to members, investors and other stakeholders on our strategy implementation, our financial and social performance (unaudited), and organisational matters.

Members' Meeting and Annual General Meeting

Oikocredit held our Members' Meeting and 48th Annual General Meeting (AGM) in hybrid form – in person in San José, Costa Rica, and online – on 6 and 7 June respectively. About 60 participating member representatives received updates on the cooperative's activities and financial performance over the past year, approved the annual accounts, agreed to the proposed dividend payment of 0.5% for 2023, and voted on new appointments to the Supervisory Board and Members' Council, on amendments to the Articles of Association, and on other matters.

Members' Council

The work of the Members' Council in 2024 is described in the council's report starting on page 33.

Capital inflow, redemptions and net asset value

It has not been easy for Oikocredit to raise capital during the past year. At end-2024 our member and investor capital totalled EUR 967.0 million, down by 3.4% from EUR 1,000.8 million in 2023. Net inflow of member and investor capital was thus a negative EUR 33.8 million, up from negative EUR 109.9 million in 2023. We received EUR 29.3 million in gross inflow and paid EUR 63.1 million in redemptions (2023: EUR 20.5 million and EUR 130.4 million respectively). The countries with the highest member and investor capital remained, as in recent years, Germany, the Netherlands, Austria and Switzerland.

Net asset value per participation fell in 2024 from EUR 214.03 to EUR 211.74.

Besides the loss of some members and investors mentioned above, rising interest rates have increased the competition we face in attracting investor funds. In our field of social development, with government funding faltering due to the new political reality in many of our markets, we see it as more important than ever for private money to lead the way. Yet during uncertain times – not least because of armed conflicts in the Middle East and Ukraine – many people are understandably cautious in their investing and tend to choose more liquid options such as bank savings or investments with lower perceived risk.

In Germany, where we source much of our capital, we have also felt the impact of public discussion about the negative impacts of over-indebtedness on microfinance clients in Cambodia. Despite Oikocredit's efforts to support and implement structural solutions (including a new credit bureau and grievance mechanism) for Cambodian borrowers, publicity about this situation has led some German investors to reconsider their support for our work. In several of our capital-raising countries, however, such as Austria, France and Switzerland, we see positive signs that implementation of our new model is bearing fruit.

Support associations, community building and outreach
Oikocredit's support associations in Austria, Belgium, France, Germany, Italy, the Netherlands, Spain and Switzerland, with their committed volunteers, continue to fulfil a key role in the life of our cooperative by raising awareness about global justice issues and promoting our mission in their countries. In 2024 we ran a successful pilot volunteer programme in Germany that enabled our volunteers to better communicate the Oikocredit value proposition.

The support associations' annual spring and autumn meetings took place in Bilbao, Spain (combining in-person and online participation), and online, respectively.

We held a further two Oikocredit Live webinars for members, investors and others. The first of these events, on 'Unlocking Social Equity through Financial Inclusion', paid special attention to global gender dynamics and featured the work of our Dominican Republic partner Mujeres en Desarrollo Dominicana. The subject of the second webinar was 'The Future of Cocoa – Is Sustainable Chocolate Possible?' with speakers from the Dominican Republic cocoa cooperatives' union Conacado and Dutch bean-to-bar chocolate producer Chocolatemakers.

We organised the first of our new Oikocredit Journeys in 2024, taking investors to see at first hand the positive changes their investments contribute to. This journey, to Peru, involved visits to coffee partner organisations and their smallholder cooperative members. Participants witnessed the value to farmers, families and communities of access to timely finance, technical assistance, improved yields and quality, reforestation programmes, more resilient coffee plant varieties, outreach to children and young people, and organic, Fairtrade and Rainforest Alliance certification.

People who participated in our Peruvian coffee journey returned home with many insights into coffee supply chains, the key role of farmer cooperatives, and how the sector can be made to work better for all concerned. As a result of the visit, several participants organised local follow-up events in their own countries to help spread the word about Oikocredit's work.

There was also a learning journey to Cambodia to enable international office and support association staff who work with investors to better understand the issues there, especially concerning client indebtedness, and the role of Oikocredit and our partners.

Jointly with the support associations, we undertook numerous additional outreach, marketing and media activities in Austria, Belgium, France, Germany, Italy, Spain and Switzerland.

To help Oikocredit re-engage with the World Council of Churches and its member organisations, Managing Director Mirjam 't Lam visited the WCC in Geneva and held a conversation with WCC Programme Director Rev. Dr Kenneth Mtata on our historical relationship, impacts achieved together and future opportunities.

We have begun to prepare with the associations a new public education campaign in higher-income countries about impact investing and other courses of action to create a more equitable global society. We call this effort Global Learning for Transformation and Advocacy (GLTA), and our support associations are engaging with this activity, which in 2025 will focus on action for climate justice, with new energy.

Organisational developments

Amid rapid change in the external environment, Oikocredit's mid-term strategy review in 2024 identified the need for internal organisational, operational and cultural changes to meet current and future challenges and make the best of opportunities. We have launched a new internal programme called Organise to Optimise to facilitate these changes.

Organise to Optimise

Organise to Optimise aims to create a more sustainable organisation, and involves reviewing the organisational structure, our ways of working (becoming more efficient), behaviours needed to realise change and the building of competencies. To become more performance and results driven, we have agreed on a new methodology of objective setting. We have invested time and energy in boosting training and people development, including experience exchanges to upskill our teams, and we have increased opportunities for reflection and feedback. We are also working on the cooperative's leadership development needs.

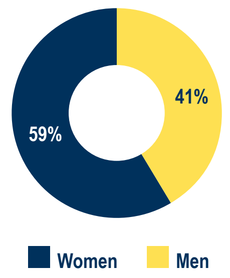
In our capital raising, we have moved away from a country-based approach led by the support associations to a more functional and global methodology under international office leadership. This involves roles specifically identified as responsible for corporate communications, investor relations (both retail and institutions), and so on, and greater standardisation of materials and resources. People in their roles may work in different countries or from the Amersfoort office.

In our impact investing, we are introducing regional partners' service centres and have established the first in the Latin America and Caribbean region. Service centres handle routine administrative tasks, enabling investment officers to spend more time on relationship building and supporting partners.

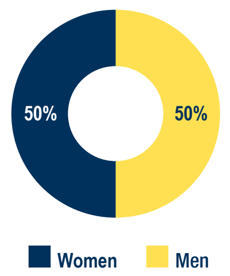
Oikocredit staff overview

As at 31 December 2024

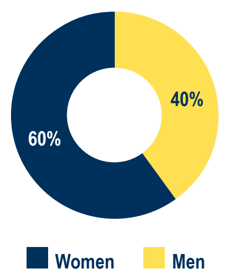
Division of staff by gender



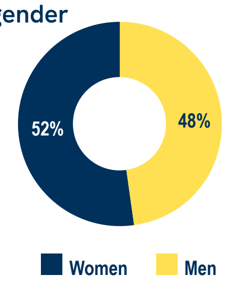
Division of Managing Board by gender



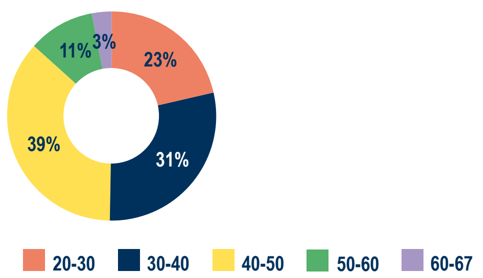
Division of Executive Committee by gender



Division of managers with at least one direct report by gender



Staff age overview



Oikocredit employs people of 46 different nationalities.

Changes such as these can bring new energy and opportunities to our work, but change can also be unsettling. We are, however, confident that we can provide the support needed to individuals and teams within the organisation through our culture of care.

Our people

Oikocredit considers our people to be our most valuable resource. We had 280 full-time-equivalent employees at end-2024, compared to 277 in 2023, of whom 139 worked outside the Netherlands (2023: 138). We employ people of 47 different nationalities in 28 countries worldwide. At year-end Oikocredit International staff comprised 59% women, 41% men and 0% non-binary, with an average age of 43. The Executive Committee consisted of 50% women and 50% men. We have identified no substantial gender pay gaps. Levels of employee engagement, which we assess via regular surveys, remain good.

With 48 new permanent employees joining the organisation and 45 leaving during the year, staff turnover grew to 16%. At Managing Board level, we were sorry to lose Gwen van Berne, our Director of Finance & Risk, who left us at the end of the year to pursue another career opportunity. The Managing Director will resume the role of Director of Finance & Risk ad interim with certain tasks distributed among Executive Committee members. We also regret that Dave Smit, Director of Impact Investments, decided to leave Oikocredit, with his departure set for 1 April 2025. Hans Perk, currently Director of Specialised Finance & Community Building, will succeed Dave on an interim basis. Both Gwen and Dave have made important contributions to the organisation. There were also changes in the composition of the Executive Committee, as we describe in the section on ‘Corporate governance’.

Two new Supervisory Board members were appointed at the AGM in Costa Rica in June (see Supervisory Board report, starting on page 27). The Members’ Council had two new member representatives joining and three departing during the year (see Members’ Council report, starting on page 33).

We pay careful attention to employees’ mental wellbeing and have started working with specialist companies to improve coaching support for staff. We have also implemented a dashboard to monitor our levels of diversity, equity and inclusion and have added questions on this area to our employee engagement survey. We are proud of our very diverse organisational team and that close to 90% of employees perceive our culture as inclusive and valuing diversity.

We spent an average of EUR 2,000 per employee on training and development in 2024.

Works Council

The cooperative’s Works Council has a positive relationship with Oikocredit’s boards and the Executive Committee and supports management very constructively. Regular monthly meetings for mutual updating have helped keep staff engaged with the changes taking place. The council periodically involves our teams in the regions in online meetings with Amersfoort-based staff.

Systems and operations

Oikocredit has defined an IT strategy that aims to move the organisation from developing customised services to leveraging market practices. We have been successful in setting up data warehouse infrastructure and an integration platform (interfacing between systems) and have made major progress in upgrading our implementation of partner monitoring, a partner portal, and a customer relations management (CRM) and loan origination system for our investing.

For public communications and capital raising, we have developed a new website (replacing the 26 old websites) for launch in 2025 and are implementing CRM and marketing capabilities. There has also been notable progress in modelling the IT architecture, taking control over IT services in the regions and for support associations, mitigating cybersecurity risks and moving infrastructure to the cloud.

Risk management

Oikocredit is exposed to a range of risks through the course of its work, and we continue to monitor adherence to our risk appetite statement. Important risk areas include credit, IT and cybersecurity, compliance, reputational, foreign exchange and liquidity.

We monitor credit risk using our PAR 90 metric (the percentage of outstanding loans with payments more than 90 days overdue) and take measures to control and reduce such risk by increasing visits to and intensifying monitoring of affected partners. In addition, a limit system is in place to determine the maximum exposure on a country, sector and instrument level, with ongoing monitoring of these portfolio exposures. Our portfolio risk committee determines the limits for the different categories twice a year.

In managing IT and cyber risk, we have reached the desired level of maturity. Our defence systems were tested and audited by third parties, who confirmed that protection levels meet the required standards.

In relation to compliance and reputational risk, as we have reported since 2023, three NGOs submitted concerns to the Dutch National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises about an instance of non-compliance with the guidelines. This involved Oikocredit's lending to microfinance institutions in Cambodia where, the NGOs argued, client protection was deficient. As we state above, the NCP's good offices procedures ended in January 2025 without a fully mediated agreement. But parties found common ground on three points, including that a grievance mechanism and fund, which comply with the OECD Guidelines and the UN Guiding Principles, should be established to address the problems and adverse impacts.

We have established mandatory online staff compliance training, including relating to financial crime prevention, data protection and our code of conduct. As reported elsewhere, we continue with our 'know your customer' and anti-money-laundering work.

To address foreign exchange risk, we have adopted new hedging strategies (noted above), and in the case of liquidity risk we combine continuous monitoring with access to our revolving credit facility. In both these last two areas we achieved stable outcomes in 2024.

Taxes

Oikocredit is liable for corporate income tax, mainly in India and the Netherlands, and to a minor extent in other countries where we have offices. In the Netherlands, we are liable at a rate of 25.8%, with a step-up rate of 19% on the first EUR 200,000. After the deduction of interest withholding tax paid in the countries where we invest, no corporate income tax is payable in the Netherlands. We recorded EUR 1.2 million as tax credit in 2024 towards our Indian subsidiary, Maanaveeya, arising from a tax regulatory change under Indian law.

Looking ahead

Oikocredit's 50th anniversary in November 2025 will be a major landmark and cause for celebration. There is much to be proud of in the way we have helped set the tone and standards for social impact investing. We will continue to challenge all to invest responsibly by addressing socioeconomic, gender, and environment- and climate-related injustice and inequality with blended solutions in inclusive finance, smallholder agriculture, renewable energy and community resilience building, and through our Global Learning for Transformation and Advocacy programme.

Following the mid-term strategic review, we will modify our emphasis in both capital raising and impact investing, with more attention to a digital pathway for investors and to climate justice respectively. We look forward to developing new strategic and donor partnerships, particularly in addressing climate change and in agriculture.

Balancing impact, risk and return successfully to achieve lasting benefit for partners and clients while providing members and investors with a positive financial return will remain our priority. In addressing risks in the external environment, optimising our organisational structure, processes and culture to strengthen overall performance will be a key element.

Oikocredit's financial outlook remains, as ever, much influenced by external market developments in the countries where we invest, which are currently subject to multiple economic, political and climate challenges. We will maintain our close monitoring of credit partners' ability to repay, as we anticipate that our PAR 90 ratio will remain high. At the same time, we are alert to investment opportunities, such as innovative climate-focused projects that contribute to community resilience.

We do not expect the situation in Bolivia to resolve quickly. But having absorbed the potential losses in 2024, we do not foresee further major losses there in 2025.

In impact investments in the coming year, implementation of the mid-term strategy review will include moving to a model portfolio approach (to guide decision-making on regions, sectors and products) and actioning the revised agriculture investment strategy. We will place greater emphasis on addressing climate change and community-focused investing, deepening established strategic partnerships and, where helpful, blending these themes into larger financing facilities for financial service partners.

Use of automation to enhance investing efficiency will increase. We will set up a second regional partner service centre, in Africa, and complete the winding down of operations in the Philippines. Maintaining our robust monitoring of partner performance, we will visit every partner at least once a year and higher-risk partners twice a year or more to understand our partners and their challenges, improve portfolio quality and stay on top of market developments. To reduce risk, we will increasingly support current and prospective partners with better performing and more financially sustainable business models, as well as expanding our use of blended finance and fundraising partnerships.

As part of our modified implementation of the 2022-2026 strategy, we will enhance and integrate our attention to social impact with more emphasis on sustainability outcomes, including environmental and especially climate issues. We anticipate more strategic collaborations in these areas.

The coming year will also see publication of our fourth Client Self-Perception Survey report and a new Impact Report.

In capacity building, the main challenge we face is how to support our partners effectively in addressing climate change impacts that increasingly impair agricultural and other rural livelihoods. This also represents an opportunity if we can devise and implement appropriate adaptation and mitigation approaches.

The cooperative will implement new capabilities that support our capital raising. Our new website will introduce our new branding to the public. We will implement a digital investor pathway that allows us to service new, more digitally oriented investors. We also plan to organise another Oikocredit Journey for members of our investor community to visit cocoa producers in West Africa.

With the support associations we will run our first GLTA campaign with the theme ‘Invest in Climate Action’.

Under the Organise to Optimise programme we will continue building a more sustainable organisation and enhancing our capabilities, including establishing a training library. We will improve our human resources efficiency with new tools and systems, while attending to our people’s wellbeing and building a more performance- and results-driven mindset. We will evaluate our current IT strategy and look at implementing reliable frameworks for the application of AI technology.

Conclusions

This year’s mid-term strategy review has enabled us to take careful stock of the way our operating environment has continued to change and to make important adjustments to our approach and operating model. We are confident that, as we implement these modifications, while keeping true to Oikocredit’s underlying mission and values, our cooperative and the people and communities we serve have much to gain. Working for a better world is never easy, but it remains our firm and lasting commitment.

Amersfoort, 28 March 2025

Mirjam ’t Lam
Managing Director

Dave Smit
Director Impact Investments

Patrick Stutvoet
Director Inflow and Business Enablers

Supervisory Board report

Layla Oliveira manages the Ivaiporã branch of Cresol Tenente Portela in Brazil, an Oikocredit partner. Cresol Tenente Portela is part of the Cresol cooperative group, which is one of the largest in the country. Cresol Tenente Portela alone has 11,000 members, while more than 225,000 households are Cresol members across 17 Brazilian states.

Cresol and its affiliated cooperatives provide personalised financial products and services to benefit members' businesses and communities. Cresol Tenente Portela's recent loan approved by Oikocredit will help it meet growing demand for working capital among small and medium enterprises and farming families.

Providing effective oversight and guidance

Oikocredit International's Supervisory Board oversees the cooperative, including the Managing Board and Executive Committee. The board represents different continents with a balance of expertise, gender and geographical areas. Members of the Supervisory Board are elected for an initial term and eligible for re-election for a further term. The roles of Oikocredit's three governance bodies are described in the section on 'Corporate governance' starting on page 5.

Key discussions and decisions in 2024

Statutory annual financial approvals

While many fundamentals remained stable, 2024 was a challenging year for Oikocredit. The previous year's financial results (2023) were less favourable than originally forecast as a result of a range of factors. The Supervisory Board discussed the 2023 auditors' report with external auditors KPMG, approved the 2023 financial statements, finalised its chapter of the cooperative's Annual Report 2023, and endorsed management's proposal of an annual members' and investors' dividend of 0.5%.

Long-term financial sustainability

On several occasions, the Supervisory Board and Managing Board discussed the long-term financial sustainability of the organisation, and the necessity of reducing operating expenses and overheads, driving down the costs of risk, and increasing productivity while investing in technology and systems supporting Oikocredit's 2022-2026 strategy. Given challenges in capital raising under current market conditions, we agreed on the necessity to lower costs and to generate higher impact with the current capital base.

Risk management, portfolio quality and liquidity

Exceptional macroeconomic events in 2024 had an impact on partners, especially in Bolivia, requiring substantial additions to loan loss provisions, which surpassed internal thresholds. This prevented the Managing Board from meeting the result targets the Supervisory Board had approved. The board approved the resulting target deviations and a new process for addressing deviations from budget.

The Supervisory Board also approved Oikocredit's updated risk charter, including risk appetite, to address ongoing risks. And it approved the modification and extension of the cooperative's revolving bank credit facility to secure appropriate liquidity levels.

Operating model

The Supervisory Board approved changes to Oikocredit's operating model proposed by the Managing Board. Initial modifications in capital-raising operations aimed to focus and streamline member and investor engagement and support services, and to improve IT capacity. The board approved the establishment of regional partner service centres for administrative support aimed at improving monitoring, sustaining portfolio quality, and equipping investment officers and managers for data-based decision-making.

Articles of Association

The Supervisory Board approved amendments to Oikocredit's Articles. These included changes to voting rights, with the allocation of additional votes to support associations according to the number of participants in the different countries where associations are based; and modifications to Supervisory Board terms of office, extended from three to four years in alignment with the Dutch Corporate Governance Code.

Mid-term review of strategy

In advance of the cooperative's mid-term strategy review, the Supervisory Board discussed progress on strategy with the Managing Board, including: achievements and insights to date; focus areas (including the maturing financial inclusion sector, agriculture, climate, and small and medium enterprise financing); focus countries; Oikocredit's allied services and value proposition; capital raising and the member and investor base; company hygiene; and operating costs. The Managing Board provided insight into financial challenges relating to preparation of the 2025 budget.

The Supervisory Board approved the Executive Committee's mid-term review of the strategy and its intention to develop a model impact investment portfolio overall and at regional and sector level that balances impact, risk and return while achieving modest portfolio growth; to build impactful partnerships; to consolidate and transform the member and investor capital base while achieving modest capital growth; to transition from social performance to sustainable impact management that includes social and climate justice and sustainable supply chains; and to ensure IT and data management systems are fit for purpose.

Leadership model and organisational culture

The Supervisory Board held extensive discussions with the Managing Director and Managing Board regarding Oikocredit's leadership model, working together to identify the leadership structures and cultures necessary to deliver Oikocredit's strategy. Considering concerns around capital raising and portfolio quality, we gave particular attention to these aspects and to risk management.

The board discussed with the Managing Board strengthening the cooperative's organisational culture and performance management, with the objective of ensuring staff wellbeing and cementing within the organisation a performance-based culture focused on mission delivery.

Planning for 2025

The Supervisory Board approved the cooperative's budget for 2025 and encouraged the Managing Board to be ambitious in setting targets for capital raising, development financing and overall results.

The board discussed with the Managing Board its 2025 objectives and approved implementation of a new methodology for monitoring progress on strategy and for translating the strategy into clear objectives and key results (OKRs) at Managing Board level that will be communicated and cascaded throughout the organisation. The OKRs replace the balance scorecard methodology used previously to define and monitor the Managing Board's achievement of collective organisational objectives.

Managing Board performance

As the Managing Board's formal employer, the Supervisory Board carried out annual performance evaluations, approving recommendations made by its Remuneration, Nomination and Selection Committee (RNSC). Going forward, OKRs (see above) will serve as a basis for establishing a limited set of key performance indicators, agreed upon by both boards, for the RNSC and Supervisory Board to apply in Managing Board performance management.

Change in Managing Board composition

The Supervisory Board received with regret the resignation of Gwen van Berne, Director of Finance & Risk, effective 1 January 2025, to pursue a new career opportunity, and agreed for the Managing Director to take the role ad interim with specific tasks divided among Executive Committee members. The board also regrets the decision of Dave Smit, Director of Impact Investments, to leave Oikocredit on 1 April 2025 and has agreed to appoint Hans Perk, currently Director of Specialised Finance & Community Building, to succeed him on an interim basis.

Maanaveeya strategy

Following discussions throughout the year and a strategic review conducted by the Executive Committee, the Supervisory Board supported the Executive Committee's decisions in relation to Maanaveeya, Oikocredit's wholly owned Indian subsidiary. These decisions concerned Maanaveeya's business strategy and the sectors in which it is active.

Other topics discussed

2024 Impact Report

The Supervisory Board took note of and celebrated successes Oikocredit achieved in impact, as reported in the cooperative's Impact Report 2024. These include the expansion of the Client Self-Perception Survey and capacity building focused on partners' governance, internal management, and social and environmental performance, as week as the development of appropriate and innovative products and services aligned with clients' needs.

Cooperative identity

A steering committee comprising the Managing Director and the chairs of the Members' Council and Supervisory Board launched a cooperative-wide discussion intended to gather and align views among members on issues related to Oikocredit's cooperative identity. In particular, the process concerns cooperative governance and members' and investors' engagement, benefits and obligations. The Supervisory Board has been kept informed about this process and will engage further in 2025.

Customer due diligence and regulatory compliance

Following the substantial change in the capital-raising model in 2023, investors previously investing in Oikocredit through support associations or the former Oikocredit International Share Foundation now invest directly through the purchase of participations. Oikocredit International is now responsible for customer due diligence, risk assessment, and fiscal and anti-money-laundering monitoring and reporting on all incoming investment. The Supervisory Board follows the process closely to ensure regulatory compliance.

Agriculture strategy

Oikocredit's partners in the agricultural sector face difficulties because of factors such as seasonality, price risk and climate change. With PAR (portfolio at risk) levels in the agriculture sector especially high, the Executive Committee has begun to review the cooperative's agriculture strategy, seeking the proper balance of risk, return and impact. The Supervisory Board receives regular updates on the agriculture portfolio's performance and the progress of the strategic review of the sector, which will conclude in Q1 2025.

Equity strategy

The Impact Investments and Innovation Committee (IIIC) discussed the performance and recalibration of Oikocredit's equity portfolio with the Executive Committee and shared these discussions with the Supervisory Board.

Cambodia

The Supervisory Board receives quarterly updates on the status of financial inclusion in Cambodia and the mediation process initiated by three NGOs at the Dutch National Contact Point for the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The board has also followed Oikocredit's development of a grievance mechanism for partners' clients in Cambodia.

Cooperative membership

The Supervisory Board confirmed support for the admission of one new cooperative member and the readmission of one returning member.

Board composition and meetings

The June 2024 Annual General Meeting (AGM) reappointed Gaston Aussems to the Supervisory Board for a second term and appointed Karen Tsang and Georg Schürmann each for a first term.

Members of the Supervisory Board
At 31 December 2024

Name	*Appointed*	*Term ends*
Cheryl Jackson (Chair)	June 2019	June 2025 (2nd term)
Charity Chanda Lumpa (Vice Chair)	June 2022	June 2025 (1st term)
Gaston Aussems	June 2021	June 2027 (2nd term)
Myrtille Danse	June 2019	June 2025 (2nd term)
Andries Doets	June 2022	June 2025 (1st term)
Lilit Gharayan	June 2022	June 2025 (1st term)
Francisco Olivares	June 2022	June 2025 (1st term)
Arpita Pal Agrawal	June 2022	June 2025 (1st term)
Georg Schürmann	June 2024	June 2027 (1st term)
Karen Tsang	June 2024	June 2027 (1st term)

Meetings

In 2024 the Supervisory Board met online in February, March (two days), April (two days), June, September (three days) and December (three days, including a mid-term 2022-2026 strategy review presentation by the Executive Committee); and in person in June (two days) and September (two days), including an annual joint strategy session with the Managing Board).

The main matters discussed and decided upon were those reported above. Managing Board members are generally present at the Supervisory Board's quarterly meetings.

Attendance at Supervisory Board meetings in 2024

Supervisory Board members 2024	*Meeting attendance (days)*
Cheryl Jackson (Chair)	14/14
Charity Chanda Lumpa (Vice Chair)	12/14
Gaston Aussems	14/14
Myrtille Danse	13/14
Andries Doets	12/14
Lilit Gharayan	14/14
Francisco Olivares	12/14
Arpita Pal Agrawal	14/14
Georg Schürmann (appointed in June 2024)	5/6
Karen Tsang (appointed in June 2024)	6/6

Meetings with cooperative members, support associations and Members' Council

The Supervisory Board and RNSC chairs met members' representatives in February to discuss board nominations. The board chair met in April with the Managing Director and the Members' Council chair to discuss the cooperative identity project. Board representatives were present at the members' webinar in May launching the cooperative identity project and at the initial meeting of the core project team in August.

Board representatives attended the Members' Meeting during AGM week in June. The board chair was also present at sessions on Oikocredit's Global Learning for Transformation and Advocacy work during the support associations' autumn meeting in September.

In October the RNSC and Supervisory Board chairs met Members' Council representatives to discuss the 2025 board nominations. In both October and December, the board chair, the Members' Council chair and the Managing Director, in their capacity as the steering committee of the cooperative identity project, met the project support team.

The board chair participated in November in the members' webinar on the Q3 results and on the departure of the Director of Finance & Risk.

Meetings with the Works Council

In March the Supervisory Board and RNSC chairs met Works Council representatives to discuss the 2024 board nominations. In April the board met the Works Council to discuss staff turnover and wellbeing and the cooperative's leadership. The board and RNSC chairs met Works Council representatives in October to discuss the 2025 board nominations.

Board committees

The Supervisory Board's committees assist it in the execution of its duties. The board assigns responsibility to the committees to consider delegated matters in depth and to report and make recommendations to the full board. The board discusses committee reports and recommendations in closed sessions to come to informed decisions efficiently and to identify matters requiring further discussion with the Managing Board.

In 2024 the board had four committees. Three committees remained unchanged from 2023: the Audit, Risk and Compliance Committee (ARCC), the Impact Investments and Innovation Committee (IIIC), and the Remuneration, Nomination and Selection Committee (RNSC). The fourth committee, the Capital Inflow Committee (CIC), became the Member and Investor Engagement Committee (MIEC) in March 2024 following expansion of its mandate to include topics related to cooperative governance and membership. Committee composition is determined on an expertise basis.

Audit, Risk and Compliance Committee (ARCC)

The ARCC is a vital component of the Supervisory Board's oversight activities, assisting the board in fulfilling its oversight responsibilities regarding the integrity of the financial statements and the effectiveness of internal controls. The committee monitors and oversees the financial and risk reporting processes, internal control systems established by management, internal and external audit processes, and the process for monitoring compliance with laws and regulations. The ARCC also supports the board in monitoring realisation of the strategic financial targets and the Managing Board's maintenance of sound risk management practices. The committee met four times in 2024.

Financial oversight and integrity. In 2024 the committee closely monitored financial performance, with particular attention to the effects of economic instability in countries such as Bolivia, which caused significant provisioning for loan losses. The ARCC discussed with management enhanced partner engagement and prudent financial forecasting to effectively navigate uncertainties.

The committee discussed with management its proposed 2025 budget as well as key objectives and results and agreed upon recommendations prior to approval by the full Supervisory Board.

Internal controls and risk management. The ARCC continued to assess and refine internal controls to ensure their robustness in the face of operational and financial complexities. The committee endorsed proactive risk management practices, emphasising structural credit monitoring while addressing portfolio risks. The committee reviewed the impact of measures such as increasing loan loss provisioning and on-site partner assessments to ensure responsiveness to evolving risks.

The ARCC maintained its oversight of liquidity and capital management, observing that liquidity buffer ratios continued to demonstrate improvement within established internal thresholds, thereby reflecting the effectiveness of portfolio adjustments.

Compliance and strategic oversight. The ARCC oversaw compliance with legal and regulatory frameworks and supported efforts to align operational practices with strategic financial goals. It noted significant ESG (environmental, social and governance) achievements, with partners' average ESG scores improving across approved investments in the second half of the year, in alignment with the cooperative's impact-focused strategy.

Strategically, the ARCC continued to monitor the realisation of approved targets, including profit levels, net asset value per participation, the ratio of costs to assets, risk concentration limits and company hygiene. Noting significant challenges, the committee endorsed management's steps to bolster capital inflow and to maintain portfolio quality. Following the mid-term strategic review, discussions with management centred on the objectives and key results proposed for 2025.

Internal audit and external audit reviews. In 2024 internal and external audits remained a crucial component of the ARCC's agenda. Throughout the year, the committee reviewed audit findings and timely corrective actions with management. Further, the committee worked closely with auditors to enhance financial reporting processes, focusing on areas such as equity impairments and tax compliance for a robust control environment.

Impact Investments and Innovation Committee (IIIC)

The primary function of the IIIC is to assist the Supervisory Board with its oversight and advisory responsibilities in relation to the cooperative's development finance portfolio and its social impact and innovation objectives.

In 2024 the committee met four times, once every quarter, via video conference. In addition, an in-person meeting on the updated portfolio concentration limits was held during the AGM week in June with the Director of Finance & Risk.

Throughout the year, the committee discussed impact investing portfolio developments, highlighting the quality of the portfolio by sectors and regions and its growth versus the 2024 goal, while monitoring other key performance indicators on the execution of the cooperative's investment strategy.

At specific quarterly meetings, discussions also centred on topics such as: results of the 2023 Client Self-Perception Survey and improvements for 2024; results of the 2023 Impact Report and the impact research agenda for 2024; updates on the equity and agriculture investing strategies; the review of the outflow organisational structure towards a more sustainable business model; and the strategic plans for Oikocredit's Indian subsidiary Maanaveeya.

Capital Inflow Committee (CIC)/Member and Investor Engagement Committee (MIEC)

The CIC (until March 2024) and subsequently MIEC (from March 2024) has a mandate to assist the Supervisory Board in fulfilling its oversight and advisory responsibilities in relation to Oikocredit's capital-raising model and strategy; global learning activities; the corporate governance structure of the cooperative; roles, rights and responsibilities of cooperative members; and management's relationship with cooperative members.

In 2024, the committee met four times. It monitored evolution of member and investor capital, paying particular attention to the redemption of participations. It reviewed the reorganization of the capital- raising strategy and operations with the Director of Inflow & Business Enablers and the Director of Investor Relations & Capital Raising, and it discussed with them change initiatives related to optimising capital raising, training, IT investor support and product development necessary to support capital raising.

The MIEC received quarterly updates on all the countries where the cooperative raises capital, on institutional fundraising for capacity building, on the costs of raising capital, and on product and market development. It was kept informed about implementation of the capital-raising model in the Netherlands. And it made recommendations to the Supervisory Board regarding the members' AGM and the admission of new members to the cooperative.

Remuneration, Nomination and Selection Committee (RNSC)

The RNSC oversees the alignment of Oikocredit's policies and practices with its mission, vision and values. The committee also advises the Supervisory Board with respect to culture and human resources management, the appointment, appraisal, development, dismissal, succession and remuneration of Managing Board members, and the nomination, assessment, development, succession and remuneration of Supervisory Board candidates. It met six times in 2024.

Leadership model and organisational restructuring. The RNSC together with the Managing Director prepared discussions within the Supervisory Board on revising the leadership model to better position the organisation for the future. Key priorities discussed included clarifying responsibilities, enhancing accountability, fostering collaboration, accelerating decision-making, and emphasising strategically important themes to improve efficiency and effectiveness. In addressing interim changes, the committee supported temporarily redistributing responsibilities among current Managing Board members following the resignation of the Director of Finance & Risk.

Human resources (HR) and organisational culture. Quarterly HR reports identified persistent challenges such as absenteeism and burnout, particularly in European offices. To address these issues, the organisation implemented coaching platforms and psychological support for affected employees. The RNSC discussed with management the importance of fostering a performance-driven culture through clear goal setting, fair performance evaluations and incentive alignment. The RNSC reviewed with management the results of employee engagement surveys as well as the enhanced communication and engagement strategies prioritised to address survey findings.

Sustainable operating model. The RNSC recommended approval of changes to the inflow organisation to secure sustainable capital generation and align operations with strategic goals, and changes to the outflow organisation focused on streamlining operations and optimising resource allocation, particularly through regional partner service centres. These measures are expected to enhance efficiency and improve service delivery.

Assessment of the Managing Board. To advise the Supervisory Board in its capacity as formal employer of the Managing Board, the RNSC conducted biannual reviews of Managing Board members' performance. Feedback highlighted the need to support leadership amid heavy workloads and to ensure the necessary competencies at all levels of the organisation. The committee decided to maintain the existing remuneration policy, finding no significant benchmarking discrepancies.

Supervisory Board membership and education. With two experienced Supervisory Board members, including the chair, set to step down after their terms expire at the June 2025 AGM, the RNSC proactively recruited and nominated two new members. These new appointees, approved during the 2024 AGM, will benefit from a full year of mentorship and knowledge transfer from the outgoing members. Recruitment efforts prioritised expertise in finance, sustainability and leadership.

To further strengthen the board, a draft permanent education programme for 2025 was agreed, focusing on capacity-building topics such as anti-money-laundering, reputational risk and operations in high-risk countries.

Training

The Supervisory Board organised one training session in 2024, in March, on the EU's Corporate Sustainability Reporting Directive (CSRD). In Costa Rica in June, board members, together with Managing Board members, visited partners and their clients to observe the practical impact of Oikocredit's projects and investments.

Board remuneration

There were no changes to the Supervisory Board's remuneration policy in 2024. Board member remuneration is intended to reflect time spent and responsibilities, and to enable Oikocredit to recruit and retain board members with the right balance of experience and competencies. Board members receive a fixed fee for their services and reimbursement of travel and administrative costs involved in serving on the board. Remuneration may differ per board member according to distances travelled and specific responsibilities, such as chairing the board or one of its committees. Board members may choose not to accept the remuneration.

Note 34 of the financial statements provides further details about Supervisory Board members' remuneration and other Oikocredit remuneration policies.

Looking ahead

In the coming year, the Supervisory Board will continue to monitor and discuss with the Managing Board implementation of Oikocredit's revised strategy; development finance portfolio growth and quality; the evolution and composition of member and investor capital; and effective leadership and an inspired performance culture that supports the cooperative's mission.

We foresee both challenges and opportunities in developing an operating model that effectively manages rising costs, while continuing to offer partners a range of financial and non-financial products and services designed to maximise impact, especially in the context of macroeconomic, political and environmental instability affecting partners and their clients, as well as members, investors and other stakeholders.

Additional opportunities lie in Oikocredit's 50th anniversary as the occasion to celebrate the impact our cooperative has achieved to date and to raise visibility around the organisation's long-term presence and success. In the transition from social performance to sustainable impact management, the Supervisory Board sees an opportunity to cement Oikocredit's position as an impact investing pioneer and leader.

Amersfoort, 28 March 2024

Cheryl Jackson
Chair

Charity Chanda Lumpa
Vice Chair

Gaston Aussems
Supervisory Board member

Myrtille Danse
Supervisory Board member

Andries Doets
Supervisory Board member

Lilit Gharayan
Supervisory Board member

Francisco Olivares
Supervisory Board member

Arpita Pal Agrawal
Supervisory Board member

Georg Schürmann
Supervisory Board member

Karen Tsang
Supervisory Board member

Members' Council report

Grameen Costa Rica is a social microfinance organisation. Its loans, advice and training enable women who live on low incomes to start or grow their business. Kristel Sancho, pictured, says her job as a Grameen sales manager shows her many dreams coming true as clients improve their lives and livelihoods and benefit their families and communities.

The Grameen microfinance approach was developed by Bangladeshi economics professor and Nobel Peace Prize winner Muhammad Yunus in the 1970s. Its main feature is the provision of small uncollateralised loans to low-income rural women.

Grameen Costa Rica is an Oikocredit partner.

Co-creating the cooperative

The Members' Council became one of Oikocredit's governance bodies in 2022 and is responsible for voicing the interests of the cooperative's members and facilitating dialogue involving members. The council's role in relation to the other governance bodies is described in the section on 'Corporate governance' starting on page 5.

Roles and responsibilities

The roles and responsibilities of the Members' Council are defined in its terms of reference (ToR) as approved by Oikocredit's General Meeting and in the cooperative's Articles of Association (AoA). These are: to represent and promote the interest of the members (AoA); to reflect and defend members' interests (ToR); to represent the members in the cooperative structure of Oikocredit and operate in a governance role as members of a cooperative society (ToR); to share the members' views on relevant matters with the Supervisory Board and Managing Board and advise accordingly (AoA); and to represent the members in consultations with both boards (ToR).

The council focuses on Oikocredit's vision, mission and values, the international cooperative principles and the Society's high-level strategy and policies (ToR). It operates as a bridge between the members and the two boards (ToR), acting as a co-creator of the cooperative. It coordinates meetings of members (other than General Meetings), such as the Members' Meeting that took place one day before the cooperative's Annual General Meeting (AGM) in June 2024.

Council composition, committees and working groups

Council composition

Members' Council representatives can serve a maximum of six years (two terms of three years) on the council. At each AGM, representatives leaving the council at the end of their term stand down, and new representatives are elected and/or those standing again for the council may be re-elected.

Each council representative must be nominated by a member organisation of the Oikocredit cooperative. To achieve a balance, half the representatives are nominated by support associations and the other half by direct members (i.e. cooperative members that are not support associations), and the council aims for a balance between the four continents and different areas where Oikocredit is active.

Members' Council representatives

As at 31 December 2024

Name	*Nominated by*
Anita Clemons (Chair)	Presbyterian Church (USA) Foundation
Aglaë Hagg (Co-Vice Chair)	Katholische Sozialakademie Österreichs
Malu Padilla (Co-Vice Chair)	Oikocredit Nederland
Guido Forsthuber	Fundación Protestante Hora de Obrar – Argentina
Michelle Lüchinger	Oikocredit Deutsche Schweiz Support Association
Peter Ohligschläger	Oikocredit West German Support Association (resigned as of 31 December 2024)
Jetti Oliver	Christian Education Council of India (CECI)
Wilfried Steen	Oikocredit Support Association Niedersachsen-Bremen (Braunschweig)

At the June 2024 Annual General Meeting, Peter Koona Tefo and Christiane Riffaud left the Members' Council. Michelle Lüchinger and Jetti Oliver were appointed as new council representatives, and Aglaë Hagg was reappointed. Anita Clemons was elected Chair, and Aglaë Hagg and Malu Padilla were elected Co-Vice Chairs.

At the end of 2024, Peter Ohligschläger ended his term with the Members' Council. Council members and everybody at Oikocredit are very grateful to Peter for his contributions and leadership. The council vacancy will be filled at the 2025 AGM.

Committees and working groups

The Members' Council has a Governance Committee currently comprising the Chair, Anita Clemons, and the two Vice-Chairs, Aglaë Hagg and Malu Padilla. They decide on the council's agenda, guide its action and ensure it operates efficiently. They meet regularly, at least once every month, according to the circumstances.

The council has several working groups, which like the Governance Committee also usually meet monthly. The working group on visibility and communication focuses on enhancing visibility and developing a communication strategy for the council. A working group of representatives participates in the Supervisory Board's nomination and election process, including consulting, examining profiles and providing input. And a working group on direct member relations has developed proposals and a plan for the council.

Governance activity, meetings and discussions

The Members' Council prioritises strengthening contacts with members, understanding their needs, asking how the council can support them, communicating the council's role, and increasing members' awareness about Oikocredit's work as a pioneer in social impact investing.

We took a groundbreaking step in 2024 by directly contacting members to encourage their participation in the cooperative, which members much appreciated. This followed a presentation of our plan to strengthen contact with direct members at the spring meeting of the support associations in Bilbao, Spain. Establishing contact with the right person in each member organisation requires effort, as does regularly maintaining the established relationship. Some council representatives also participated in the support associations' autumn meeting.

This year the council has worked on enhancing its visibility, developing a communication strategy and improving connections with the Supervisory Board and the Executive Committee. We provided updates to support associations and participated in the cooperative's 50th anniversary working groups.

The Members' Council, Supervisory Board and Managing Board collaborated in initiating Oikocredit's cooperative identity project. This process aims to understand what keeps members engaged, what makes them proud to share our story and what might hold them back from further involvement. We seek through this open discussion to ensure that our cooperative continues to grow and thrive, benefiting members, our partners and partners' clients. The chairs of the council and the two boards currently form the steering committee for the initiative, providing guidance and oversight.

Also during the year, the council discussed and worked on other topics including Oikocredit's annual Members' Meeting, elections, the brand refresh and investor relations generally, and developed guidelines for its internal processes. Updates from the Managing Director and on the work of its Governance Committee and working groups are recurrent agenda topics for the council.

The council met 11 times online during the year, in addition to one in-person meeting in Amersfoort. Several council representatives were present at the in-person spring meeting of the support associations in Bilbao and at the AGM and Members' Meeting in Costa Rica. The council also organised two webinars, one on members' voting rights and another on the shortlisted candidates for the Supervisory Board.

We met once during the year with the Supervisory Board and once with the Executive Committee to discuss the council's annual plan for 2024-2025.

No training took place for Members' Council representatives in 2024.

Looking ahead

The Members' Council's mandate continues to be the representation of the cooperative's members. A major challenge is connecting to members and encouraging them to engage with Oikocredit through webinars and meetings, including the AGM. The council would like to see all members proactively use their vote and voice to deepen their involvement in Oikocredit's change agenda and social impact. Council engagement with members – an ongoing process that takes time – will yield the best results in the long term and help ensure that Oikocredit continues investing in people.

The council would like to thank all members for their support and encouragement over the past year. It is our shared vision as Oikocredit members that brings us all together. We expect 2025 to be rich in new developments for all the cooperative, including the Members' Council. Not only will we celebrate collaboration with the support associations and all active members as part of Oikocredit's golden jubilee – we also aim to further intensify our work together.

Members are always more than welcome to address the council with questions, ideas and active contributions.

Anita Clemons
Chair

Aglaë Hagg
Co-Vice Chair

Malu Padilla
Co-Vice Chair

Consolidated financial statements

Oikocredit partner Kopsyah BMI is an Indonesian savings, loans and financing cooperative based in Tangerang, near Jakarta. Kopsyah follows Syariah (Sharia) Islamic banking principles and is the largest such cooperative in Banten province in Java.

Focused mainly on lending to micro enterprises, Kopsyah also supports member households with water and sanitation loans, house renovation financing, education loans, business training, university scholarships and profit sharing.

The photograph shows Kopsyah small business client and laundromat owner Triendah Daryanti talking with branch manager Wahyu Budi Prasetya.

Consolidated balance sheet

(Before appropriation of net income)

Notes	Consolidated balance sheet	31/12/2024	31/12/2023
		€ ,000	€ ,000
	FIXED ASSETS		
7	**INTANGIBLE FIXED ASSETS**	**4,118**	**4,134**
8	**TANGIBLE FIXED ASSETS**	**2,980**	**3,278**
	FINANCIAL ASSETS		
9	Development financing:		
	Total development financing outstanding	1,105,297	1,084,716
	Less: - loss provision and impairments	(86,588)	(61,551)
		1,018,710	**1,023,165**
	Consists of:		
	Loans (net of loss provision)	*887,214*	*892,598*
	Equity (net of impairments)	*129,159*	*130,567*
	Significant influence investment	*2,337*	*2,927*
10	Other securities	13,848	18,743
11	Other financial assets	3,823	8,894
	Total	**1,036,381**	**1,050,802**
11	Deferred tax assets	456	230
	Total fixed assets	**1,043,935**	**1,058,445**
	CURRENT ASSETS		
12	Receivables and other current assets	40,637	39,656
13	Cash and cash equivalents	62,467	58,772
	Total	**103,103**	**98,428**
	TOTAL	**1,147,039**	**1,156,873**

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

Consolidated balance sheet

(Before appropriation of net income)

	Consolidated balance sheet		
Notes		31/12/2024	31/12/2023
		€ ,000	€ ,000
	GROUP EQUITY AND FUNDS		
14/15	Member and investor capital	967,023	1,000,786
15	General reserve	80,653	84,648
15	Restricted exchange fluctuation	(3,814)	(4,351)
16	Reserves for subsidised activities	2,884	2,514
17	Funds for subsidised activities	1,244	1,340
	Undistributed net income for the year	(8,149)	1,616
	Total group equity and funds	**1,039,841**	**1,086,554**
18	**PROVISIONS**	**202**	**289**
19	**NON-CURRENT LIABILITIES**	**36,206**	**18,580**
20	**CURRENT LIABILITIES**	**70,790**	**51,450**
	TOTAL	**1,147,039**	**1,156,873**

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

Consolidated income statement

Notes	Consolidated income statement	2024 € ,000	2023 € ,000
	INCOME		
	Interest and similar income		
22	Interest on development financing portfolio	94,706	88,396
	Total interest and similar income	**94,706**	**88,396**
	Interest and similar income and expenses		
23	Interest income and expenses	(6,386)	(1,490)
	Total interest and similar expenses	**(6,386)**	**(1,490)**
	Income from equity investments		
24	Result from sale of equity investments	9,071	(6,355)
24	Dividends	7,543	4,624
24	Management fees funds	(161)	(128)
25	Result significant influence investments	(686)	759
	Total income from equity investments	**15,767**	**(1,100)**
26	**Grant income**	**1,893**	**936**
	Other income and expenses		
27	Exchange rate differences	132	(5,506)
27	Hedge premiums and provisions	(24,594)	(26,263)
27	Dividend and sales from other securities	482	4
27	Other	3,134	4,455
	Total other income and expenses	**(20,846)**	**(27,310)**
	TOTAL OPERATING INCOME	**85,134**	**59,431**
	GENERAL AND ADMINISTRATIVE EXPENSES		
28	Personnel	(26,840)	(24,513)
	Travel	(1,214)	(1,198)
29	General and other expenses	(17,421)	(18,840)
	TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	**(45,475)**	**(44,551)**
	ADDITIONS TO AND RELEASED FROM LOAN LOSS PROVISIONS AND EQUITY IMPAIRMENTS		
30	Additions to and releases from loan loss provisions	(41,035)	(14,288)
30	Impairments on equity investments	(6,867)	3,458
	TOTAL ADDITIONS TO AND RELEASES FROM LOSS PROVISIONS AND IMPAIRMENTS	**(47,902)**	**(10,830)**
	INCOME BEFORE TAXATION	**(8,243)**	**4,050**
31	Taxes	94	(2,434)
	INCOME AFTER TAXATION	**(8,149)**	**1,616**

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

Consolidated cash flow statement

Notes	Consolidated cash flow statement	2024 € ,000	2023 € ,000
	INCOME BEFORE TAXATION	**(8,243)**	**4,050**
	Interest expenses	6,386	1,490
	INCOME BEFORE INTEREST AND TAXATION	**(1,857)**	**5,540**
9/12	***Adjusted for non-cash items***		
	Value adjustments loans, equity and receivables	64,088	17,788
7/8	Depreciation (in)tangible fixed assets	1,747	1,713
11/12/ 20/31	Taxes paid	102	(2,004)
	Exchange rate adjustments	(28,913)	22,641
	Changes in		
9	Development financing (disbursements and repayments)	(29,685)	(124,489)
11	Other financial assets	5,063	(1,524)
12	Receivables and other current assets	3,780	14,519
18	Provisions paid	(105)	(69)
23	Interest paid	(7,830)	(4,275)
23	Interest received	1,444	2,785
20	Current liabilities	11,863	8,585
	CASH FLOW FROM OPERATING ACTIVITIES	**19,697**	**(58,790)**
	Investments and divestments from term investments	-	-
7	Investments from intangible assets	(1,340)	(1,028)
8	Investments from tangible assets	(106)	(152)
8	Divestments from tangible assets	92	1
	CASH FLOW FROM INVESTING ACTIVITIES	**(1,354)**	**(1,179)**
14/45	Member and investor capital issuance in euro and foreign currencies	29,333	20,490
14/45	Member and investor capital redemptions in euro and foreign currencies	(63,138)	(130,411)
	Dividend paid on member and investor capital in euro and foreign currencies	(5,241)	(5,661)
19	Loans and notes	23,609	11,081
	CASH FLOW FROM FINANCING ACTIVITIES	**(15,437)**	**(104,501)**
	CHANGES IN CASH AND CASH EQUIVALENTS	**2,906**	**(164,470)**
13	Cash and cash equivalents beginning of the year	58,772	225,207
	Exchange rate difference on cash and cash equivalents	789	(1,965)
	Cash and cash equivalents end of the year	62,467	58,772
	CHANGES IN CASH AND CASH EQUIVALENTS	**2,906**	**(164,470)**

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

Consolidated statement of comprehensive income

Notes	Consolidated statement of comprehensive income	2024	2023
		€ ,000	€ ,000
	INCOME FOR THE YEAR AFTER ADDITIONS TO AND RELEASES FROM FUNDS	**(8,149)**	**1,616**
46	Change in the restricted exchange fluctuation reserve	537	(124)
16	Change in funds for subsidised activities	(96)	(482)
	Total of direct movements in the group equity and funds	**441**	**(606)**
	COMPREHENSIVE INCOME	**(7,708)**	**1,010**

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

Notes to the consolidated financial statements

Year ended 31 December 2024

These financial statements cover the year 2024, which ended at the balance sheet date of 31 December 2024. The financial statements contain the financial information of both the Society and the consolidated companies of the Society.

These financial statements are expressed in euro (EUR). As at 31 December 2024, USD 1 equalled EUR 0.9662769 (31 December 2023: USD 1 equalled EUR 0.904077).

1. General information

Description of the organisation

OIKOCREDIT, Ecumenical Development Cooperative Society U.A. (the Society) was established in 1975 in Rotterdam, the Netherlands, and has corporate status under the laws of the Netherlands. The Society is registered in Amersfoort, the Netherlands, under number 31020744. The legal address of its registered office is Berkenweg 7, 3818 LA Amersfoort. The Society is owned by its members throughout the world. Members include churches, subdivisions of churches, councils of churches, church- related organisations, partners (organisations to which the Society has extended a loan or equity investment) and support associations established by individuals and local parishes. The Society has an undefined ending date.

Oikocredit's mission is to challenge all to invest responsibly. It provides financial services and supports organisations to improve the quality of life of people and communities with low incomes 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.

The entities belonging to the Oikocredit group are:

- Oikocredit International Support Foundation (hereafter: Oikocredit International Foundation or Foundation), Amersfoort, the Netherlands
- Maanaveeya Development & Finance Private Limited, Hyderabad, India

The Oikocredit International Foundation has five board members, four of whom are representatives of the Society and a fifth independent board member. Therefore this Foundation belongs to the group.

The Society is at the head of the Oikocredit group and has its central office in Amersfoort, the Netherlands.

The regional offices for the outflow market are located in Kenya, Peru and the Philippines. In addition, Oikocredit has offices in the following countries: Argentina, Brazil, Costa Rica, Côte d'Ivoire, Guatemala, Mexico and Nigeria. The offices in Brazil, Costa Rica, Guatemala, Kenya and Nigeria are incorporated as legal entities:

Brasil Assessoria a Consultoria Ltda) – Brazil
Oikocredit Centro Regional de Servicios Ltda – Costa Rica
Oikocredit Servicios para el Dessarallo Sostenible S.A. – Guatemala
Oikocredit Services Kenya Ltd – Kenya Oikocredit Nigeria Ltd – Nigeria

Due to the limited size of the assets of these legal entities, it was decided to regard these assets as if they were branch offices for accounting purposes.

The offices of Oikocredit for the inflow market are located in Austria, Belgium, France, Germany and Switzerland. All inflow offices are branches of the Society.

Oikocredit International Foundation (the Foundation)

The Foundation was established in 1995, in Amersfoort, the Netherlands, under the name Oikocredit International Support Foundation in accordance with Dutch law. The duration of the Foundation is unlimited. The main purpose of the Foundation is to promote and support the development of low-income people and communities' capacities on an individual and organisational basis and to enable them to gain access to necessary resources to help them improve their quality of life.

The Foundation does this, for example, by (i) receiving and providing donations and subsidies, (ii) promoting standards and best practices that are aimed at the protection and promotion of low-income people and their communities' well-being and (iii) providing resources for innovative solutions to the challenges/ needs of low-income people and their communities, with the potential for scale-up and replication.

Basis of preparation

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 (Dutch GAAP).

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the accounting principles mentioned in Note 2 below.

Basis of consolidation

The consolidated financial statements include the financial information of the Society, its group companies and other entities over which it exercises control or whose central management it conducts. Group companies are entities over which the Society exercises direct or indirect 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.

The consolidated financial statements are prepared by using uniform accounting policies for measurement and determination of the results of the group.

Inter-company transactions, profits and balances among group companies and other consolidated entities are eliminated. Unrealised 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 the Society exercises control or whose central management it conducts are consolidated in full. Minority interests in group equity and group net income are disclosed separately.

Application of Section 402, Book 2, of the Dutch Civil Code

As the income statement 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.

Going concern

These financial statements have been prepared under the going concern assumption.

Based on the composition of the balance sheet and more specifically the liquidity position, the Society will continue as a going concern for the foreseeable future and expects to realise its objectives in the normal course of business.

Related parties

All Oikocredit group companies mentioned above under *Description of the organisation* are considered to be related parties.

The support associations are separate organisations established to support the worldwide work of Oikocredit. The former Oikocredit International Share Foundation (Share Foundation) was also a separate organisation until its liquidation in 2023.

The Share Foundation was established in 1995, in Amersfoort, the Netherlands, under Dutch law. The Share Foundation was liquidated on 20 December 2023. The Share Foundation functioned as an administrative office of the Society for the sole purpose of issuing depository receipts to investors. As of 1 April 2023, the administration of depository receipts ceased as all former holders of depository receipts became holders of participations issued by the Society.
As the Share Foundation no longer served a purpose, the board of the Share Foundation decided to liquidate the Share Foundation.

Members are also 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 of, extent of and other information about transactions are disclosed if this is required to provide a true and fair view.

2. Accounting policies for the balance sheet

General information

The financial statements are denominated in euro. 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 recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

Comparative figures
The accounting policies have been consistently applied to all the years presented.

Estimates and judgements
The preparation of financial statements, in conformity with the relevant rules, requires the use of certain critical accounting estimates. It also requires the Society's Managing Board 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.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively, e.g. in the period in which the estimate is revised and in any future periods affected. The areas where estimates and judgements have the most significant impact are:
- Loan loss provision and
- Impairments on equity investments

Change in accounting estimate
During the year 2024 there were no changes in accounting estimates. In the year 2023 the Society changed the calculation of the provision on rescheduled partners. Instead of providing a standard % for provisioning, a calculation based on the net present value of future cashflows is now applied, which is in accordance with the Generally Accepted Accounting Principles in the Netherlands (Dutch GAAP). This change in method resulted in a release of EUR 0.9 million in 2023.

Foreign currencies

Transactions in foreign currencies
The financial statements are presented in euro. The euro 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 (FX) gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

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

Foreign operations
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 transaction date 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.

Hedging of the net investment in foreign operations
Currency translation differences arising from the translation of a financial liability considered as a hedge of the net investment in a foreign group company are directly recognised in equity (in the restricted exchange fluctuation reserve) to the extent that the hedge is effective. The ineffective part is recognised as an expense in profit and loss.

Assets and liabilities
An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Society and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance-sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Society. Liabilities that are not recognised in the balance sheet are considered as off-balance-sheet liabilities.

Fixed assets and depreciation
Fixed assets (both tangible and intangible) are stated at cost minus depreciation and impairment. Expenditure for additions, renewals and improvements (only if it is adding value or if it is extending the lifetime of the asset) are capitalised. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets. At each balance-sheet date, it is established whether there are any indications of 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.

Financial instruments
Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: financial instruments held for trading (financial assets and liabilities), loans and receivables (both purchased and issued), equity instruments, other financial liabilities and derivatives.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract. Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

Development financing
Loans disclosed under development financing are initially measured at fair value, which is equal to the notional value. The subsequent measurement is at amortised cost being notional value minus repayment and impairment.

These financial assets are assessed at each reporting date to determine whether there is objective evidence that any is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

There are no transactional costs applicable that are to be amortised for the loans, hence the effective interest rate is considered equal to the contract interest rate of the loans and there are no amortisation results in the P&L during the year.

Associates
Equity investments in companies in which the Society has significant influence but does not control (associates) are accounted for under the equity accounting method. If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity. Significant influence is normally evidenced when the Society has from 20% to 50% of a company's voting rights.

In addition, the Society takes into consideration the factual circumstances, such as:
- the Society's involvement in the company's operational and/ or strategic management by participation in its management, supervisory board or investments committee;
- the presence of material transactions between the Society and the company; and
- the Society making essential technical assistance available.

Under the equity accounting method the investments in associates are initially recorded at cost and the carrying amount is increased or decreased after the date of acquisition to recognise the Society's share of the investee's results or other results directly recorded in the equity of associates.

Investments
Participating interests where no significant influence is exercised are measured as the lower of cost or realisable value. In case the Society has the firm intention to sell, then the participating interest is stated at the lower expected sales value.
If the Society transfers an asset or a liability to a participating interest that is measured at cost or current value, the gain or loss resulting from this transfer is recognised directly and in full in the profit and loss account, unless the gain is in substance not realised.

The fair value is determined taking into account suitable valuation methods such as book value multiples, price-earnings ratios, discounted cash flows and recent sale prices of similar investments. In line with the accounting principles for equity investments, the impairment losses are included in the income statement.

Provision and impairments 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 for loans is based on incurred loss model. The loan loss provision can be split in two: 1) incurred and reported loss and 2) incurred but not reported loss.

Incurred and reported loss
The entity considers evidence of impairment for loans measured at amortised cost both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Society uses historical trends, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

If a partner is deemed non-performing (see below for explanation of 'non-performing') due to overdue payments or other factors, the Society will account for a specific provision if the incurred loss is expected to exceed the collective provisions for that partner. This provision is calculated based on the Society's management's risk assessment, the value of the collateral and experience with these kinds of partners.

Incurred but not yet reported loss
In the event that a partner has defaulted in the year, but this is only discovered after year end, this will be called an incurred but not yet reported loss. For this a general provision will be created, which is determined based on back testing. Back testing means that the Society will test whether partners went into default in the first and/or second quarter of the year after year end and whether the cause was in the reporting year. A three years average will be taken into account to form the provision.

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

Loans are generally written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety. This is generally the case when the Society determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Due to the nature of the Society's business, this assessment is carried out at homogeneous portfolio level and applied to the individual financial asset. Recoveries of amounts previously written off are included in impairment losses on financial instruments in the income statement.

Loans that are written off could still be subject to enforcement activities in order to comply with the Society's procedures for recovery of amounts due.

Non-performing partners are partners that are structurally in arrears, often with their loan in the process of being foreclosed.

All equity investments are reviewed and analysed at least annually for indicators of impairment. An equity investment is considered impaired when the carrying amount exceeds the recoverable amount. The Society operates in countries where there is in general 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 these are available.

Other securities

The other securities are non-listed investments and are stated at cost less impairment. At each balance sheet date, it is established whether there are any indicators of the securities being subject to impairment. If any such indications exist, the recoverable amount of the security is determined. Transaction costs are expensed in the income statement if these are related to financial assets carried at fair value through profit or loss.

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. Cash and cash equivalents are stated at nominal value.

If cash and cash equivalents are not readily available, this is taken into account in the measurement.

Member and investor capital

The Society raises its equity capital by issuing participations to participants. There is no limit to the number of participations that can be issued. Participations are issued with a nominal value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000 or USD 200.

The participations are the most subordinated class of instruments issued by the Society. The Articles of Association of the Society provide the same terms and conditions to the Society's holders and no preferential terms are provided, irrespective of the currency denomination. This means that the Society participations are identical in subordination. The foregoing also applies in the event of dissolution of the Society. As such, all instruments are presented as equity in the consolidated financial statements. Where the Society repurchases participations, the consideration paid is deducted from equity (member and investor capital). Where such participations are issued, any consideration received is included in equity (member and investor capital).

The Society assesses whether to honour issue and redemption requests on a monthly basis and, following a positive assessment, processes issue and redemption requests on a monthly basis. All issue and redemption requests made in the same calendar month shall be treated as having been made on the last day of that month.

The redemption price for a participation shall be determined by the Society in accordance with the following principles:

1. The redemption price for a participation with a nominal value in euros shall be equal to the net asset value (NAV) per participation, unless the NAV per participation is equal to or higher than two hundred euros (EUR 200), in which case the redemption price shall be two hundred euros (EUR 200);
2. The redemption price for a participation with a nominal value in a foreign currency is equal to the product of the NAV quotient (i.e., NAV divided by the total amount of participations calculated in euros) multiplied by the nominal value of the participation in the relevant foreign currency, unless the NAV per participation (which is calculated in euros by definition) is equal to or higher than two hundred euros (EUR 200), in which case the redemption price is equal to the nominal value of the participation in the relevant foreign currency.

The NAV is derived from the Society's balance sheet at the last calendar day of each month.

The Society may at its sole discretion decide to have the balance sheet go through a process of independent assurance, including having it audited, in order to determine the NAV.

Provisions

The restructuring provision is a specific provision that consists of anticipated severance payments and other costs that are directly related to restructuring programmes. These costs are accounted for in the period in which a legally enforceable or constructive obligation to make the payment arises. No provision is formed for costs or future operating losses stemming from continuing operations.

The Society recognises severance payments if the Society has demonstrably committed itself to:
- The termination of the employment contracts of current employees in accordance with an announced detailed formal plan without the option of the plan being withdrawn; or
- The payment of termination benefits as a result of an offer to encourage voluntary redundancy that cannot be withdrawn.

Provisions are measured at the nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account. Borrowings are initially recognised at fair value, with net transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Redemption payments regarding non-current liabilities that are due next year are presented under current liabilities.

Derivative financial instruments

Derivative financial instruments are stated at cost or lower market value, except for derivative contracts concluded to mitigate currency risks, where the Society has applied cost price hedge accounting. The Society has documented the (generic) relationship between hedging instruments and hedged items. The Society also tests its assessment, both at hedge inception and on an ongoing basis, of whether the hedge is effective or if there is over-hedging. The Society has no derivative financial instruments embedded in contracts.

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 recognised 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 recognised directly in the income statement.

3. Accounting policies for the income statement

Income and expense recognition

IIncome is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate.

Income from investments, expenses, outstanding project funding, management fees and time deposits are recognised on an accrual basis. For non-performing partners, the Society assesses on a case-by-case basis if interest should be accrued or invoiced.

Transactions between the Society and equity investees that do not classify as group companies are recognised directly and in full in the consolidated income statement when they result in a gain or loss. Dividends of equity investments that are carried at cost or net asset value are recognised as income from equity investments in the period in which the dividends become payable.

Share in result of participating interests

The share in the result of participating interests consists of the share of the group in the results of these participating interests, determined on the basis of the accounting principles of the group. Results on transactions, where the transfer of assets and liabilities is between the group and the non-consolidated participating interests and/or mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised.

The results of participating interests acquired or sold during the financial year are measured in the group result from the date of acquisition or until the date of sale respectively.

Interest and similar income and similar expenses

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

Grants

Designated grants are included as income in the year in which such grants are realised. Grants are realised when the expenses are made.

Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognised 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 included in the income statement based on the employee's terms of employment, when these are due to employees. For benefits with accumulating rights, such as sabbatical leave, the projected costs are taken into account during the employment.

Dutch pension plans

The Society has pension plans to which the conditions of the Dutch Pension Act are applicable. The pension plan that currently is in place for employees in the Netherlands is a defined contribution plan with a.s.r. (Amersfoortse and Stad Rotterdam). The Society pays premiums to a.s.r. on a monthly basis. Premiums are recognised as personnel costs when they are due. Prepaid contributions are recognised as prepayments and accrued income to the extent that this will lead to a reduction in future payments or a cash refund. Contributions that are due but have not yet been paid are presented as liabilities.

The main provisions of the pension agreement are:

- The Society pays a certain percentage over the pensionable salary. The percentage paid depends on the age of the employee.
- There are no specific agreements relating to reduction or refund of contributions.
- The pension contribution for the employee is voluntary.

The old pension scheme, provided by Nationale Nederlanden, is a conditionally indexed, average-salary scheme. Indexation is decided upon each year by the Executive Committee.

Foreign pension plans

For employees outside the Netherlands, contributions to pension schemes are paid as per local legal requirements. Employees outside the Netherlands receive a monthly payment for use towards their pensions, or Oikocredit contributes to a pension plan according to local legislation or market practice (private/public scheme). Premiums are recognised as personnel costs when they are due. Prepaid contributions are recognised as prepayments and accrued income to the extent that this will lead to a reduction in future payments or a cash refund. Contributions that are due but have not yet been paid are presented as liabilities.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the Society is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits as part of the restructuring provision.

See the policy under the heading 'Provisions'.

Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement of post-employment benefits, measurement is made according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability.

Leasing

The Society may enter into finance and operating leases.

A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

Operating leases as a lessee

If the Society acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised in the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

Corporate income tax

The Society is liable for corporate income tax in the Netherlands at a rate of 25.8% (2023: 25.8%), with an initial rate of 19% for the first EUR 200,000 of taxable income. No tax has to be withheld on dividends distributed by the Society to its holders of participations.

For taxable temporary differences, a provision for deferred tax liabilities is recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset in the balance sheet if the Society has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable entity.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Society expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

Discontinued operations

In order to recognise a business segment as a discontinued operation upon disposal of the segment in question, the Society defines a business segment as part of a unit in which the activities and cash flow are largely dependent on other activities. Gains or losses from the disposal of a business segment, with the results from these activities, are measured separately as result on terminated activities until the date of disposal.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date, and that appear before the financial statements are prepared, are recognised in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

4. Accounting policies for the 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 exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement.

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. Interest paid and received, dividends received and income taxes are included in cash from operating activities.

Cash flow from investing activities

The net cash flow from investing activities includes the movements in the (in)tangible fixed assets.

Cash flow from financing activities

The net cash flow from financing activities includes movements in the funding attracted from member and investor capital and received loans. Dividends paid are recognised as cash used in financing activities.

5. Comprehensive income statement

The comprehensive income statement shows the direct movements in the group equity and funds.

6. Risk management

Organisation

Three Lines Model (aka Three Lines of Defence Model)

As an organisation, the Society applies a Three Lines Model in order to ensure that staff are aware of their role with respect to the management of risks. In this model, the business departments and offices act as the first line and are responsible for adhering to processes and internal controls suitable for managing the risks inherent to their activities and operations.

The Society assigns the responsibility of ensuring that relevant risks are properly identified and monitored to the Risk Monitoring unit, which is part of the Finance & Risk department, reporting to the Director of Finance & Risk. Acting in coordination with the other units bearing second line responsibilities, such as Legal & Compliance, the Risk Monitoring unit assesses the adequacy of the internal control environment and whether sufficient risk-mitigation procedures are in place within the first line of defence to manage the relevant risks.

Internal Audit, as the third line, provides independent and objective assurance on the governance processes, internal controls and risk management systems, including the effectiveness of the internal controls within the first and second lines. Financial assurance is out of scope as for this the Society relies on an external 'Big Four' audit firm.

Risk governance

The Society maintains a formalised Risk Management & Governance Framework for the risk management activities and responsibilities within the organisation.

The framework covers the following risk categories:

Financial risks	Non-financial risks	Strategic risks
▪ Credit	▪ Operational	▪ Operating and Business model
▪ Equity	▪ Compliance, Legal and Regulatory	
▪ FX	▪ Reputational	
▪ Interest rate		
▪ Counterparty		
▪ Liquidity		

The framework also comprises the structure and functioning of the Society's risk committees, upon which the organisation relies for testing and assessing its internal control environment and monitoring relevant risks. The Society has the following risk committees in place for overseeing the financial and non-financial risk categories outlined in the table above:

- The Asset-Liability Committee (ALCO), whose members are the Director Finance & Risk (chair), the Director of Accounting, Control & Tax (vice-chair), the Managing Director (alternative chair), the Director Inflow & Business Enablers, the Director Impact Investments, the Director Investor Relations & Capital Raising, the Manager of Risk Monitoring and the Corporate Treasurer. Internal Audit has an observer seat on the committee. The purpose of this committee is to monitor asset and liability management within the Society, and in particular the FX, interest rate, counterparty and liquidity risks. The ALCO meets at least once a month.
- Compliance & Regulatory Risk Committee (CRRC). The members of the committee are the Director Finance & Risk (chair), the Manager Risk Monitoring (vice-chair), the Managing Director (alternative chair), the Director Inflow & Business Enablers, the Director Strategy & Sustainable Impact, the Director People & Development, the Director Investor Relations, the Manager Operations, the Director of Accounting, Control & Tax, the Director Impact Investments and, the Head of Legal & Compliance. Internal Audit holds an observer seat on the committee. The purpose of the CRRC is to ensure the efficient and effective management of the compliance and regulatory risks throughout the Oikocredit group, in support of the strategy and in line with the risk appetite and the related governance, risk and control framework.
- Operational & Reputational Risk Committee (ORRC). The members of the committee are the Director Finance & Risk (chair), the Manager Risk Monitoring (vice-chair), the Managing Director (alternative chair), the Director Inflow & Business Enablers, the Director of Strategy & Sustainable Impact, the Director People & Development, the Manager Operations, the Communications Manager and, the Manager Information Security & IT Services IT Applications & Infrastructure. Internal Audit holds an observer seat on the committee. The purpose of the OCRRC is to ensure the efficient and effective management of the operational and reputational risks throughout the Oikocredit group, in support of the strategy and in line with the risk appetite and the related governance, risk and control framework.
- Portfolio Risk Committee (PRC). The members of this committee are the Director Finance & Risk (chair), the Manager Risk Monitoring (vice-chair), the Managing Director (alternative chair), the Director Impact Investments, and the Director Strategy & Sustainable Impact. The Manager Risk Analysis Unit, the Corporate Treasurer and Internal Audit are observers. The purpose of this committee is to ensure the efficient and effective management of the total risk in the development financing

portfolio (i.e. the investment portfolio) in support of the strategy and in line with the risk appetite and the related governance, risk and control framework.
- Following the resignation of the Director Finance & Risk, a temporary redistribution was implemented, appointing the Director Inflow & Business Enablers as the Chair of the Compliance & Regulatory Risk Committee (CRRC), Operational & Reputational Risk Committee (ORRC), and Asset-Liability Committee (ALCO), and the Director Finance & Risk ad interim (a.i) (the Managing Director) as Chair of the Portfolio Risk Committee (PRC).

In addition to the risk committees, the Society has set up a Social Performance Committee. The purpose of this committee is to drive and guide a truly embedded and integrated approach to impact investing for the Society and is currently scoped to the development finance portfolio. The committee plays a key role in aligning the work of different units with the Society's intention of generating measurable, beneficial social impact alongside a fair financial return.

Financial risk

Credit risk

Credit risk is defined as the risk that a partner does not pay their outstanding amounts and other obligations (e.g. interest payments and fees) on the agreed due dates. Credit risk includes all the potential reasons why a partner cannot or will not repay, including: changes in economic or political circumstances in the country where the partner is located or operates; changes in the risks in the business activities of the partner; and risks of changing conditions for its business activities (e.g. the effect of changing regulations, and changes in climate and environment). The risks of non-repayment can also stem from specific partner circumstances and actions, such as business mismanagement.

Most Society counterparties are partners and therefore the risk that they default on a loan is considered credit risk. For all other counterparties, such as banks or financial institutions that provide financial services to the Society, the risk of non-repayment is described as counterparty risk.

Assessing credit risk can be considered at the core of the Society's activities. A solid risk assessment of a partner's business activities is of mutual interest, as it helps both the Society and the partner align on creating social impact in a financially sound way and with a longer-term perspective. In order to assess the potential losses arising from the credit risk exposure, the Society applies the measurement of incurred loss model.

The Society's Credit Committee, consist of the Director of Finance & Risk (chair), the Managing Director (alternative chair), the Strategic Risk Expert (alternative chair) the Director of Impact Investments, the Strategic Advisor Impact & Social Performance, the Director of Specialised Finance & Community Building, the Director of Strategy & Sustainable Impact, the Regional Director Africa, the Regional Director Latin America & the Caribbean, the Regional Director Southeast Asia, the Director of India, and the Team Lead for Risk Analysis, The Credit Committee approves loan proposals. At least one representative for each of the three core lines of expertise (Finance & Risk, Strategy & Sustainable Impact and Impact Investrments) must be present at the meeting to constitute a valid quorum.
Following the resignation of the Director of Finance & Risk, a temporary redistribution was implemented, appointing the Director of Finance & Risk a.i (the Managing Director) as the Chair of the Credit Committee.

The Credit Committee has delegated some decisions on credit transactions to the Risk Analysis Unit under the straight-through process procedure and on low-risk contract changes.

To ensure diversification in the investment portfolio and reduce concentration risk and intrinsic credit risk, the Society has established policies based on its risk assessment system to set limits in exposure related to amounts outstanding:

- Per country (geographical diversification)
- Per country group based on country rating (credit profile diversification)
- Per asset class (asset class diversification)
- Per business sector (sector diversification)
- Per partner (single borrower diversification)
- To a group of companies (group diversification)

The adherence to these limits as well as historical development are monitored on a monthly basis by the risk management function and shared internally with the investment function. At least on a quarterly basis, it is shared with the Portfolio Risk Committee.

2024 gross credit exposure						
As at 31 December 2024	Financial inclusion	Agriculture	Renewable energy	Other	Total	
Region	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	%
Africa	123,254	58,099	15,529	1,030	197,911	20.7%
Asia	252,531	2,811	21,335	-	276,676	29.0%
South America	185,716	40,009	-	-	225,725	23.6%
Central America	184,163	45,164	3,895	-	233,222	
Other	8,081	9,421	4,061	-	21,563	2.6%
Total	**753,745**	**155,503**	**44,820**	**1,030**	**955,098**	**100%**
%	**78.9%**	**16.3%**	**4.7%**	**0.1%**	**100%**	

2023 gross credit exposure						
As at 31 December 2023	Financial inclusion	Agriculture	Renewable energy	Other	Total	
Region	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	%
Africa	113,065	59,645	17,482	1,412	191,604	20.4%
Asia	241,563	2,655	19,061	-	263,279	28.0%
South America	209,783	37,716	-	1,860	249,359	26.6%
Central America	170,179	35,444	4,472	-	210,095	22.4%
Other	8,771	11,852	3,905	-	24,528	2.6%
Total	**743,361**	**147,311**	**44,920**	**3,273**	**938,865**	**100%**
%	**79.2%**	**15.7%**	**4.8%**	**0.3%**	**100%**	

The total development financing credit portfolio in the table above does not reconcile with the loan portfolio as disclosed in Note 9. The difference is caused by a financial lease construction regarding solar panels, which are classified as fixed assets in the balance sheet. It is added to the table above as the leasing agreements are subject to credit risk. Next to this, the tables do not include committed-not-yet-disbursed amounts which at year-end 2024 amounted to EUR 134.2 million (2023: EUR 201.0 million).

Non-performing loans – portfolio at risk overdue by more than 90 days (PAR 90)

As part of managing credit risk, the Society closely monitors the financial performance of the portfolio of credit instruments generated. A PAR 90 ratio reflects the credit products showing amounts overdue for more than 90 days. This ratio is considered a key indicator for assessing the non-performing portfolio and the general health of the development financing credit portfolio. The ratio is assessed at region, country and sector levels in order to support the active credit portfolio management corrective actions. PAR 90 was 8.3% as at 31 December 2024 (2023: 5.8%).

Loans more than 30 days overdue and rescheduled loans have a provision applied that is calculated based on factors such as the individual partner's situation or available collateral. The relevant exposures (financial inclusion partners larger than EUR 1 million and partners larger than EUR 500,000 from other sectors) are then further analysed with the support of the Special Collections unit in order to understand if the quantitative specific provisioning fairly reflects the potential losses or if manual adjustments are needed. These specific provisions are reviewed each quarter.

Overview of credit portfolio at risk (PAR) split and overdue receivables				
As at 31 December	**2024**		**2023**	
	€ ,000	**%**	**€ ,000**	**%**
On time	835,556	87.5%	848,354	90.4%
PAR 1-30	27,674	2.9%	22,914	2.4%
PAR 31-90	12,216	1.3%	13,423	1.4%
PAR 91-180	21,480	2.2%	11,647	1.2%
PAR 181-360	20,180	2.1%	24,988	2.7%
PAR > 360	37,993	4.0%	17,539	1.9%
Total	**955,098**	**100.0%**	**938,865**	**100.0%**

Country risk and concentration

Country risk arises from country-specific events that have an impact on the exposure in a specific country, such as those of a political or macroeconomic nature. All investments entail the acceptance of some degree of country risk, but to limit this risk exposure, the Society has developed an exposure limits system that is also a function of the sovereign risk assessment of the countries in the investment portfolio, for which an external rating provider is used. Changes in country ratings and scores as well as the analysis from this external rating provider are monitored regularly. In addition to this, the Society also benefits from the country reports, regional outlooks and news flow of this external rating provider along with other intelligence providers to monitor ongoing developments in countries and regions.

Country risks are mitigated through diversification of the geographical distribution of the portfolio across a number of countries and by percentage limit allocation according to sovereign ratings. Higher-rated countries have a higher percentage (of investable capital) limit. Total exposure in CCC (to countries with CCC-, CCC and CCC+ ratings) and B (to countries with B-, B and B+ ratings) rating buckets are also capped with a percentage limit (of investable capital). For country risk, the Society uses sovereign ratings as assessed by S&P Global Market Intelligence, which takes into account the quantitative factors from countries' financial statements further adjusted for economic risk, political risk and other macroeconomic forecasts.

Gross development financing portfolio exposure grouped by sovereign rating						
As at 31 December			**2024**		**2023**	
Sovereign rating			**€ ,000**	**%**	**€ ,000**	**%**
AAA	Investment grade	Prime	-	0.0%	-	0.0%
AA	Investment grade	High grade	-	0.0%	-	0.0%
A	Investment grade	Upper medium grade	-	0.0%	-	0.0%
BBB	Investment grade	Lower medium grade	412,054	37.1%	387,090	35.5%
BB	Speculative grade	Speculative grade	222,423	20.0%	253,954	23.3%
B	Speculative grade	Highly speculative	321,520	29.0%	283,935	26.0%
CCC	Speculative grade	Extremely speculative	153,581	13.8%	166,244	15.2%
CC	Speculative grade	Imminent default	-	0.0%	-	0.0%
D	Speculative grade	In default	-	0.0%	-	0.0%
Total [1]			**1,109,578**	**100.0%**	**1,091,223**	**100.0%**

[1] The totals include the financial lease construction regarding solar panels and guarantees and significant influence investments that are treated differently from an accounting perspective. These totals are therefore different from the total development financing portfolio presented in the consolidated balance sheet and notes.

Due to the Society's commitment to financing partners in emerging and frontier markets, the degree of country risk to which the portfolio is exposed is skewed towards being speculative grade. However, the granularity of the portfolio (i.e. its diversification across a wide variety of assets) within each country, and the fact that our financial inclusion partners have a diversified portfolio, helps mitigate exposure to individual default risk.

In the table below the development financing portfolio is presented based on exposure per country. The largest 10 countries based on exposure constitute around 66.6% of the total portfolio. The level of granularity for country exposure is relatively high, with the only notable exception being India, which is one of the highest rated countries in the portfolio.

Development financing portfolio - top 10 countries exposures							
As at 31 December		2024				2023	
	Sovereign rating	€ ,000	%		Sovereign rating	€ ,000	%
India	BBB	270,408	24.4%	India	BBB	228,805	20.9%
Kenya	B-	83,280	7.5%	Kenya	B-	72,975	6.7%
Ecuador	B-	65,319	5.9%	Ecuador	B-	70,928	6.5%
El Salvador	CCC+	63,202	5.7%	El Salvador	CCC+	59,207	5.4%
Bolivia	CCC+	51,853	4.7%	Multinational	BB	52,977	4.9%
Multinational [1]	BB	48,813	4.4%	Bolivia	CCC+	48,947	4.5%
Mexico	BBB+	43,744	3.9%	Peru	BBB	47,566	4.4%
Guatemala	BB-	40,766	3.7%	Mexico	BBB+	46,928	4.3%
Peru	BBB	40,549	3.7%	Indonesia	BBB-	35,420	3.2%
Brazil	BB+	31,169	2.8%	Guatemala	BB-	34,987	3.2%
Total		**739,103**	**66.61%**	**Total**		**698,740**	**63.95%**
Total portfolio [1]		**1,109,578**	**100.0%**			**1,091,223**	**100.0%**

[1] The totals include the financial lease construction regarding solar panels and guarantees that are treated differently from an accounting perspective. These totals are therefore different from the total development financing portfolio presented in the consolidated balance sheet and notes. Multinationals include partners that are incorporated not necessarily in focus countries but operating in one or multiple focus countries.

Financial counterparties risk

Financial counterparties risk constitutes the risk of losses due to diminished creditworthiness of a financial counterparty of the Society, or its default on contractual obligations functional to the deployment of the Society's main investment activity.

This risk may arise in scenario's such as hedging transactions with a positive market value (e.g., FX hedges) and bank deposits or credit balances, particularly with banks in frontier and emerging markets.

Eligibility criteria are defined based on their creditworthiness, ESG and service level criteria for contracting counterparties. Financial counterparty risk is further mitigated with robust contracts, such as those incorporating the International Swaps and Derivatives Association (ISDA) master agreement and associated credit annexes, and by diversifying cash and deposit holdings across multiple counterparties with high credit ratings, ideally located in developed markets.

An internal financial counterparty policy, which outlines eligibility criteria, limits, and approval procedures, governs the Society's counterparty exposures. The policy is endorsed by the ALCO and approved by the Executive Committee. It is the responsibility of the ALCO to approve new financial counterparties based on the Treasury unit's analysis.

Equity risk

Equity risk can be defined as the risk of financial losses related to holding a particular equity investment. This includes the risk that the investment fails to generate an appropriate financial risk-adjusted return, especially taking into account the implicit illiquidity of the equity investment that can arise if no buyer can be found to finance the exit from the investment. An equity participation can also generate a long-term loss due to the deterioration of the partner's financial and business conditions.

Equity investments have different risk characteristics compared to loans. The investment lock-up period is usually longer (around 10 years) and not all equity participations generate steady cash flows (i.e. dividends).

In order to mitigate equity risk in the first line, all individual investment proposals (equity and equity-related products) are assessed by specialist Equity team members in the countries in which the Society works, as well as by the Equity team members in the central office in Amersfoort. This assessment involves an extensive due diligence process and investment proposals must meet predefined criteria. Strengths, weaknesses, opportunities and threats (SWOT) analyses are made and management, financial, legal and social performance analyses take place.

The Society's Investment Committee consists of the Managing Director (chair), the Director of Finance & Risk (alternative chair), the Director of Impact Investments (alternative chair; or alternatively, the Director of Specialised Finance & Capacity Building),the Team Lead Risk Analysis (or alternatively, the Strategic Risk Expert), the Equity Managers/ Equity Portfolio Specialist, the Director of Strategy & Sustainable Impact (or alternatively, the Strategic Advisor Impact & Social Performance), and the Independent PE Advisor. The quorum for the Investment Committee is two Managing Board members plus one other voting member, or their respective delegates as long as the following Society functions are represented: Finance & Risk, Strategy & Sustainable Impact and Impact Investments.

The Investment Committee works in tandem with the Equity unit to which some decisions are delegated (for example, minor changes in contract and other matters related to the investee).

The Society's equity risk mitigation entails an asset class exposure limit on the overall portfolio. This is currently set at around 15% of the total investable capital.[1] Proactive control of the current and prospective financial performance of the equity investment portfolio, the latter based on the internal fair value estimates performed on each equity stake, is also performed in order to set risk management guidelines and positively influence the active equity asset allocation. Below the gross exposure of the equity investment portfolio is presented at acquisition price.

[1] The Society's total investable capital is equal to total assets minus the target liquidity ratio.

2024 equity exposure

As at 31 December 2024	Financial inclusion	Agriculture	Renewable energy	Other[1]	Total	
Region	**€ ,000**	**€ ,000**	**€ ,000**	**€ ,000**	**€ ,000**	**%**
Africa	10,472	17,202	5,504	1,812	34,990	22.7%
Asia	43,742	8,418	-	-	52,159	33.8%
South America	29,048	-	-	-	29,048	18.8%
Central America	10,063	-	-	-	10,063	6.5%
Other	7,627	4,132	16,413	48	28,220	18.3%
Total[1]	**100,952**	**29,751**	**21,917**	**1,860**	**154,480**	**100%**
%	**65.3%**	**19.3%**	**14.2%**	**1.2%**	**100%**	

[1] The totals include the financial lease construction regarding solar panels and guarantees and significant influence investments that are treated differently from an accounting perspective. These totals are therefore different from the total development financing portfolio presented in the consolidated balance sheet and notes. The category Other includes investments in equity funds.

2023 equity exposure

As at 31 December 2023	Financial inclusion	Agriculture	Renewable energy	Other	Total	
Region	**€ ,000**	**€ ,000**	**€ ,000**	**€ ,000**	**€ ,000**	**%**
Africa	8,727	23,404	3,657	1,811	37,599	24.7%
Asia	33,768	8,166	-	-	41,934	27.5%
South America	29,457	-	-	-	29,457	19.3%
Central America	10,649	3,201	-	-	13,851	-
Other	7,918	6,002	13,718	1,880	29,518	19.4%
Total[1]	**90,519**	**40,773**	**17,375**	**3,691**	**152,358**	**100%**
%	**59.4%**	**26.8%**	**11.4%**	**2.4%**	**100%**	

Note that these tables do not include committed-not-yet-disbursed amounts which for 2024 were EUR 7.0 million (2023: EUR 31.0 million). The tables also do not include impairments. Impairments amounted to an addition of EUR 6.9 million in 2024 (2023: release of EUR 3.5 million). The dividend received in 2024 amounted to EUR 7.5 million (2023: EUR 4.6 million).
The results from the sale of equity stakes amounted to a EUR 9.1 million gain (2023: EUR 6.4 million loss).

Foreign currency (FX) risk

FX risk is defined as the risk that the value of the Society's active investments will fluctuate due to changes in foreign currency exchange rates compared to the Society functional currency.

Although the functional currency of the Society is the euro, a significant part of the Society's investments in development financing are outstanding in US dollars and in other domestic currencies (emerging and frontier currencies).
In addition to euro participations, the Society also issues participations denominated in British pounds, Canadian dollars, Swedish krona, Swiss francs and US dollars. However, FX exposure management by the Society excludes long term non-interest-bearing assets/liabilities that are also not revalued for accounting purposes for e.g. equity investments (regarded as permanent assets valued at their original cost) and member and investor capital (regarded as permanent liabilities valued at their original cost).

Regarding active FX exposure management for INR, the Society doesn't hedge the subsidiary value of Maanaveeya (our Indian subsidiary) but only hedges the INR exposure from intercompany loans.

The net foreign currency position of the Society is monitored by the risk management function throughout the year, in order to steer the offsetting FX hedging portfolio and bring the overall FX position in line with the FX risk appetite established in the Society's market risk management policy.

In the overview below, the positions as at 31 December 2024, translated to euro at the exchange rates prevailing at the balance sheet date, are presented. FX exposures arising from equity participations and member and investor capital are not taken into account, hence not hedged, due to the relatively small cash flow generated by this exposure.

Foreign currency exposure - net foreign currency asset positions

As at 31 December 2024		FX gross credit assets	FX cash	FX LLP	FX member capital + FX liabilities	FX hedging	Net foreign currency asset exposure
		€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
INR	Indian rupee	217,834	3,334	3,373	63,219	79,095	75,481
MWK	Malawian kwacha	398	3,582	-	-	667	3,313
UGX	Ugandan shilling	10,489	546	-	-	10,053	982
PEN	Peruvian sol	26,131	1	7,616	-	17,782	734
XOF	West African CFA franc	8,632	146	954	-	7,291	532
GHS	Ghana cedi	2,509	27	-	-	2,117	420
KGS	Kyrgystani som	434	-	130	-	-	304
KES	Kenyan shilling	2,611	350	-	-	2,810	150
MAD	Moroccan dinar	89	-	-	-	-	89
HNL	Honduras lempira	8,964	-	86	-	8,797	81
Other		613,250	9,461	48,886	13,425	575,577	(15,177)
Total		**891,342**	**17,446**	**61,045**	**76,644**	**704,188**	**66,910**

Foreign currency exposure - net foreign currency liability positions

As at 31 December 2024		FX gross credit assets	FX cash	FX LLP	FX member capital + FX liabilities	FX hedging	Net foreign currency liability exposure
		€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
CAD	Canadian dollar	-	-	-	1,626	-	(1,625)
GBP	British pound	-	26	-	6,336	-	(6,311)
SEK	Swedish krona	-	2	-	6,910	-	(6,909)
CHF	Swiss franc	-	1,606	-	78,881	-	(77,275)
Total		**-**	**1,634**	**-**	**93,753**	**-**	**(92,120)**

Foreign currency exposure - net foreign currency asset positions							
As at 31 December 2023		FX gross credit assets	FX cash	FX LLP	FX member and investor capital + FX liabilities	FX hedging	Net foreign currency asset exposure
		€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
GTQ	Guatemalan quetzal	19,851	6	-	-	15,955	3,902
KES	Kenyan shilling	2,846	1,112	-	-	1,155	2,803
GHS	Ghana cedi	3,706	2,711	1,661	-	3,176	1,581
IDR	Indonesian rupee	34,810	1,243	-	-	34,579	1,473
MWK	Malawian kwacha	2,767	-	-	-	1,375	1,392
PEN	Peruvian sol	24,083	1	4,847	-	18,140	1,097
NGN	Nigerian naira	705	42	-	-	-	747
UGX	Ugandan shilling	13,108	212	137	-	12,738	445
USD	US dollar	461,790	22,396	20,197	13,091	450,502	397
DOP	Dominican peso	4,621	-	-	-	4,242	379
Other		316,744	5,819	17,110	40,297	277,261	(12,105)
Total		**885,031**	**33,542**	**43,952**	**53,388**	**819,123**	**2,111**

Foreign currency exposure - net foreign currency liability positions							
As at 31 December 2023		FX gross credit assets	FX cash	FX LLP	FX member and investor capital + FX liabilities	FX hedging	Net foreign currency liability exposure
		€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
CAD	Canadian dollar	-	74	-	1,877	-	(1,803)
GBP	British pound	-	76	-	6,720	-	(6,644)
SEK	Swedish krona	-	65	-	7,209	-	(7,144)
CHF	Swiss franc	-	1,517	-	78,916	-	(77,399)
Total		**-**	**1,732**	**-**	**94,722**	**-**	**(92,990)**

These tables include the net foreign currency exposure in loans (loans minus loss provisioning), cash and deposits, hedging contracts, member and investor capital and liabilities in foreign currencies.

The Society manages its foreign currency risk by managing exposure to individual currencies driven by currency exposure limits. The currency exposure limits are a function of historical foreign exchange rate volatility, market liquidity of the currency and loss tolerance per currency. The excess exposure that could generate an unacceptable result compared with the currency exposure limit is hedged externally with FX derivatives through selected counterparties.

Sensitivity of assets to USD		
Change of value to the euro	2024 Sensitivity of assets	2023 Sensitivity of assets
	€ ,000	€ ,000
USD value increase of 1.0%	(99)	(144)
USD value decrease of 1.0%	99	144

Due to the Society's hedging, net income is less volatile and the sensitivity of the nominal value of the assets has been reduced to changes in the euro-US dollar rate.

Transfer and conversion risk

There are two subtypes of FX risk to which the Society is inevitably exposed in its investment activity: transfer risk and conversion risk. Transfer risk is the risk that the proceeds cannot be repatriated to the Netherlands. Conversion risk is the risk that proceeds generated in local currency cannot be converted into euro. Often these two types of risk are the by-product of the capital controls that many emerging and frontier countries adhere to. These two risks can become material, especially in the case of actual or potential sudden capital outflows that could put the financial systems of these countries at risk.

Geographical diversification of the portfolio is key for the Society in limiting the potential losses that these two risks can generate, especially in terms of liquidity. The materiality of these risks for each country is assessed by the Treasury unit on a day-to-day basis and by the risk management function on a long-term basis and is reported to the ALCO on a periodical basis.

Interest rate risk

IInterest rate risk is the risk arising from movements in interest rate environments (both for hard and local exposures) that affect the value of the portfolio and the income statement. The interest rate risk appetite of the Society in foreign currency is low, therefore the Society aims to hedge all such exposures through FX and interest rate derivatives.

The Society manages its interest rate risk by managing one-year equivalent exposure (i.e. maturity adjusted cashflows) to individual currencies driven by currency interest rate risk exposure limits. The currency interest rate risk exposure limits are a function of historical interest rate volatility in the currency, market liquidity of the currency and loss tolerance per currency. The excess exposure that could generate an unacceptable result compared to the currency exposure limit is hedged externally with FX and interest rate derivatives through selected counterparties.

Euro interest rate risk

One of the main sources of interest rate risk for the Society arises from exposure to the euro, resulting in fluctuations in net interest income and value due to changes in the euro interest rate environment. In essence, any movement in euro interest rates will almost immediately and fully manifest in Oikocredit's financial results. Exposure to euro interest rates is mainly synthetically generated by the Society through the FX and interest rate derivatives instruments that are used to hedge the underlying development financing loan portfolio. Another source of exposure to this risk arises from the liquidity buffer of the company. To mitigate the impact of euro interest rate changes based on the current and future expected euro market circumstances, ALCO discusses and approves a euro market strategy at least once a year and potentially more frequently if circumstances dictate. This euro market strategy drives the effective euro portfolio maturity profile managed by Treasury using interest rate swaps. As a weighted average, the euro portfolio of the Society has a duration of approximately three years.

US dollar interest rate risk

The US dollar credit exposure in the development financing portfolio is the main foreign currency exposure of the Society. Although the credit products are hedged through FX and interest rate derivatives (e.g. FX forwards, FX swaps and cross currency interest rate swaps), changes in the US interest rate market unavoidably affect the value and net interest income of the United States dollar exposure. This risk exposure is managed by Treasury and monitored by the Risk Monitoring unit and the ALCO to ensure that the one-year equivalent exposure does not become excessively wide in a way that could significantly impair the net results of the company.

Local currency interest rate risk

Among the main interest rate risk issues arising from local currency exposure is the lack of liquidity behind the domestic interest rate markets of the related countries. The first challenge that the Society has to overcome is the selection of appropriate benchmark rates (i.e. basis risk) to be used when pricing its loans. In addressing this issue, the rates used are offered by the same specialised local currency hedging counterparties that give indications about what would be a realistic benchmark rate to use.

In addition, the local currency exposure is subject to interest rate duration mismatch between the portfolio of originated credit products and the underlying FX and interest rate hedging portfolio. This usually arises from the limitations the Society encounters in the local currency hedging market in terms of derivatives product availability. This could potentially lead to a reduction of the contractual net interest income. This risk exposure is managed by managing the one-year equivalent exposure for each individual currency within the approved currency interest rate risk exposure limits.

Net foreign currency 1 yr equivalent exposure*		
As at 31 December 2024		**Net foreign currency 1 yr equivalent exposure**
		€ ,000
MXN	Mexican peso	2,098
INR	Indian rupee	2,070
CRC	Costa Rican colon	823
NGN	Nigerian naira	217
BRL	Brazilian real	68
MAD	Maroccan dinar	51
GHS	Ghana cedi	11
ARS	Argentinian peso	4
UIU	Unidad Indexada (Uruguay)	-
BOB	Bolivian boliviano	-
Other		13,074
Total		**7,732**

* Note because of change in the Society's market risk policy, interest rate risk is now assessed as a function of one-year equivalent exposure rather than effective portfolio duration as until last year.

Liquidity risk

Liquidity risk can be defined as the risk that the Society is unable to meet payment obligations, redemption requests from members and investors, and/or payment commitments to partners and other counterparties.

Liquidity is defined as the sum of cash and bank balances; the value of the term investment portfolio, adjusted for any portions of it pledged to third parties; and the available credit lines with banks. Liquidity divided by the total assets stated on the balance sheet is referred to as the liquidity ratio.

The Society aims to have a liquidity ratio above 12.5% of total assets. The main source of liquidity is new member and investor capital participations that can be issued by the Society. On the reporting date and during the year 2024, the Society held a sufficient liquidity buffer.

Some of the volatility in the liquidity available arises from the margin calls that could derive from the FX and interest rate hedging portfolio held by the Society. Although these contracts are held for hedging purposes only and therefore effectively cover the risk arising from underlying exposure, the cash flows of the two exposures (underlying and derivative) might not be perfectly matched. It could therefore be possible that hedge providers require a collateral pledge after a sharp decrease of the mark-to-market value of the derivative contract while the underlying investment has yet to generate cash flows (interest income and instalments). This liquidity risk could be significant, especially for the hedges on the US dollar investment portfolio, where a sharp appreciation of the United States dollar to the euro could trigger a margin call. Refer to Notes 12 and 20 for more details on the margin calls.

This liquidity buffer enables the Society to meet its commitments to contracts it has already entered into on the one side and possible redemptions of participations on the other side. To manage liquidity risk, the Society uses liquidity monitoring tools for a better understanding and forecasting of liquidity trends.

Below is an overview of the liquidity position at year-end.

Liquidity				
As at 31 December	**2024**		**2023**	
	€ ,000	**%**	**€ ,000**	**%**
Cash and cash equivalents	62,467	36.7%	58,772	44.9%
Unused credit lines	107,796	63.3%	72,210	55.1%
Net liquidity	**170.263**	**14.8%**	**130,982**	**11.3%**
Total assets	**1,147,039**		**1,156,873**	

The Society is primarily funded by member and investor capital, and the Managing Board also has authority to procure credit facilities. Redemption will be at the nominal value. However, if the net asset value per participation is lower than the nominal value per participation, the amount payable upon redemption of the participation(s) shall not exceed the sum corresponding to the net asset value. The Society follows the issuance and redemption rules included in the Participation Terms. These rules set out a standardised and transparent process for the issuance and redemption of participations (please also refer to the Oikocredit Prospectus in connection with the offering of participations).

Non-financial risk

Operational risk

Operational risk is the risk of losses resulting from inadequate or failed internal processes, from actions by people (e.g. human error) and systems, or from external events. The Society's objective is to minimise overall operational losses and avoid material losses, as well as maintain its reputation among investors and partners as an effective and reliable organisation. To this end, the Society utilises a risk-based approach for putting in place policies, procedures and systems that are capable of mitigating the impact and/or probability of occurrence of the operational risks inherent to its activities.

Building on the streamlining of operations and optimisation of controls within processes, the Society is moving towards a more rational and effective approach to operational risk management. The Society relies on an internal process for incident reporting and resolution, which enables the timely reporting of potential losses and near misses occurring in the course of day-to-day operations, and also enhances consistency and timeliness in responding to incidents. The purpose of this process is to derive lessons learned for avoiding future incidents while enabling the absorption of potential losses through appropriate capital planning. No incidents with a net material impact on the Society's financial condition took place in 2024, and the sum of all losses due to operational incidents was approx. EUR 50,000 for the whole year.

Compliance, legal and Regulatory risk

Compliance risk encompasses both the risk of losses as a result of the Society's failure to comply with relevant laws, regulations, rules, internal policies, standards and the code of conduct applicable to its business activities, and the risk of losses due to integrity-related events.

The Society makes it its explicit target to be a compliant organisation: all of the Society's commercial actions are tailored and it is continually further enhancing its policies and procedures in order to meet statutory obligations and act in accordance with market practices. An example is the Society's 'customer due diligence' (CDD) practices (CDD screening and scoring of 'customers' and documentation checks) to verify the suitability of, and risks involved in, entering and maintaining a business relationship, including but not limited to anti-money-laundering (AML), sanctions and combating financing of terrorism (CFT) risks.

The Society adheres to applicable laws and regulations, and has a low risk appetite for incidental breaches – including breaches of internal rules and policies governing its operations. The Society has zero tolerance for the crossing of ethical red lines.

Compliance risks (such as fraud risk, money laundering risk, financing terrorism risk, corruption or bribery risk, business practices risk and circumvention of sanctions risk) are governed by a set of policies and associated control activities, including but not limited to CDD policies, a conflict of interest policy, a personal trading policy, a whistleblower policy, an anti-bribery and anti-corruption policy, a personal data protection policy, a transfer pricing policy and the code of conduct. Fraud risk is monitored through our Compliance & Regulatory Risk Committee.

As failures to comply might lead to sanctions and fines, financial losses and reputational damage, the Society ensures that its very low tolerance of non-compliance is embedded in the culture of its business operations.

Regulatory risk is the risk of losses, declined market share or reputation among stakeholders, worsened competitive position, or reduced financial sustainability due to changes in law, and regulations affecting the Society's ability to execute its strategy.

In late 2020, the Society initiated a process to review our capital-raising model and look for possibilities to make it more resilient in the face of evolving financial market regulation, especially in the European Union. This process continued throughout 2021 and an Extraordinary General Meeting (EGM) was held in December 2021 to seek a mandate for the next steps, which were carried out commencing in 2022. This initiative coincided with legal changes in Germany, which took effect on 17 August 2022 and made it impossible to raise capital from German investors via the heritage trust model used by the German support associations. An EGM held in October 2022 approved the new capital-raising model. This model was implemented as per 1 March 2023.

The Society frequently updates its legal assessment of new and upcoming regulation by using a system that is generally used in the Netherlands – a dedicated report is provided to the Executive Committee on a semi-annual basis. Additionally, the Society's representatives attend seminars to remain aware of upcoming changes and of the response of peers.

The EU Corporate Sustainability Reporting Directive (CSRD) will come into effect in phases starting from 2024 for companies that are already subject to Non-Financial Reporting Directive (NFRD) reporting. From the draft Dutch CSRD implementation regulation, as published in June 2024, it became apparent that the Dutch regulator aims to exclude cooperative legal forms from reporting obligations. As the Society is a Dutch Cooperative it is expected not to be in scope of CSRD reporting. The Society aims to meet the sustainability information needs of its stakeholders in the spirit of the new European sustainability reporting requirements.

Reputational risk

Reputational risk is the risk of losses due to negative perception of the Society's commercial practices and financing activities by its direct stakeholders (e.g. partners, members and investors) or by the general public and other business counterparties.

Typically, reputational risks arise from failing to manage compliance or operational risks. Another important element of reputational risk is the need to ensure that all staff members act consciously and in line with the Society's mission, vision and values, and that all new staff members get sufficient training to act in line with the mission, vision and values.

With increasing competition and marketing from the impact investing sector, it has become increasingly difficult for the Society to effectively distinguish itself from competitors purely on the basis of what is considered 'impact'. This could constitute a risk, also if one such competitor were to be scrutinised and exposed to negative media coverage, as this might negatively reflect on the Society's reputation as well.

The Society consistently updates its standards for ESG scoring, to ensure that only the partners that meet the Society's standards are selected. Once a partner is financed, the Society monitors the developments of the partner's activity and ESG scores, as well as its adherence to social covenants (in the case of credit deals, namely requirements in the loan agreement with respect to improvements or minimum criteria for impact and social conduct) or to social performance indicators (in the case of equity deals).

In 2022 the Society was notified that three non-governmental organisations had filed a complaint with the Dutch National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct alleging non-compliance with the guidelines in relation to the Society's activities in Cambodia. Oikocredit cooperated fully with the NCP's dialogue and mediation process. The NCP's good offices procedures ended in January 2025 without a fully mediated agreement. But parties found common ground on several points, including that a grievance mechanism and fund, which comply with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights, should be established to address the problems and adverse impacts.

Strategic risk

Strategic risk can be defined as the risk of losses caused by a failure to respond well to changes in the business and market environment and can potentially have a major impact on the Society's financial situation and ability to meet its strategic objectives.

Operating and business model risk

Operating model risk is the risk of losses; declined market share or worsened competitive position; reduced financial sustainability due to suboptimal efficiency and scalability of the Society's operating model; or because of excessive complexity in the execution of its strategy.

Since 2022 the Society has relied on an enhanced balanced scorecard methodology, which closely tracks the implementation of the strategy based on a selection of 18 key performance indicators (KPIs). One of the key indicators is the cost ratio on total assets (excluding grant-based expenses). For the year 2024 the cost ratio to total assets was 4.0%. There are initiatives undertaken to improve the ratio.

Business model risk is the risk of losses, declined market share, worsened competitive position or reduced financial sustainability due to proposing mispriced or unsuitable financial solutions to potential partners or an undesirable product to prospective members or investors.

As part of its ongoing strategy, the Society identified two distinct sets of products and markets, namely:

- Products and markets relating to the development financing portfolio ('outflow') in which the Society has a focus on 33 selected focus countries based on our past performance, the need for social investing and the Society's ability to be successful.
- Products and markets relating to the funding of these activities ('inflow'), which currently comprise nine countries in which the Society actively attracts investments from members and non-members. The Society is repositioning its capital-raising (inflow) model, which was a major undertaking in 2022 and 2023, with most of the transition work already completed for its biggest inflow market (Germany). The transition to the new model is decreasing complexity and regulatory risk, while increasing transparency and freeing up more resources for our core mission – as side effect, the Society experienced a

contained reduction in the number of members and investors and a consequent withdrawal of member and investor capital (see Note 14).

In 2024, the Society continued to monitor its gradual withdrawal from markets aligned to the implemented business model (e.g. our refocus of geographical scope and emphasis on three sectors). The society will continue to review the business model as part of the strategy for 2022-2026.

7. Intangible fixed assets

Intangible fixed assets		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Goodwill	2,593	2,420
Software and data warehouse	1,525	1,714
Balance as at 31 December	**4,118**	**4,134**

Changes in goodwill		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Historical cost price as at 1 January	3,252	3,252
Accumulated amortisation as at 1 January	(832)	(507)
Balance as at 1 January	**2,420**	**2,745**
Investments	539	-
Disposals	-	-
Amortisation	(366)	(325)
Movements in the year	**173**	**(325)**
Historical cost price as at 31 December	3,791	3,252
Accumulated amortisation as at 31 December	(1,198)	(832)
Balance as at 31 December	**2,593**	**2,420**

Goodwill has been recognised in the intangible fixed assets as part of the significant influence investments.

Software and data warehouse		
Changes in intangible fixed assets in 2024 and in the costs of acquisition and accumulated depreciation as at 31 December 2024 can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Historical cost price as at 1 January	5,581	4,553
Accumulated amortisation as at 1 January	(3,867)	(2,912)
Balance as at 1 January	**1,714**	**1,641**
Investments	801	1,028
Disposals	-	-
Amortisation	(991)	(955)
Movements in the year	**(189)**	**73**
Historical cost price as at 31 December	6,382	5,581
Accumulated amortisation as at 31 December	(4,857)	(3,867)
Balance as at 31 December	**1,525**	**1,714**

The intangible assets consist of acquired software. The software relates to an online portal for investors, a data warehouse and software to develop an online partner portal to enhance our cooperation with and monitoring of partners. Software is amortised in three years.

8. Tangible fixed assets

Changes in tangible fixed assets					
Changes in tangible fixed assets in 2024 and in the costs of acquisition and accumulated depreciation as at 31 December 2024 can be specified as follows:					
	IT equipment	**Furniture**	**Installation solar assets**	**Total 2024**	**Total 2023**
	€ ,000	**€ ,000**	**€ ,000**	**€ ,000**	**€ ,000**
Historical cost price as at 1 January	1,802	1,689	3,721	7,211	7,237
Accumulated depreciation as at 1 January	(1,605)	(1,246)	(1,082)	(3,933)	(3,554)
Balance as at 1 January	**196**	**443**	**2,640**	**3,278**	**3,683**
Investments	93	12	-	105	150
Disposals	-	-	(149)	(149)	(9)
Depreciation	(118)	(97)	(176)	(391)	(433)
Depreciation disposals	-	-	57	57	9
Prior year adjustments depreciation	-	-	-	-	-
Exchange rate adjustment historical cost	2	-	115	117	(166)
Exchange rate adjustment accumulated depreciation	-	-	(37)	(37)	43
Movements in the year	**(23)**	**(85)**	**(191)**	**(299)**	**(406)**
Historical cost price as at 31 December	1,897	1,701	3,687	7,285	7,211
Accumulated depreciation as at 31 December	(1,723)	(1,343)	(1,238)	(4,305)	(3,933)
Balance as at 31 December	**173**	**358**	**2,449**	**2,980**	**3,278**

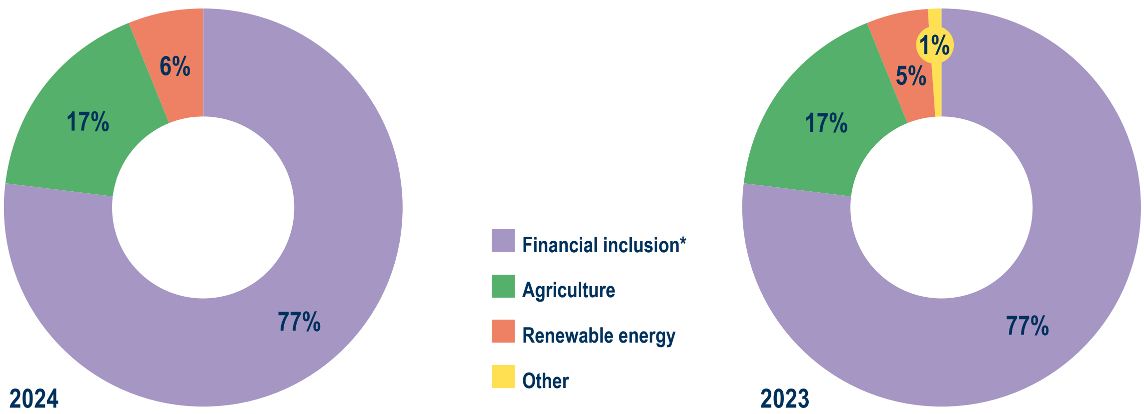
The useful life of the furniture is estimated at five years on average. Information technology (IT) equipment is depreciated in three years. Installations consisting of solar panels are depreciated in 20 years.

9. Development financing

Changes in development financing outstanding		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Outstanding as at 1 January	1,084,716	1,007,248
Disbursements	474,670	530,464
Capitalised interest and dividends	(1,034)	(1,838)
Less: - repayments	(443,951)	(404,137)
- write-offs	(20,678)	(11,114)
Equity divestments	(17,830)	(10,225)
Deduct historical cost significant influence investments	-	(5,677)
Goodwill on disbursement significant influence investment	(540)	-
Net asset value significant influence investments	(686)	2,927
Exchange rate adjustments	30,631	(22,932)
Outstanding as at 31 December	**1,105,297**	**1,084,716**

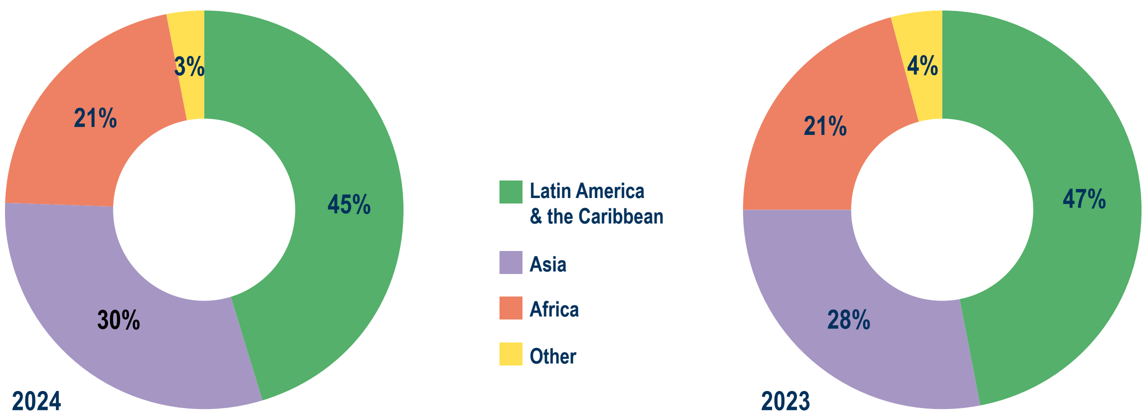
Breakdown of development financing outstanding

Development financing outstanding by sector as at 31 December

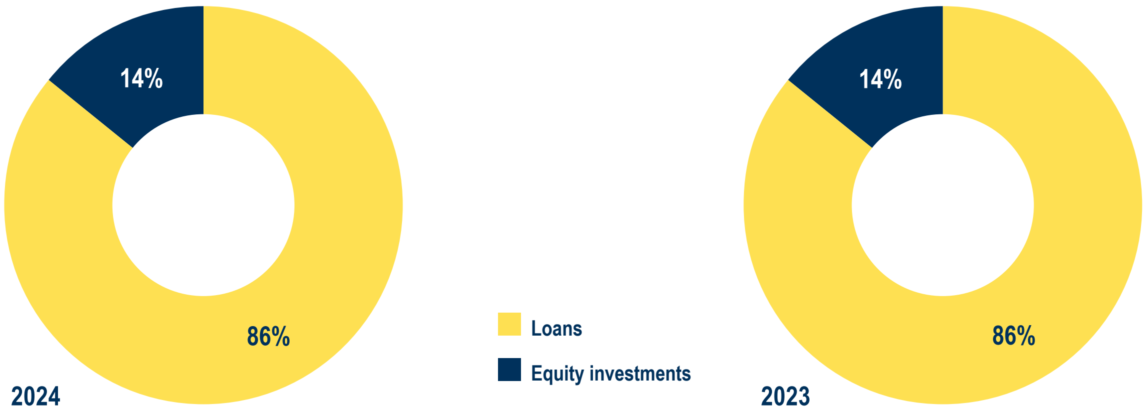


* Including microfinance and SME finance

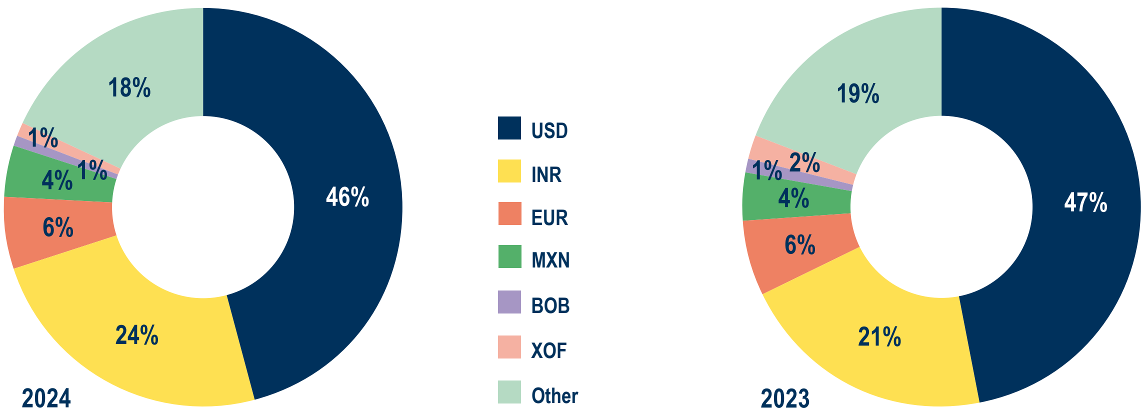
Development financing outstanding by region as at 31 December



Development financing outstanding by type of financing as at 31 December



Development financing outstanding by type of currency as at 31 December



Maturity of development financing outstanding		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Instalments maturing < 1 year	439,437	434,121
Instalments maturing > 1 < 5 years	499,861	490,467
Instalments maturing > 5 years	11,520	10,520
Significant influence investments	2,337	2,927
Equity investments	152,143	146,681
Balance as at 31 December	**1,105,297**	**1,084,716**

Movement schedule loans		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	935,107	862,414
Disbursements	450,742	512,349
Capitalised interest and dividends	(1,034)	(1,838)
Less: - repayments	(443,951)	(404,137)
- write-offs	(20,678)	(10,744)
Exchange adjustments	30,631	(22,937)
Balance as at 31 December	**950,817**	**935,107**

Movement schedule equity investments		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	149,608	144,833
Additions/disbursements	23,928	18,120
Write-offs	-	(370)
Disposals	(17,830)	(10,225)
Deduct historical cost significant influence investments	-	(5,677)
Goodwill on disbursement significant influence investment	(540)	-
Net asset value significant influence investments	(686)	2,927
Outstanding as at 31 December	**154,480**	**149,608**

In 2024 a sale agreement has been signed to sell Ueno bank investments. The sale will be done in four tranches, first tranche in June 2025, thereafter in June 2026, June 2027 and June 2028. The capital outstanding value of this investments is EUR 6.3 million and is equal to the expected exit price. Central bank approval has been received on 6th of March.

Schedule equity investments < 20% and > 20% and significant influence					
Can be specified as follows:	**< 20%**	**> 20%**	**Significant influence**	**Total 2024**	**Total 2023**
	€ ,000	**€ ,000**	**€ ,000**	**€ ,000**	**€ ,000**
Historical cost value	135,683	16,461	-	152,144	146,679
Net asset value significant influence investments	-	-	2,337	2,337	2,927
Impairments	(17,651)	(5,333)	-	(22,984)	(16,115)
Outstanding as at 31 December	**118,032**	**11,128**	**2,337**	**131,497**	**133,491**

The significant influence investments were purchased for an amount of EUR 6.3 million. The goodwill has been recognised under the intangible fixed assets (Note 7) for an amount of EUR 2.6 million.

In the table above the equity investments are split into equity investments where the Society holds less than 20% of the shares, equity investments where the Society holds more than 20% of the shares and equity investments in which the Society has significant influence. In the table below the equity investments where the Society has significant influence are disclosed.

Significant influence investments		
The Society had significant influence in the following equity investments as at 31 December 2024	**Participation 2024**	**Participation 2023**
	€ ,000	**€ ,000**
Inclusive Guarantee, France	26.6%	26.6%
Fertiplant East Africa Ltd., Kenya	30.0%	30.0%
Cafédirect Plc, United Kingdom	27.7%	27.7%
Agroserv Industrie S.A., Burkina Faso	33.1%	31.3%

The table above includes all equity investments in which the Society has significant influence. The shareholding percentages of 20% and above are one of the indicators of significant influence.

During the year 2024 the Society has recognised the significant influence investments against net asset value accounting method.

Movement schedule significant influence investments		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	2,927	3,368
Result for the year	(686)	923
Additions/disbursements	96	-
Impairments	-	(514)
Divestment	-	(850)
Balance as at 31 December	**2,337**	**2,927**

Movement schedule Outgrower SPV		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	-	850
Result for the year	-	-
Impairments	-	-
Divestment	-	(850)
Balance as at 31 December	**-**	**-**

The Society sold its investment in Outgrower SPV in 2023.

Movement schedule Inclusive Guarantee		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	545	340
Result for the year	(502)	205
Impairments	-	-
Balance as at 31 December	**43**	**545**

Movement schedule Cafédirect Plc		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	723	1,146
Result for the year	(683)	91
Impairments	-	(514)
Balance as at 31 December	**40**	**723**

Movement schedule Agroserv Industrie S.A.		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	1,659	1,032
Result for the year	498	627
Impairments	96	-
Balance as at 31 December	**2,253**	**1,659**

Loan loss provision and impairments on equity		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Loan loss provision	(63,604)	(45,437)
Impairments equity	(22,984)	(16,114)
Balance as at 31 December	**(86,588)**	**(61,551)**

Movement schedule loan loss provision		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	(45,437)	(44,963)
Additions	(45,290)	(20,731)
Releases	6,914	8,578
Exchange rate adjustments	(469)	935
	(84,282)	(56,181)
Less: - write-offs	20,678	10,744
Balance as at 31 December	**(63,604)**	**(45,437)**

Movement schedule impairments equity investments		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	(16,114)	(20,711)
Additions	(13,542)	(2,008)
Reclass to significant influence investments	-	764
Reversals	6,672	5,471
	(22,984)	(16,484)
Less: - write-offs	-	370
Balance as at 31 December	**(22,984)**	**(16,114)**

Fair value of development financing loan portfolio

- The development financing loan portfolio consists of local currency loans and hard currency loans, usually with semi-annual or annual equal instalments.
- The interest rates charged to 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 offerings. The majority of the Society's local currency loans are floating rate based.
- The interest rates charged to 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. The Society uses the applicable base rates of the currencies the Society offers (Euribor, Libor, swap rates and similar rates).
- The loans have an average contractual maturity of approximately four years (2023: four years and one month).
- An analysis of the recoverability of the loans is performed quarterly and a provision for possible losses on the development financing loan portfolio is made.
- When all possible efforts to collect a loan have been exhausted and a loan is deemed uncollectible by the Special Collections unit, a (partial) write-off proposal is prepared. The final write-off decision is made by the Credit Committee. The write-off policy has not changed compared to 2023.

The fair value of the development financing loan portfolio at least equals the book value, which is estimated at EUR 887.2 million (2023: EUR 892.6 million).

Fair value of development financing equity portfolio

- Equity investments are valued at the lower of cost or realisable value; the significant influence investments are valued at net asset value.
- The Society operates in countries where there is no active market for these equity investments. The fair value is determined taking into account suitable valuation methods such as book value multiples, price-earnings ratios and recent sale prices of similar investments.

It is estimated that the fair value of the equity portfolio at least equals the book value, which is estimated at EUR 129.2 million (2023: EUR 130.6 million).

10. Other securities

Changes in other securities can be specified as follows:	31/12/2024	31/12/2023
	€ ,000	**€ ,000**
Balance as at 1 January	18,743	23,386
Investments	-	-
Divestments	(4,895)	(4,643)
Impairment	-	-
Exchange adjustments	-	-
Balance as at 31 December	**13,848**	**18,743**

The other securities consist of:	31/12/2024	31/12/2023
	€ ,000	**€ ,000**
GLS Mitgliedschaf Genossenschaftsanteile	-	4,896
TCX, The Currency Exchange Fund N.V., the Netherlands	13,138	13,138
GLS Gemeinschaftsbank, Germany	500	500
Banca Popolare Etica, Italy	100	100
Ekobanken, Sweden	9	10
Other	101	99
Total other securities	**13,848**	**18,743**

Fair value of other securities

The fair value of the investment in TCX as at 31 December 2024 amounted to USD 28.2 million (EUR 27.2 million) for 27 shares (2023: USD 24.5 million (EUR 22.1 million) for 27 shares). With respect to the other investments in the portfolio, the fair value at least equals the carrying amount.

11. Other financial assets

Summary of other financial assets:	31/12/2024	31/12/2023
	€ ,000	**€ ,000**
Hedge contracts financial institutions [1]	3,823	8,886
Staff loans [2]	-	8
Total	**3,823**	**8,894**

[1] The fair value of these hedge contracts and other details are disclosed in Note 32.

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

Summary of deferred tax assets:			31/12/2024		31/12/2023
			€ ,000		€ ,000
Tax asset Maanaveeya			456		230
Total			**456**		**230**

12. Receivables and other current assets

The receivables maturing within one year can be specified as follows:		31/12/2024		31/12/2023
		€ ,000		€ ,000
Accrued interest on development financing net of allowance		13,718		12,403
Collateral hedging		11,443		-
Hedging contracts (refer to Note 32)		5,610		20,033
Current CIT Maanaveeya		3,280		342
Hedging receivable		1,913		3,177
Interest receivable		1,799		1,612
- face value	4,764		4,667	
- less: allowance for uncollectability	(2,965)		(3,055)	
Amounts prepaid		1,001		368
Value added tax and wage taxes		593		486
Staff loans [1]		7		13
Sundry receivables		1,273		1,223
Balance as at 31 December		**40,637**		**39,656**
Changes in the allowance for uncollectability are specified as follows:		**2024**		**2023**
		€ ,000		€ ,000
Balance as at 1 January		(3,055)		(3,754)
Additions		(3,513)		(3,520)
Releases		487		266
Write-offs from allowance		3,159		3,881
Exchange adjustment		(43)		72
Balance as at 31 December		**(2,965)**		**(3,055)**

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

Fair value of receivables
The fair value of the current assets approximates to the book value.

13. Cash and cash equivalents

Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Cash and cash equivalents including time deposits maturing within one year	62,467	58,772
Balance as at 31 December	**62,467**	**58,772**

The Society maintains its funds in banking institutions in Africa, Asia, Europe, Latin America and the United States. The time deposits included in cash and cash equivalents as at 31 December 2024 all mature in 2025.

The Society has a credit facility agreement with two Dutch banks. The facility amounts to EUR 100.0 million. This facility is subject to the following conditions:
- Audited financial statements should be provided within six months of year-end.
- Within 45 days after quarter-end a report with consolidated financial statements and the financial statements of Maanaveeya should be provided.
- A report setting out the net asset value of the participations of the Society denominated in euro should be provided within 30 days after month-end.
- The leverage ratio should not exceed 10%.
- The solvency ratio of the Society should be at least 70% (2024: 91%).
- Without the written permission of the credit institution, the Society is not allowed to sell or securitise fixed assets or establish mortgages or other encumbrances on fixed assets (except for transactions taking place in the normal course of business) or to issue guarantees for liabilities of third parties.

14. Member and investor capital

The Society raises its equity capital by issuing participations to participants. There is no limit to the number of participations that can be issued. Participations are issued with a nominal value of EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000 or USD 200.

Participations are available for subscription by both members and other eligible investors alike. Participations do not confer on their holder the right to attend the General Meeting or the right to vote. Voting rights are attached to the membership of the Society. Membership of the Society is restricted to eligible organisations that meet the criteria as set out in the Society's Articles of Association. A participant does not become a member by acquiring or holding participations.

The participations are the most subordinated class of instruments issued by the Society. The Articles of Association of the Society and the participation terms provide the same terms and conditions to the Society's holders and no preferential terms are provided, irrespective of the currency denomination. This means that the participations are identical in subordination. The foregoing also applies in the event of dissolution of the Society. As such, all instruments are presented as equity in the consolidated financial statements. Where the Society repurchases participations, the consideration paid is deducted from equity capital. Where such participations are issued, any consideration received is included in equity capital.

Net asset value

As at 31 December 2024, the net asset value per participation amounted to EUR 211.74 (2023: EUR 214.03). Following the Participation Terms, the decision to honour issuance and redemption requests received in a calendar month is made on the fifth working day of the following month, and the issuance and redemption orders are registered as of the first of that month. This means that requests for issuance and redemption of participations received during December 2024 will be registered as of 1 January 2025. There were EUR 4.8 million of participations to be issued and EUR 3.9 million of participations to be redeemed to members as at 31 December 2024. On 8 January 2025 the Managing Board decided to issue and redeem the requests submitted in December 2024.

The net asset value, the issue price and the redemption price of a participation are determined by the Society as set out in the Participation Terms.

Implementation of a new capital-raising model

The Society historically raised its equity capital through the issuance of shares to its members. Only members were allowed to hold shares. Other investors invested indirectly in the Society, largely through the support associations.

As of 1 March 2023, the Society implemented a new capital-raising model, which entails on the one hand the incremental introduction in the relevant jurisdictions of one direct investment opportunity offered to both members and other eligible investors, in the form of the participations, and on the other hand the phasing out of shares. As of 1 June 2023, all outstanding shares were converted to participations. Until the last share was converted, the Society had the obligation to redeem shares and participations within five years after a redemption request (although the redemption price could be below nominal price or even nil). Now that all shares have been converted to participations, this obligation no longer applies. As a result, the cooperative is in a better position to protect the value of the participations in potential times of stress.

As at the end of December 2024, all investors, except for investors in the Netherlands, are holders of participations and invest directly in the Society rather than indirectly via a support association. Investors in the Netherlands currently still invest indirectly in the Society through an instrument derived from the participations and issued by the relevant support association, Oikocredit Nederland Fonds.

Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Member and investor capital shares		
Balance as at 1 January	-	1,110,692
New euro shares issued	-	1,301
New shares in other currencies issued	-	653
Redemption of euro shares	-	(78,650)
Redemption of shares in other currencies	-	(2,482)
Transfers to participations EUR	-	(934,621)
Transfers to participations in other currencies	-	(107,542)
Exchange adjustments - transfer to participations	-	10,649
Balance as at 31 December	**-**	**-**

Member and investor capital participations		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Member and investor capital participations		
Balance as at 1 January	1,000,786	-
Transfers from shares EUR	-	934,621
Transfers from shares in other currencies	-	107,542
New euro participations issued	26,204	15,848
New participations in other currencies issued	3,129	2,688
Redemption of euro participations	(59,281)	(46,862)
Redemption of participations in other currencies	(3,857)	(2,417)
Exchange adjustments - transfer from shares	-	(10,649)
Exchange adjustments	42	15
Balance as at 31 December	**967,023**	**1,000,786**
Of which - euro participations	870,531	903,622
- participations in other currencies (at original exchange rate)	96,472	97,164

15. General reserve

Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	84,647	83,548
Appropriation of the prior-year results	1,246	6,760
Paid dividend	(5,240)	(5,661)
Balance as at 31 December	**80,653**	**84,647**

For the restricted exchange fluctuation reserve please refer to the Society financial statements in Note 46.

16. Reserves for subsidised activities

Reserves for subsidised activities		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Capacity building reserve	2,884	2,514
Balance as at 31 December	**2,884**	**2,514**

General reserve		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	2,514	1,828
Additions to / releases from fund	-	172
Allocation of prior year result	370	191
Allocation between funds	-	323
Balance as at 31 December	**2,884**	**2,514**

17. Funds for subsidised activities

The funds below originate from grants received for purposes described for each separate fund below.

Funds for subsidised activities, capacity building funds		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Capacity building funds	1,244	1,340
Balance as at 31 December	**1,244**	**1,340**

Capacity building (CB) and guarantee funds	**Balance as at 1 January 2024 € ,000**	**Addition to/ (released from) fund € ,000**	**Allocation of prior year result € ,000**	**Allocation between funds € ,000**	**Balance as at 31 December 2024 € ,000**
CB - SSNUP / ADA project [1]	-	-	-	-	-
CB - Alongside Hope (formerly known as the Primate's World Relief Fund [2]	-	-	-	-	-
CB - We Effect / SIDA [3]	-	-	-	-	-
CB - Oikocredit Stiftung Deutschland (Client Self-Perception Survey) [4]	-	-	-	-	-
CB - International Fund for Agricultural Development [5]	-	-	-	-	-
CB - Enterprise Support Facility [6]	597	(30)	-	-	567
CB - Innovation Support Facility [7]	475	(24)	-	-	451
CB - Development Education & Advocacy facility [8]	268	(42)	-	-	226
CB - PURE Empowerment Facility [9]	-	-	-	-	-
Total	**1,340**	**(96)**	**-**	**-**	**1,244**

[1] The Oikocredit International Foundation has been selected to participate in the Smallholder Safety Net Upscaling Programme (SSNUP), coordinated by the Swiss Agency for Development and Cooperation, the Luxembourg Directorate for Development Cooperation and Humanitarian Affairs, and Ada Microfinance. This is a 10-year public- private partnership intending to support at least 10 million smallholder farmers in Africa, Asia and Latin America by boosting the development of agricultural value chains.

[2] Alongside Hope's EUR 47,000 grant (recorded in current liabilities as non-allocated grants) is supporting the Client Self-Perception Survey programme that gives a window into the real-world impact of the Society's development finance and puts end-clients back at the centre of decision-making. The survey shows that our partners' financial and non-financial services and products are improving lives and empowering communities. By understanding the experiences of the people we serve, we ensure our support stays relevant and responsive to their needs.

[3] The Innovative Finance for Improved Livelihood Project aims to address the capacity weaknesses and opportunities of 30 farmer-based organisations (FBOs) in Kenya and Uganda. The Small Credit Facility, managed by the Oikocredit International Foundation, offers short-term soft loans designed to provide first-time access to finance for FBOs. This initiative seeks to strengthen their readiness for commercial loans and identify any capacity gaps..

[4] The Client Self-Perception Survey was launched in 2021 with the aim of providing partners with actionable insights into how their clients perceived changes happening in their lives. The project received EUR 160,000 of additional funding in 2024 (EUR 280,000 in 2023) to further expand its reach..

[5] With support from the International Fund for Agricultural Development (IFAD), the Foundation brought the price risk management training to Rwanda and Honduras, building on the project's successes and lessons learned during its implementation in Latin America.

[6] The Enterprise Support Facility (ESF) is a revolving fund, aimed to provide short-term loans at concessionary rates to organisations with an initial and early track record of working to address the needs and/or opportunities of low-income people and their communities in a sustainable way.

[8] The aims of the Innovation Support Facility and Development Education & Advocacy Facility are to stimulate innovation and to support connections between 'developing'–'developed', 'north'–'south', privileged–underprivileged communities and societies. These facilities will offer grant funding to partner and non-partner organisations across Africa, Asia and Latin America. The initial funding of EUR 0.8 million was provided by the Church of Sweden.

[9] The Productive Use of Renewable Energy (PURE) Empowerment Facility will finance projects that facilitate the distribution of PURE products and services and support locally owned and operated businesses in Sub-Saharan Africa. These earlier stage initiatives will unlock the potential of rural micro-entrepreneurs and smallholder farmers and bolster their and their communities' resilience. The Orde van de Minderbroeders's EUR 539,000 donation will serve as second loss layer, serving as catalytic derisking capital.

18. Provisions

Can be specified as follows:	31/12/2024	31/12/2023
	€ ,000	€ ,000
Restructuring provision [1]	202	289
Total provisions	**202**	**289**

[1] This provision as at 31 December 2024 reflects costs associated with the closure of some country offices.

Movement schedule provisions		
	31/12/2024	31/12/2023
	€ ,000	€ ,000
Balance as at 1 January	289	92
Withdrawal	(105)	(69)
Additions	18	266
Balance as at 31 December	**202**	**289**

19. Non-current liabilities

Can be specified as follows:	2024	Remaining term > 1 year < 5 years	Remaining term > 5 years	2023
	€ ,000	€ ,000	€ ,000	€ ,000
Bank loans	27,022	27,022	-	17,881
Hedge contracts (refer to Note 32)	9,184	9,184	-	699
Total other non-current liabilities	**36,206**	**36,206**	**-**	**18,580**

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

Changes in bank loans can be specified as follows:	31/12/2024	31/12/2023
	€ ,000	€ ,000
Balance as at 1 January	17,880	15,092
New loans	54,996	29,383
Repayments	(9,716)	(4,257)
Reclassification to current liabilities	(37,226)	(21,264)
Exchange rate adjustments	1,088	(1,074)
Balance as at 31 December	**27,022**	**17,880**

Bank loans consist of the following:

- Loans with a total principal amount of INR 5.7 billion from financial institutions in India maturing in 2025 for INR 3.3 billion (included under current liabilities), in 2026 for INR 1.94 billion and for the years after 2026 for INR 0.5 billion. The loans carry an average interest rate of 10.08%.

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 to the book value. Bank loans for investment in development financing have been invested in the Society's development financing portfolio.

20. Current liabilities

All current liabilities mature within one year and can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Long-term loans expired or expiring within one year [1]	37,226	21,264
Hedge contracts (refer to Note 32)	13,144	2,906
Hedging premiums payable	5,082	3,168
Investments/redemptions investors	3,617	2,364
Accrued personnel expenses	2,566	2,169
Accounts payable	2,369	1,478
Other taxes payable [2]	2,139	2,153
Non-allocated grants	1,239	1,093
Dividend payable	509	12
Provision hedges	72	-
Collateral hedging	-	11,510
Accrued expenses, sundry liabilities [3]	2,827	3,333
Balance as at 31 December	**70,790**	**51,450**

[1] Consists of amounts maturing within one year from loans taken from financial institutions in India for EUR 37.2 million.
[2] The growth of the Society has led Oikocredit to thoroughly review its tax and legal structures in the countries where it has offices, to ensure there is a structure in place to pay Oikocredit's fair share of taxes. In 2024 the accrual did not change compared to the previous year. The total tax accrual amounts to EUR 2.1 million.
[3] Mainly consists of account payables and accruals.

Fair value of current liabilities

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

21. Commitments and contingencies not included in the balance sheet

Rental agreement

With effect from 1 July 2019 the Society renewed its rental agreement for the office building in Amersfoort; the agreement will end on 31 December 2029. The yearly rent payments amount to EUR 354,968 up until 31 December 2029. The yearly rent is indexed. For this agreement, a bank guarantee was issued for EUR 73,754.

Hedging agreements

The hedging agreements with our financial counterparts include the obligation to post collateral under a credit support annex (CSA). This implies that changes in the market value of the derivative portfolio per counterparty may result in a daily exchange of cash collateral with that counterparty.

In the CSA's with TCX, Rabobank, ING, and NatWestMarkets, the thresholds, for both the Society and the counterparty are set at zero.In the CSA with Standard Chartered Bank, the threshold for the Society is set at USD 3.0 million, and for Standard Chartered Bank, it is set at USD 50.0 million.

As at 31 December 2024 the market value of the hedge contracts with Standard Chartered Bank was USD 5.4 million negative. As at 31 December 2024 the market value of the hedge contracts with TCX was USD 4.8 million negative. The market value of the derivative portfolio with Rabobank was EUR 2.4 million negative. The market value of the hedge contracts with ING was EUR 3.8 million negative. The market value of the hedge contracts with NatWest was EUR 5.0 million positive. For posted cash collateral, refer to Note 12.

Operational lease agreement

Maanaveeya Development & Finance Private Limited in India has three operational lease agreements. The leased assets are solar panels that are visible on our balance sheet (refer to Note 8). The expected cash flows from the lease agreements amount in total to INR 182.7 million (EUR 2.05 million). The last contract will end in 2028.

India tax

Maanaveeya Development & Finance Private Limited in India filed appeals to the Commissioner of Income Tax/High Court of Judicature at Hyderabad for the state of Telangana, challenging demand notices totalling INR 151.28 million (EUR 1.70 million). This amount is not recorded as a tax liability.

The Society filed appeals to the Commissioner of Income Tax at New Delhi, challenging demand notices totalling INR 1.071 million (EUR 12.0 million). This amount is not recorded as a tax liability.

Committed not yet disbursed

The Society had committed EUR 141.2 million (2023: EUR 225.6 million) to its partners as at 31 December 2024 that was not yet disbursed in 2024.

Unfunded participation agreements

The Society signed an unfunded participation agreement with Stichting Titleholder AGRI3. The Society granted a loan of USD 2 million to a partner ('Loan Agreement') and AGRI3 will share the payment default risk on a pari passu basis with the Society in an amount up to USD 0.8 million (up to 40% of the outstanding facility) in an unfunded participation agreement. Therefore, AGRI3 instructed Rabobank to issue an irrevocable standby letter of credit for an amount of USD 0.8 million in favour of the Society that allows the latter to request immediate payment if the Society's partner under the loan agreement falls into payment default.

22. Interest and similar income

Can be specified as follows:	**2024**	**2023**
	€ ,000	**€ ,000**
Interest on development financing portfolio	94,706	88,395
Total interest and similar income	**94,706**	**88,395**

23. Interest and similar income and expenses

Can be specified as follows:	**2024**	**2023**
	€ ,000	**€ ,000**
Interest paid on long-term loans, current accounts and other short-term liabilities	(7,830)	(4,275)
Interest received on bank accounts and time deposits	1,444	2,785
Total	**(6,386)**	**(1,490)**

24. Income from equity investments

Can be specified as follows:	2024	2023
	€ ,000	**€ ,000**
Result from sale of equity investments		
Sale Banco de Desarrollo Rural	6,531	-
Sale Ivoire Coton S.A.	4,643	-
Partial sale Annapurna Finance Private Limited	3,933	-
Earn-out of Nicafrance - Nicafrance Outgrower Holdings	77	-
Sale Cafetalera Nicafrance S.A.	(3,197)	-
Sale North East Small Finance Bank (RGVN)	(1,635)	-
Sale Anatrans S.A.	(1,000)	-
Sale Aashiyaan Housing & Development Finance	(208)	-
Sale Aseguradora Tajy Propiedad Cooperative S.A. de Seguros	(73)	-
Sale Banco Pyme de la Comunidad	-	(1,924)
Sale Nicafrance - Nicaragua Outgrower Holdings	-	(2,123)
Sale Avante	-	(2,308)
Total result from the sale of equity investments	**9,071**	**(6,355)**
Dividends	7,543	4,624
Management fees funds	(161)	(128)
Total income from equity investments	**16,453**	**(1,859)**

25. Result from significant influence investments

Movement schedule significant influence investments		
Can be specified as follows:	**2024**	**2023**
	€ ,000	**€ ,000**
Prior year adjustment/opening adjustment	-	350
Result for the year	(686)	923
Impairment	-	(514)
Balance as at 31 December	**(686)**	**759**

26. Grant income

Grants	2024	2023
	€ ,000	€ ,000
Grants recognised from Orde van de Minderbroeders	539	-
Grants recognised from Appui au développement autonome a.s.b.l.	521	381
Grants recognised from Oikocredit Stiftung Deutschland	206	110
Grants recognised for project Governance and Succesion Planning for Family-Owned SMEs	104	-
Grants recognised for project Feasibility and Market Analysis of WASH Sector in Africa	101	-
Grants recognised for project AgriGRADE - KE Pilot - ScopeInsight	79	-
Grants recognised for project AgriGRADE - CoE - ScopeInsight	61	-
Grants recognised for project Market Study of WASH Financing in Indonesia and Market Strategy	25	-
Grants recognised for project AgriGRADE - TZ Pilot - ScopeInsight	25	-
Grants recognised from We Effect	18	14
Grants recognised from Agricultural Fund for Development	-	201
Grants recognised from Plan International Canada Inc. (WISE)	-	15
Other grants recognised	213	215
Total grants	**1,893**	**936**

Grants are received according to contractual agreements with partners or from other parties in the form of general donations. Grant income from partners means that they were spent during the year. Unused grants (from contractual agreements) are accounted for under current liabilities (non-allocated grants). The general grants are not repayable if underutilised; in the event of unutilised grants they will be deployed to other capacity building related causes. Therefore these grants have been disclosed in full and are not treated as part of the non-allocated grants. Other grant income is recognised in the year received.

Funds were donated to the Foundation by investors for an amount of EUR 213,000. The Foundation received EUR 0.5 million from SSNUP / ADA for various projects supporting smallholder farmers and boosting the development of agricultural value chains. The incoming amount was added to the non-allocated grants and are being utilized based on actual costs spend.

During 2024 funds were also received from: Oikocredit Stiftung Deutschland for the Client Survey (EUR 160,000); Alongside Hope (formerly known as Primates World Relief and Development Fund) (EUR 47,000); We Effect / SIDA for the IFIL project in Kenya and Uganda (EUR 31,000); and the International Fund for Agricultural Development (EUR 55,000) for the price risk management training project in Rwanda and Honduras.

27. Other income and expenses

Can be specified as follows:	2024	2023
	€ ,000	€ ,000
Exchange rate differences	132	(5,506)
Hedge premiums	(24,522)	(26,263)
Hedge provision	(72)	-
Dividends and sales from other securities	482	4
Income from fees on development financing portfolio	2,962	2,894
Other	172	1,561
Total	**(20,846)**	**(27,310)**

28. Personnel

The number of employees who were directly or indirectly employed by the Society at the end of 2024 on the basis of full-time equivalents (FTEs) amounted to 280 (2023: 277). This number includes staff based outside the Netherlands employed by the regional and country offices in the outflow market and the offices in the inflow market (2024: 139 FTE; 2023: 138 FTE). Of the total FTEs (280), 59% were women, 41% men and 0.0% non-binary. Of the total Managing Board FTEs (four), 50% were women and 50% men. Of the Supervisory Board (10), 60% were women and 40% men. The Supervisory Board members do not count as employees.

Can be specified as follows:	**2024**	**2023**
	€ ,000	**€ ,000**
Salaries	(18,432)	(14,637)
Social security charges	(2,600)	(2,199)
Pension charges	(1,532)	(1,365)
Other allowances (13th month, holiday allowance)	(1,351)	(1,209)
Expenses temporary staff	(1,076)	(2,769)
Settlements	(106)	(120)
All other personnel costs	(1,743)	(2,214)
Total personnel expenses	**(26,840)**	**(24,513)**

In the personnel expenses EUR 0.2 million is related to capacity building.

29. General and other expenses

Can be specified as follows:	**2024**	**2023**
	€ ,000	**€ ,000**
IT-related expenses (including development costs, new software)	(4,102)	(4,294)
Consultancy expenses including audit fees	(3,112)	(2,563)
Office expenses	(2,674)	(2,562)
Contribution to support associations	(2,278)	(2,793)
Marketing expenses	(1,730)	(1,289)
Capacity building expenses	(1,253)	(1,069)
Legal expenses	(1,191)	(1,818)
Expenses AGM and board	(159)	(35)
All other general expenses	(922)	(2,417)
Total general and other expenses	**(17,421)**	**(18,840)**

Auditor's fees

The following auditor's fees were charged by KPMG Accountants N.V. to the Society, as referred to in Article 2:382a (1) and (2) of the Netherlands Civil Code, and expensed in the income statement in the reporting period:	**2024** **€ ,000**	**2023** **€ ,000**
Audit of financial statements	(391)	(209)
Assurance services	-	(67)
Consulting services	-	-
Total audit fees	**(391)**	**(276)**

30. Additions to loss provisions and impairments

Can be specified as follows:	**2024** **€ ,000**	**2023** **€ ,000**
Additions to and releases from provisions against loan losses and equity impairments		
- equity impairments	(6,867)	3,458
- on principal of loans	(38,326)	(12,108)
- on interest	(3,026)	(3,254)
- Recoveries on write-offs	317	1,074
Total	**(47,902)**	**(10,830)**

The equity impairments show an addition of EUR 6.9 million which is caused by releases of EUR 6.7 million and additions of EUR 13.5 million. The releases are caused by investments that were sold that resulted in a loss of EUR 6.1 million (refer to Note 24) and the partial release of one of the fund investments for EUR 0.5 million. The investments that resulted in a loss were 100% impaired and therefore released from the equity impairments when the sales were recognised.

The additions to and releases from the loan loss provision were mainly because of the macroeconomic situation in Bolivia, for two large partners in Peru and for loans to partners in Africa and in the agriculture sector.

31. Taxes

The tax rate in the Netherlands is 25.8% (2023: 25.8%), with an initial rate of 19% on the first EUR 200,000 of taxable income. The tax rate in India for our subsidiary is 25.2%.

As mentioned in Note 1 (General information) above, the offices in Brazil, Costa Rica, Guatemala, Kenya and Nigeria are incorporated as legal entities, but due to the limited size of their assets, these offices are regarded as if they were owned branch offices. The growth of the organisation in past years led the Society to thoroughly review its operational set-up in the countries where it has offices, to ensure that there is a structure in place to pay the Society's fair share of taxes. The taxes of EUR 0.2 million relate to these offices and no income taxes are expected to be due in the Netherlands.

The effective tax rate of the Society is 2.4% and differs from the applicable tax rate. This is due to the fact that our subsidiary in India has recorded an income of EUR 0.3 million concerning taxes. The Society has fiscal loss carryforwards. Next to that, there are participation exemptions applicable on results on equity investments which are the permanent difference between commercial and fiscal results.

Can be specified as follows:	**2024**	**2023**
	€ ,000	**€ ,000**
Taxes regional and country offices	(193	(104)
Taxes Maanaveeya Development & Finance Private Limited	301	(2,935)
Additions to tax accruals	-	(141)
Releases from tax accrual	(14)	746
Total taxes	**94**	**(2,434)**

32. Use of financial instruments

Balance sheet item	**Product**	**31/12/2024 Notional € ,000**	**31/12/2024 Carrying amount € ,000**	**31/12/2023 Carrying amount € ,000**
Oikocredit has entered into the following derivatives to cover its exposure:				
Non-current assets				
FX derivatives	Under hedge accounting	-	-	-
Cross currency swaps	Under hedge accounting	57,636	3,823	8,886
	Total		**3,823**	**8,886**
Current assets				
FX derivatives	Under hedge accounting	3,221	1,128	20,033
Cross currency swaps	Under hedge accounting	55,047	4,482	-
	Total		**5,610**	**20,033**
Non-current liabilities				
FX derivatives	Under hedge accounting	431	(26)	-
Cross currency swaps	Under hedge accounting	253,234	(9,158)	(699)
	Total		**(9,184)**	**(699)**
Current liabilities				
FX derivatives	Under hedge accounting	173,538	(5,494)	(2,907)
Cross currency swaps	Under hedge accounting	170,372	(7,650)	-
	Total		**(13,144)**	**(2,907)**

The total book value of the hedge contracts as at 31 December 2023 was EUR 12.9 million negative (2023: EUR 25.3 million positive) and the market value was EUR 11.0 million negative (2023: EUR 20.6 positive). The hedge-effectiveness test established that some contracts were ineffective during 2024, for which a provision was formed of EUR 72,000. In 2023 the hedge-effectiveness showed all contracts to be effective.

33. Related party transactions

For transactions with the Managing Board and Supervisory Board, please refer to Note 34 (Remuneration).

Transactions with Oikocredit International Foundation during the year

The Society charged an administration fee to the Foundation amounting to EUR 30,000 (2023: EUR 30,000).

Transactions with Oikocredit International Share Foundation

The Share Foundation was liquidated in December 2023.

In 2023 the total costs accounted in the Society related to the Share Foundation amounted to EUR 17,000.

In 2023, funds were donated via the Share Foundation by investors to the Oikocredit International Foundation totalling EUR 215,000 from dividends and investments in depository receipts.

Transactions with Maanaveeya Development & Finance Private Limited

The Society charged interest to Maanaveeya on external commercial borrowing totalling EUR 7.9 million (2023: EUR 9.0 million). The Society has a service level agreement with Maanaveeya where it has been agreed that Maanaveeya will provide support services in relation to the equity investment activities of the Society in India. Maanaveeya will charge the Society its net cost for these services plus a mark-up. The total costs charged in 2024 were INR 18.2 million (EUR 199,000).

Transactions with support associations and members

The Society granted a contribution for costs to the support associations during 2024 of EUR 2.3 million (2023: EUR 2.8 million). Oikocredit Stiftung Deutschland donated EUR 160,000 to the Client Self-Perception Survey.

The Society has members that are also partners of the Society. The members that are also partners and with which there were transactions in the years 2024 and 2023 are listed below. The transactions consist of disbursements, interest and capital repayments in the years 2024 and 2023:

Name of partner	Country	Sum of disbursements, interest and capital repayments in 2024
Alternativa, Centro de Investigación Social y Educación Popular	Peru	63,208
Calcar, Cooperative Agraria de Responsabilidad Ltda Carmelo	Uruguay	77,199
Chajul, Asociación Chajulense Va'l Vaq Quyol	Guatemala	2,061,903
Unaitas Sacco Society Ltd	Kenya	2,804,169
Total		**5,006,479**

Name of partner	Country	Sum of disbursements, interest and capital repayments in 2023
Alternativa, Centro de Investigación Social y Educación Popular	Peru	134,389
Chajul, Asociación Chajulense Va'l Vaq Quyol	Guatemala	2,167,090
CLU, Central Lanera Uruguaya	Uruguay	1,921,422
Unaitas Sacco Society Ltd	Kenya	37,466
Total		**4,260,367**

Amounts owed by and to Oikocredit [1]	31/12/2024	31/12/2023
	€ ,000	€ ,000
Oikocredit International Foundation	(6,761)	(6,943)
Maanaveeya Development & Finance Private Limited (owed to Oikocredit)	79,095	84,835

[1] Market interest rates are charged on these amounts.

34. Remuneration

Supervisory Board remuneration policy

The Society offers Supervisory Board members compensation for their travel, administrative expenses and loss of income due to the extensive time commitment involved in serving on the board. The Supervisory Board remuneration is unchanged since 2022and is composed of four elements:

a) Basic annual fee: basic fixed fee for all board members and a fixed fee for the chairperson to cover their work as a board member on the basis of 15 board meeting days per year and additional online meetings, including preparation and follow-up.

b) Additional annual fees:
- Additional committee chair fee: fixed fee for chairing a Supervisory Board committee.

c) Variable fees:
- (Inter-)continental travel compensation fee: fixed fee per eight working hours lost with a fixed amount per return travel to compensate for loss of time due to intercontinental travelling to Supervisory Board (committee) meetings.

d) Expense reimbursement: compensation for actual expenses incurred in relation to the Society's activities, provided that these expenses are documented (e.g. travel and accommodation).

The total compensation/remuneration for the Supervisory Board in 2024 amounted to EUR 147,000 (2023: EUR 107,000).

Remuneration Managing Board

The remuneration can be specified as follows:	2024	2023
	€ ,000	€ ,000
Gross salary, holiday and year-end allowance	875	813
Expense allowances	-	-
Pension contributions	158	157
Total	**1,033**	**970**

Staff of Oikocredit globally

The Society believes in remunerating its employees in a fair and equitable manner. This means that the remuneration of its staff worldwide should be aligned with the values and nature of the Society, acknowledging people's diverse experience and educational backgrounds, and elements of both the financial sector as well as the social sector at an international or national level, depending on the job requirements.

Performance reward

In 2023 and 2024 no performance rewards were allocated to staff. On 1 January 2020 a new remuneration policy was implemented. Under this policy, variable pay, such as a performance reward, is no longer part of the remuneration package. However, non-financial rewards are granted to some staff members in cases of exceptional performance (such as specific trainings or additional time-off).

Supervisory Board and Managing Board holdings in Oikocredit capital

Some Supervisory Board and Managing Board members have indirect holdings in the Society's participations amounting to EUR 39,604 at 31 December 2024 (2023: EUR 34,000). These holdings do not have any voting rights.

35. Subsequent events

Subsequent events are events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are prepared and recognised in the financial statements. There are no subsequent events that qualify as an adjusting event to be recognised in the financial statements 2024.

Society financial statements

Agri Evolve is a family-run social enterprise operating in the Rwenzori region of western Uganda with a mission to create long-term social impact in rural communities. With Oikocredit support since 2023, Agri Evolve works with about 20,000 smallholder farmers, many of them certified Rainforest Alliance coffee growers.

Agri Evolve supports the whole supply chain, from seedling production to buying, processing and exporting high-quality coffee and other crops. Oikocredit's pre-financing enables it to pay farmers promptly and fairly for their harvest before it sells the coffee abroad.

Mary Kanyonyi, pictured, rakes coffee beans as part of the drying process.

Society balance sheet

(Before appropriation of net income)

Notes	Balance sheet	31/12/2024	31/12/2023
		€ ,000	€ ,000
	Fixed ASSETS		
37	**Intangible fixed assets**	**4,118**	**4,134**
38	**Tangible fixed assets**	**509**	**619**
	Financial assets		
39	Development financing		
	Total development financing outstanding	890,786	901,649
	Less: - loss provision and impairments	(83,355)	(59,982)
		807,431	**841,667**
	Consists of:		
	Loans (net of loss provision)	675,935	708,173
	Equity (net of impairments)	129,159	130,567
	Significant influence investments	2,337	2,927
40	Investments in group companies	76,097	63,907
41	Other securities	15,928	20,823
42	Other financial assets	73,382	74,696
	Total financial assets	**165,407**	**159,426**
	Total fixed assets	**977,466**	**1,005,846**
	CURRENT ASSETS		
43	Receivables and other current assets	47,246	58,782
44	Cash and cash equivalents	57,425	53,431
	Total current assets	**104,671**	**112,213**
	TOTAL	**1,082,137**	**1,118,059**

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

Society balance sheet
(Before appropriation of net income)

Notes	Balance sheet	31/12/2024 € ,000	31/12/2023 € ,000
	MEMBER AND INVESTOR CAPITAL AND RESERVES		
45	Member and investor capital	967,023	1,000,786
46	General reserve	80,678	84,672
46	Restricted exchange fluctuation reserve	(3,814)	(4,351)
	Undistributed net income for the year	(8,793)	1,246
		1,035,094	**1,082,353**
17	**PROVISIONS**	**202**	**289**
48	**NON-CURRENT LIABILITIES**	**9,184**	**699**
49	**CURRENT LIABILITIES**	**37,657**	**34,719**
	TOTAL	**1,082,137**	**1,118,059**

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

Society income statement

Notes	Income statement	2024	2023
		€ ,000	**€ ,000**
	RESULTS		
40	Results participation in group companies after taxes	9,862	7,886
	Other results	(18,448)	(7,140)
	INCOME BEFORE TAXATION	**(8,586)**	**746**
	Taxes	(207)	500
	INCOME AFTER TAXATION	**(8,793)**	**1,246**

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

Notes to the Society financial statements

36. 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 (Dutch GAAP).

The accounting policies of the Society financial statements and the consolidated financial statements are the same.

The participating interests in group companies are accounted for in the separate financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

Share of result of participating interests
This item concerns the Society's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Society and its participating interests, and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.

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

37. Intangible fixed assets

Intangible fixed assets		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Goodwill	2,593	2,420
Software and data warehouse	1,525	1,714
Balance as at 31 December	**4,118**	**4,134**

Changes in goodwill		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Historical cost price as at 1 January	3,252	3,252
Accumulated amortisation as at 1 January	(832)	(507)
Balance as at 1 January	**2,420**	**2,745**
Investments	539	-
Disposals	-	-
Amortisation	(366)	(325)
Movements in the year	**173**	**(325)**
Historical cost price as at 31 December	3,791	3,252
Accumulated amortisation as at 31 December	(1,198)	(832)
Balance as at 31 December	**2,593**	**2,420**

Goodwill has been recognised in the intangible fixed assets as part of the significant influence investments.

Software and data warehouse		
Changes in intangible fixed assets in 2024 and in the costs of acquisition and accumulated depreciation as at 31 December 2024 can be specified as follows:	**31/12/2024 € ,000**	**31/12/2023 € ,000**
Historical cost price as at 1 January	5,581	4,553
Accumulated amortisation as at 1 January	(3,867)	(2,912)
Balance as at 1 January	**1,714**	**1,641**
Investments	801	1,028
Disposals	-	-
Amortisation	(991)	(955)
Movements in the year	**(189)**	**73**
Historical cost price as at 31 December	6,382	5,581
Accumulated amortisation as at 31 December	(4,857)	(3,867)
Balance as at 31 December	**1,525**	**1,714**

The intangible assets consist of acquired software. The software relates to an online portal for investors, a data warehouse and software to develop an online partner portal to enhance our cooperation with and monitoring of partners. Software is amortised in three years.

38. Tangible fixed assets

Changes in tangible fixed assets in 2024 and in the costs of acquisition and accumulated depreciation as at 31 December 2024 can be specified as follows:	**IT equipment € ,000**	**Furniture € ,000**	**Total 2024 € ,000**	**Total 2023 € ,000**
Historical cost price as at 1 January	1,763	1,680	3,442	3,304
Accumulated depreciation as at 1 January	(1,583)	(1,241)	(2,823)	(2,581)
Balance as at 1 January	**180**	**439**	**619**	**722**
Investments	89	7	96	139
Disposals	-	-	-	-
Depreciation	(111)	(96)	(206)	(242)
Depreciation disposals	-	-	-	-
Movements in the year	**(21)**	**(89)**	**(110)**	**(103)**
Historical cost price as at 31 December	1,852	1,687	3,539	3,442
Accumulated depreciation as at 31 December	(1,693)	(1,337)	(3,030)	(2,823)
Balance as at 31 December	**159**	**350**	**509**	**619**

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

39. Development financing

Changes in development financing outstanding		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Outstanding as at 1 January	901,649	848,811
Disbursements	333,532	395,590
Capitalised interest and dividends	(1,034)	(1,838)
Less: - repayments	(329,956)	(301,415)
- write-offs	(19,217)	(10,479)
Equity divestments	(17,830)	(10,225)
Deduct historical cost significant influence investments	-	(5,677)
Goodwill on disbursements significant influence investments	(540)	-
Net asset value significant influence investments	(686)	2,927
Exchange adjustments	24,869	(16,045)
Outstanding as at 31 December	**890,787**	**901,649**

Loan loss provision and impairments on equity		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Loan loss provision	(60,372)	(43,868)
Impairments equity	(22,984)	(16,114)
Balance as at 31 December	**(83,355)**	**(59,982)**

Movement schedule loan loss provision		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	(43,868)	(42,698)
Additions	(42,152)	(20,501)
Releases	6,847	8,430
Exchange rate adjustments	(416)	792
	(79,589)	(53,977)
Less: - write-offs	19,217	10,109
Balance as at 31 December	**(60,372)**	**(43,868)**

Movement schedule impairments equity investments		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	(16,114)	(20,711)
Additions	(13,542)	(2,008)
Reclass to significant influence investments	-	764
Reversals	6,672	5,471
	(22,984)	(16,484)
Less: - write-offs	-	370
Balance as at 31 December	**(22,984)**	**(16,114)**

Refer to Note 9 of the consolidated financial statements for further detailed information on consolidated development financing.

40. Group companies

Net asset value investments in group companies		
	31/12/2024	**31/12/2023**
	€ ,000	**€ ,000**
Maanaveeya Development & Finance Private Limited, Hyderabad, India [1]	76,097	63,907
Balance as at 31 December	**76,097**	**63,907**

[1] The investment in Maanaveeya Development & Finance Private Limited, Hyderabad, India, consists of 100% of the ordinary shares amounting to INR 2.5 billion (228,652,711 shares). One share is held by the Managing Director of Maanaveeya.

Maanaveeya Development & Finance Private Limited		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	63,907	58,701
Result for the year	9,862	7,886
Exchange adjustments	2,328	(2,680)
Balance as at 31 December	**76,097**	**63,907**

41. Other securities

Changes in term investments can be specified as follows:	31/12/2024	31/12/2023
	€ ,000	€ ,000
Balance as at 1 January	20,823	25,466
Investments during the year at cost	-	-
Impairment	-	-
Divestments during the year	(4,895)	(4,643)
Exchange adjustments	-	-
Balance as at 31 December	**15,928**	**20,823**

Can be specified as follows:	31/12/2024	31/12/2023
	€ ,000	€ ,000
GLS Alternative Microfinance Fund	-	4,896
TCX, The Currency Exchange Fund N.V., the Netherlands	15,218	15,218
GLS Gemeinschaftsbank, Germany	500	500
Banca Popolare Etica, Italy	100	100
Ekobanken, Sweden	9	10
Other	101	99
Total other securities	**15,928**	**20,823**

42. Other financial assets

Summary of other financial assets:	31/12/2024	31/12/2023
	€ ,000	€ ,000
Loans to group companies	69,559	65,801
Staff loans [1]	-	9
Hedge contracts financial institutions	3,823	8,886
Balance as at 31 December	**73,382**	**74,696**

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

Loans to group companies consists of the following:
- External commercial borrowing (ECB) Loan 1 with Maanaveeya Development & Finance Private Limited with a total principal amount of INR 1.05 billion (EUR 11.8 million). The loan carries an interest rate of 10.91%. The first repayment of the loan is due in February 2025, which is presented under the receivables (Note 43) and the last repayment is due in February 2026.
- ECB Loan 4 with Maanaveeya Development & Finance Private Limited with a total principal amount of INR 2.5 million (EUR 28.0 million). The loan carries an interest rate of 9.83%. The first repayment of the loan is due in December 2025, followed by half-yearly repayments, with the last repayment in June 2028.
- ECB Loan 5 with Maanaveeya Development & Finance Private Limited with a total principal amount of INR 2.5 million (EUR 28.0 million). The loan carries an interest rate of 9.99%. The first repayment of the loan is due in June 2028, followed by quarterly repayments, with the last repayment due in September 2029.
- ECB loan 6 with Maanaveeya Development & Finance Private Limited with a total principal amount of INR 1.0 million (EUR 11.2 million). The loan carries an interest rate of 9.71%. The first repayment of the loan is due in December 2029, followed by half yearly repayments, with the last repayment due in June 2031.

43. Receivables and other current assets

The receivables maturing within one year can be specified as follows:		**31/12/2024**		**31/12/2023**
		€ ,000		**€ ,000**
Accrued interest on development financing net of allowance		13,029		11,849
Collateral hedging		11,443		-
Loans to group companies expiring within 1 year		9,536		19,034
Hedging contracts (refer to Note 32)		5,610		20,033
Interest receivable		1,941		2,267
- face value	4,764		4,667	
- less: allowance for uncollectability	(2,823)		(2,400)	
Hedging receivable		1,913		3,177
Amounts prepaid		1,001		368
Accrued interest ECB loans MV		941		990
Value added tax and wage taxes		593		486
Staff loans [1]		7		13
Receivable Share Foundation		-		-
Sundry receivables		1,232		565
Balance as at 31 December		**47,246**		**58,782**

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

Fair value of receivables

The fair value of the current assets approximates to the book value.

44. Cash and cash equivalents

The Society maintains its funds in banking institutions in Africa, Asia, Europe, Latin America and the United States. The time deposits included in cash and cash equivalents as at 31 December 2024 all mature in 2025.

The Society has a credit facility agreement with two Dutch banks. The facility amounts to EUR 100.0 million. This facility is subject to the following conditions:

- Audited financial statements should be provided within six months of year-end.
- Within 45 days after quarter-end a report with consolidated financial statements and the financial statements of Maanaveeya should be provided.
- A report setting out the net asset value of the participations of the Society denominated in euro should be provided within 30 days after month-end.
- The leverage ratio should not exceed 10%.
- The solvency ratio of the Society should be at least 70% (2024: 96%).
- Without the written permission of the credit institution, the Society is not allowed to sell or securitise fixed assets or establish mortgages or other encumbrances on fixed assets (except for transactions taking place in the normal course of business) or to issue guarantees for liabilities of third parties.

45. Member and investor capital

For details about the member and investor capital, please refer to Note 14 of the consolidated financial statements.

46. General and other reserves

General reserves		
Can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Balance as at 1 January	84,672	83,572
Appropriation of prior-year results	1,246	6,760
Paid dividend	(5,240)	(5,661)
Balance as at 31 December	**80,678**	**84,672**

The Society deducted EUR 5.2 million from the general reserve, to be able to pay out a dividend of 0.5%.

Restricted exchange fluctuation reserve		
	31/12/2024	**31/12/2023**
Can be specified as follows:	**€ ,000**	**€ ,000**
Balance as at 31 December	(4,351)	(4,227)
Revaluation of hedges on subsidiary	(1,791)	2,554
Revaluation of subsidiary	2,328	(2,678)
Balance as at 31 December	**(3,814)**	**(4,351)**

The restricted exchange fluctuation reserve is a legal reserve. The restricted exchange fluctuation reserve represents the accumulation of gains and losses from currency translation on investments in group companies. This reserve also contains the results (gains, losses and premiums) on the hedge contracts concluded on investment in group companies. As of September 2024 we ceased to hedge our open-ended investment in Maanaveeya.

47. Differences in equity and net income between the Society and consolidated financial statements

Changes in the difference between the Society and consolidated equity	**31/12/2024**	**31/12/2023**
and profit/loss in the financial year can be specified as follows:	**€ ,000**	**€ ,000**
Equity according to society financial statements	1,035,094	1,082,353
Reserves Oikocredit International Foundation	3	3
Reserves for subsidised activities Oikocredit International Foundation	2,884	2,514
Funds for subsidised activities and model costs Oikocredit International Foundation	1,244	1,340
Result for the year Oikocredit International Foundation	644	370
Prior year adjustment	(27)	(26)
Group equity and funds according to consolidated financial statements	**1,039,841**	**1,086,555**

48. Non-current liabilities

Can be specified as follows:	2024	Remaining term > 1 year < 5 years	Remaining term > 5 years	2023
	€ ,000	€ ,000	€ ,000	€ ,000
Hedge contracts (refer to Note 32, consolidated financial statements)	9,184	9,184	-	669
Total non-current liabilities	**9,184**	**9,184**	**-**	**669**

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

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 to the book value. Loans for investment in development financing have been invested in the Society's development financing portfolio.

49. Current liabilities

Current liabilities		
All current liabilities mature within one year and can be specified as follows:	**31/12/2024**	**31/12/2023**
	€ ,000	**€ ,000**
Hedge contracts	13,144	2,907
Group companies	6,761	6,926
Hedging premiums payable	5,083	3,168
Investments/redemptions investors	3,617	2,364
Accrued personnel expenses	2,566	2,168
Accounts payable	2,278	1,400
Other taxes payable [2]	2,139	2,153
Dividend payable	509	12
Provision hedges	72	-
Non-allocated grants	40	-
Collateral hedging	-	11,510
Accrued expenses, sundry liabilities [1]	1,448	2,111
Balance as at 31 December	**37,657**	**34,719**

[1] Mainly consists of account payables and accruals.

[2] The growth of the Society has led Oikocredit to thoroughly review its tax and legal structures in the countries where it has offices, to ensure there is a structure in place to pay Oikocredit's fair share of taxes. In 2024, the accrual did not change compared to the previous year. The total tax accrual amounts to EUR 2.1 million per 31 December 2024.

Fair value of current liabilities

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

50. Commitments not included in the balance sheet

For other commitments not included in the balance sheet please refer to the consolidated financial statements Note 20.

51. Subsequent events

Subsequent events are events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are prepared and recognised in the financial statements. There are no subsequent events that qualify as an adjusting event to be recognised in the financial statements 2024.

Other information

Proposal for allocation of net income

With respect to the allocation of net income, the Society's Articles of Association determine the following (Article 45): 'The net profits shall be allocated by the General Meeting after receiving the proposal of the Managing Board.' Such proposal is subject to approval by the Supervisory Board (Article 40.3).

The Managing Board will make the following proposal to the Annual General Meeting in 2025 with regard to 2024 net income.

Allocation of net income 2024	
The Managing Board proposes to appropriate the net income as follows:	**2024**
	€ ,000
Dividend distribution	**-**
Net income 2024	*(8,793)*
Proposal to be deducted from the general reserve	**(8,793)**

In the Annual Report 2023 the below table was included:

Allocation of net income 2023	
The Managing Board proposes to appropriate the net income as follows:	**2023**
	€ ,000
Dividend distribution	**5,279**
Net income 2023	*1,246*
Proposal to add to the general reserve	**(4,033)**

Independent auditor's report

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

Report on the audit of the financial statements included in the annual report

Our opinion

We have audited the financial statements 2024 of Oikocredit, Ecumenical Development Cooperative Society U.A, based in Amersfoort.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Oikocredit, Ecumenical Development Cooperative Society U.A as at 31 December 2024 and of its result for the period 1 January 2024 up to and including 31 December 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1 the consolidated and society balance sheet as at 31 December 2024;

2 the consolidated and society income statement for the period 1 January 2024 up to and including 31 December 2024; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Oikocredit, Ecumenical Development Cooperative Society U.A in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In section 6 'Risk management' of the annual report, the management board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit, Legal Counsel and Compliance where deemed appropriate. We have also incorporated elements of unpredictability in our audit and involved forensic specialists in our audit procedures. As part of our audit procedures, we:

— obtained an understanding of how the company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;

— assessed other positions held by Management Board members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;

— evaluated investigation reports on indications of possible fraud and non-compliance; and

— evaluated legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

— anti-money laundering and terrorist financing law; and

— data protection law.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

In accordance with the information presented above and the applicable auditing standards, we have identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards and responded as follows:

Management override of controls (a presumed risk)

Risk: Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

— We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries, estimates and unusual transactions.
— We performed a data analysis of high-risk journal entries and evaluated key estimates and judgments for bias by the Company's management. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional

audit procedures to address each identified risk, including testing of transactions back to source information.

- We identified and selected journal entries and other adjustments made at the end of the reporting period for testing.

Audit response to going concern

The management board has performed its going concern assessment and has not identified any going concern risks. To assess the management board's assessment, we have performed, inter alia, the following procedures:

- we considered whether the management board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit; and
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Managing Board is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Managing Board and the Supervisory Board for the financial statements

The Managing Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Managing Board is responsible for such internal control as the Managing Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Managing Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Managing Board should prepare the financial statements using the going concern basis of accounting unless the Managing Board either intends to liquidate the Cooperative or to cease operations, or has no realistic alternative but to do so. The Managing Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: https://www.nba.nl/siteassets/tools-en-ondersteuning/standaardpassages/eng_algemeen_20241203.pdf

This description forms part of our independent auditor's report.

Amstelveen, 28 March 2025

KPMG Accountants N.V.

P.J. Smit RA

Strategic partners and relevant networks

www.svenskakyrkan.se	www.africanguaranteefund.com	www.agrigrade.org
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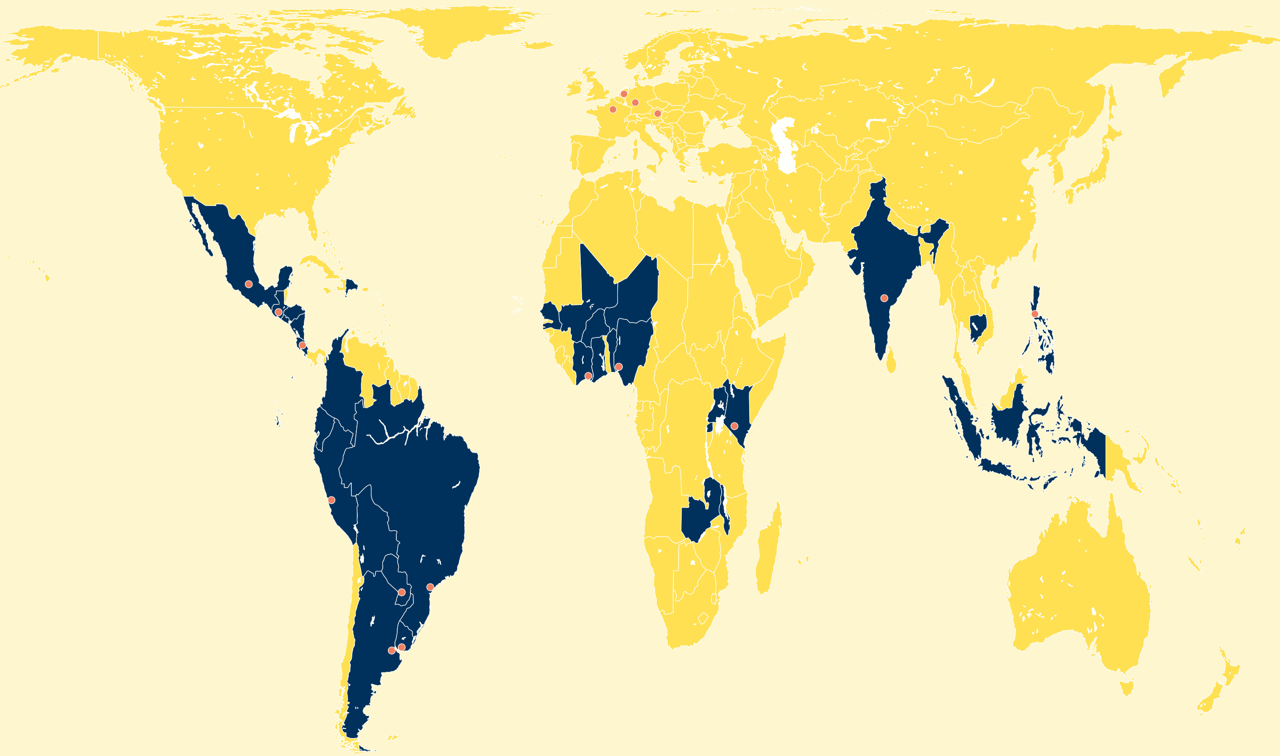
Oikocredit's presence and focus countries



Focus countries
Oikocredit offices

Support associations

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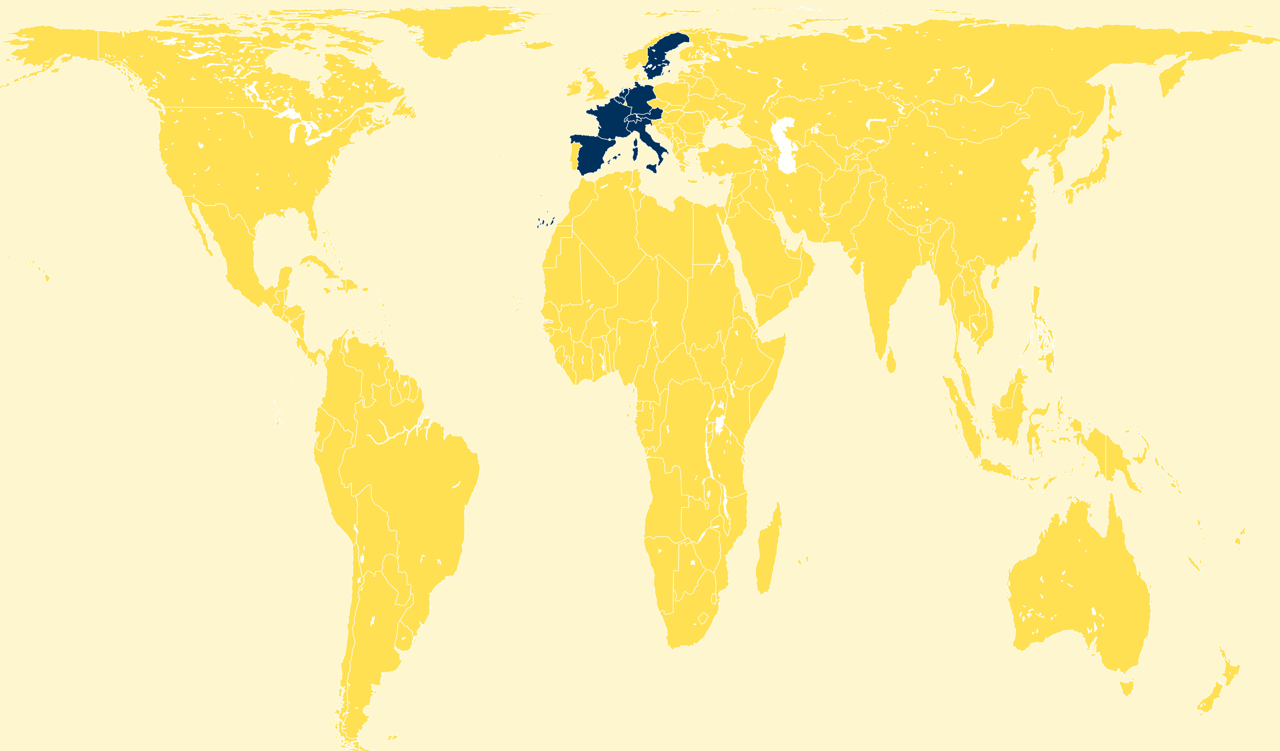
Countries in which Oikocredit actively attracts investments



■ In these countries individuals and organisations can invest in Oikocredit.

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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
Investing in people