



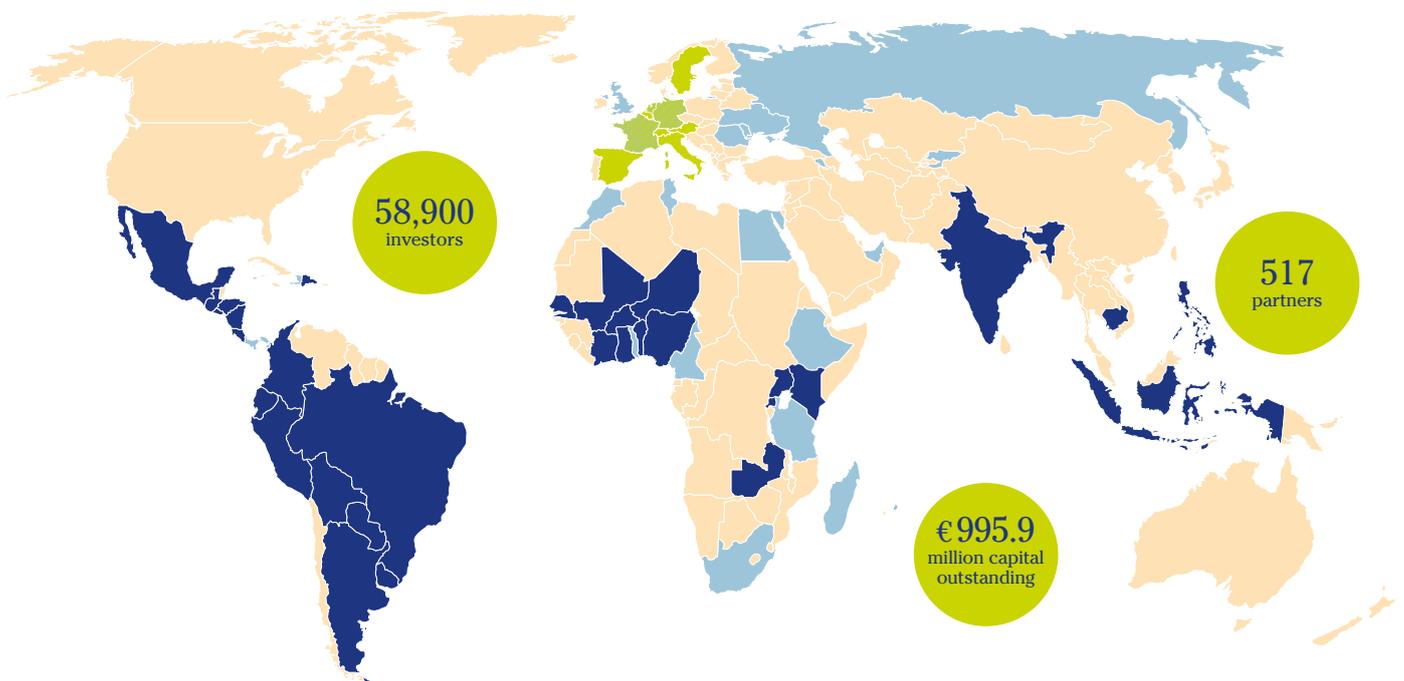
Investing for positive social impact

Oikocredit is a social impact investor and worldwide cooperative with over four decades of experience in leading positive change through investments in financial inclusion, agriculture and renewable energy.

Guided by the principle of empowering low-income people to improve their quality of life, Oikocredit supports partners in Africa, Asia and Latin America through loans, investments and capacity building.

Oikocredit is financed by individuals and institutions who want to be part of a global movement for social change. Our investments prioritise social impact while safeguarding the environment and generating fair financial returns.

We're a global organisation with local presence, able to respond to our partners' needs and strengthen them by offering more than financing.



- 33 countries where Oikocredit will focus its activities going forward
- Other countries where Oikocredit currently has loans and investments
- 9 countries where Oikocredit actively attracts investments

Côte d'Ivoire Empowering women entrepreneurs

Jennifer Toussou spent three years selling her products on the street. Determined to develop her business, she became a client of Oikocredit partner Fin'Elle. With Fin'Elle's support, Jennifer was able to develop her business. As a result, she was not only able to open her own shop at the local market and diversify her products, but she also bought a plot of land and built a house and a chicken coup. Fin'Elle is a microfinance institution focused on empowering women entrepreneurs, like Jennifer, by providing microfinance and mesofinance loans to women-owned small and medium enterprises in Côte d'Ivoire.



Returning to growth and looking ahead



Oikocredit's Managing Director, Mirjam 't Lam, shares her thoughts about a successful year for the cooperative and our plans for 2022.

24 March 2022

2021 was an important year for Oikocredit. We recovered well from the economic effects of the coronavirus pandemic and spent productive time envisaging our cooperative's future. For these achievements we owe much to the loyalty of our members and investors, the commitment of our staff and the resilience of our partners. Alongside these positives we recognise that Covid-19 and its repercussions have pushed millions of people into poverty and have particularly harmed the life chances of women and girls.* This makes our mission of helping low-income people achieve lives of dignity more necessary than ever. As I write this with Russia's invasion of Ukraine in my thoughts, I must acknowledge that planning for the future has just become that much harder.

Financial recovery

The cooperative maintained capital stability, rebuilt the development financing portfolio and returned to profitability in 2021 as markets in our focus countries generally resumed growth. We achieved a positive result of € 15.3 million, following the contraction and net loss of € 22.2 million in 2020, and our portfolio grew back by 17.8% to € 995.9 million as we renewed lending to current and new partners. These results were in line with our expectations.

Total member capital grew to € 1,129.0 million from € 1,104.1 million in 2020. Net asset value (NAV) per share at € 213.58 (2020: € 210.50) and the liquidity ratio at 21.5% (2020: 33.1%) returned to close to pre-Covid-19 levels.

We were pleased to achieve solid portfolio growth in financial inclusion to € 761.4 million (2020: € 641.3 million) and in agriculture to € 182.6 million (2020: € 148.7 million). Renewable energy saw a small dip to € 43.7 million (2020: € 45.7 million). Growth was especially strong in Africa at 38.0%, in line with our ambition to increase exposure there, and healthy in Asia (33.3%) and in Latin America & the Caribbean (7.5%). Total lending increased by 21.7%, while equity reduced marginally by 0.3%. All except five of the partners that had been on 'payment holidays' resumed scheduled loan repayments, and we maintained portfolio quality.

Social performance and capacity building

Oikocredit's first digital client self-perception survey marked a major step forward in our social performance management. The survey generated responses from more than 2,500 clients of five current and former partners in Kenya, Peru, the Philippines and Uganda about changes affecting their income, savings, business development and household well-being. Another high point in 2021 was stakeholders' positive response to our Impact Report 2021 (www.oikocredit.coop/impact-report), which shows how collaboration between our cooperative and our partners creates opportunities for low-income people.

As the pandemic eased in the second half of the year, we carefully resumed on-site and in-person capacity building for partners, which strengthens them organisationally and enhances their social impact. We had temporarily moved all capacity building online in 2020. In total we invested € 0.4 million in capacity building for 50 current and potential partners and, for example, launched a price risk management programme for 11 African coffee partners, the Women Innovation for Sustainable Enterprise programme for five Ghanaian partners, and the Innovative Finance for Improved Livelihoods project for 37 farmer-based organisations in Kenya and Uganda.

The year ahead

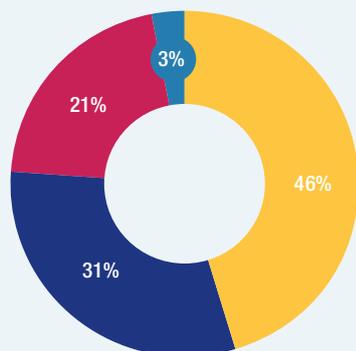
The solid financial and social returns achieved in 2021 provide a sound basis for Oikocredit's future development in a currently uncertain world. Two major strategic and organisational changes will take shape this year. One is the launch of our strategy for 2022-2026 planned for mid-2022, which we have co-created with staff, members, partners and external experts. The new strategy includes creating a global investor movement and a holistic approach to investing in sectors such as housing, education, healthcare, and water and sanitation to help low-income communities build resilience. We have begun to pilot a small number of these community-focused projects. The second change, on which we have also consulted widely, will be the move to a new capital-raising model, which we will propose to the cooperative's members at the next General Meeting in June.

Oikocredit will continue to respond with agility to new opportunities and challenges and to deliver impact for the people we serve. While we have much to look forward to in the coming year, we are deeply concerned for the people of Ukraine and condemn all acts of aggression and violence as we strive for a world where justice and peace can prevail.

Oikocredit at a glance

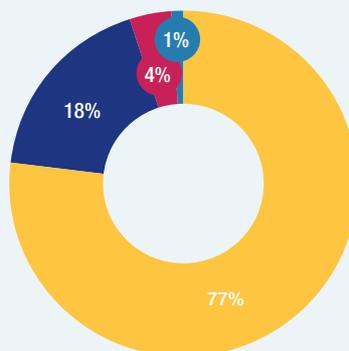
Financing by region

at 31 December 2021



Financing by sector

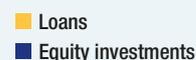
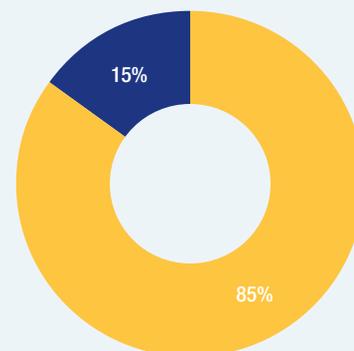
at 31 December 2021



* including microfinance and SME finance

Type of financing

at 31 December 2021



Key figures

at 31 December 2021

● Total assets	€ 1,258.1 million
● Total development financing outstanding	€ 995.9 million
● Member capital	€ 1,129.0 million
● Total number of partners	517
● Average outstanding financing per partner	€ 1.9 million
● Net asset value per share	€ 213.58
● Result (year-to-date)	€ 15.3 million

Social and environmental performance

at 31 December 2020

Social and environmental performance management is a priority for Oikocredit. We monitor certain social and environmental performance indicators to ensure our partners reach the right target groups and provide services that work towards a positive change in people's lives.

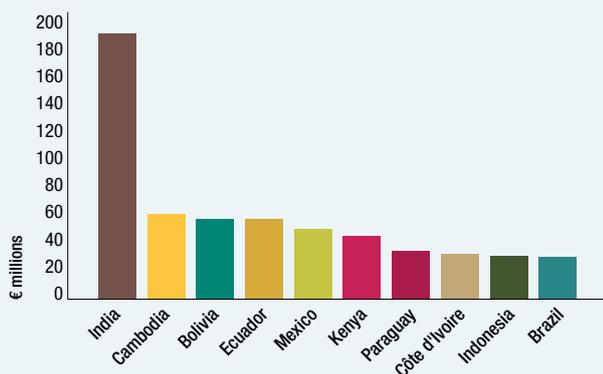
Clients reached by Oikocredit's financial inclusion partners	32.2 million
● % female clients	87%
● % rural clients	63%

Farmers reached by Oikocredit's agriculture partners	542,000
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Renewable energy	
● Households with access to clean energy	68,000
● CO ₂ emissions avoided (in tonnes)	164,000

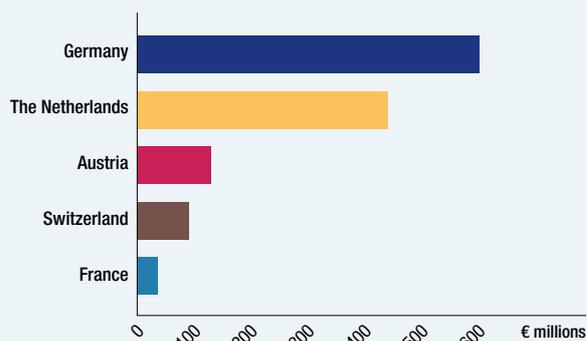
Ten countries with highest capital outstanding

at 31 December 2021



Five countries with highest member capital

at 31 December 2021



Key ratios and figures

The following is an unaudited quarterly extract of key figures. The full annual accounts are available at www.oikocredit.coop/annual-report
For further explanations on the current quarterly results, see our quarterly news item at www.oikocredit.coop/news

Key quarterly ratios and figures (year-to-date)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Generating fair financial returns for investors					
● Return on equity	1.4%	1.8%	1.8%	4.3%	-2.0%
● Return on assets	1.2%	1.6%	1.7%	3.8%	-1.8%
Liquidity risk management					
● Liquidity ratio as % of total assets	21.5%	31.2%	33.4%	30.8%	33.1%
● Free liquidity (in € millions)	€ 74.9 M	€ 174.8 M	€ 205.2 M	€ 191.4 M	€ 190.3 M
Solvency and capital management					
● Net asset value per share	€ 213.58	€ 213.87	€ 212.82	€ 213.11	€ 210.50
● Leverage ratio	2.7%	2.4%	2.3%	2.9%	3.6%
Credit risk management					
● Loan loss provisions on capital and interest and impairment of equity as % of development financing	9.7%	10.7%	11.4%	10.9%	13.0%
● % of loan portfolio paid on time	89.9%	90.1%	90.1%	89.6%	90.8%
● Portfolio at risk (90 days)	5.5%	6.1%	5.9%	5.6%	5.8%
Cost management					
● General and administrative expenses as % of total assets	2.3%	2.2%	2.2%	2.2%	2.3%
Market risk management					
● Total operating income as % of development financing	4.7%	5.2%	5.6%	5.5%	4.8%
● Hard currencies as % of development financing	54.4%	55.0%	52.8%	50.2%	52.0%

Commentary on key quarterly ratios and figures

Key quarterly ratios and figures provided above give Oikocredit members and investors additional financial information about outcomes achieved and progress made over the last quarter.

Generating fair financial returns for investors

The return ratios on total portfolio, equity and assets remained above budget but deteriorated in Q4 compared to Q3, mainly due to increased provisioning for our special collections portfolio. The ratios continue to compare favourably to 2020 when the loss resulted in negative returns.

Liquidity risk management

The liquidity ratio reduced further to 21.5%, mainly because we aimed to grow our development finance portfolio, causing disbursements to exceed instalments. The liquidity buffer remains sufficient to service lending to partners and investor redemptions.

Solvency and capital management

Net asset value (NAV) per share (€ 213.58) remained almost unchanged from Q3 and higher than at end-2020, signalling value creation for the cooperative. The leverage ratio increased slightly in Q4 but has nevertheless improved compared to 2020 due to loan repayments and the discharge of other obligations.

Credit risk management

Loan loss provisions and equity impairments continued to decrease in relation to the increased total size of the development financing portfolio. The percentage of the loan portfolio that partners are repaying on time stayed at 90%, while portfolio at risk (loan repayments at least 90 days overdue) improved from 6.1% to 5.5%, acceptably below the target threshold of 6%.

Cost management

The costs to assets ratio deteriorated slightly in Q4 but remains within the target of 2.3%.

Market risk management

Total operating income as a share of the total development financing portfolio decreased in Q4 and remains below budget. Materialisation of portfolio growth late in the quarter and below-budget net interest income and equity investment sales results were the main factors.

Five-year Oikocredit key figures

The following is an unaudited extract of Oikocredit's full audited financial statements. The full accounts are available at www.oikocredit.coop/annual-report

Key figures from the annual report in € millions

	2021	2020	2019	2018	2018
Development financing activities					
New disbursements	474.1	243.5	404.5	444.5	380.2
Increase % disbursements	94.7%	-39.8%	-9.0%	16.9%	-13.3%
Cumulative disbursements	4,917.2	4,443.1	4,199.6	3,795.1	3,350.6
Total cumulative payments	4,572.4	4,168.7	3,728.7	3,289.4	2,839.9
Loan loss provisions on capital and interest and impairment of equity	96.7	109.9	97.3	80.3	74.0
Loan loss provisions on capital and interest and impairment of equity as % of development financing outstanding	9.7%	13.0%	9.1%	7.7%	7.5%
Write-offs capital charged to loss provisions	12.8	12.9	5.7	5.3	4.6
As % of development financing outstanding	1.5%	1.9%	0.6%	0.6%	0.5%
Impairments and additions to loss provisions	-1.8	33.0	23.1	15.0	7.1
As % of development financing outstanding	-0.2%	3.9%	2.2%	1.4%	0.9%
General and administrative expenses	29.1	28.4	30.7	36.0	36.6
As % of total assets	2.3%	2.3%	2.3%	2.8%	3.0%
Total financial income	69.3	78.6	98.1	87.2	90.1
Society net income (available for distribution)	15.3	-22.2	14.3	1.3	18.4
Paid dividend	TBD	0	0	10.6	9.6

Balance sheet and income statement in € millions

Balance sheet	2021	2020	2019	2018	2017
Intangible fixed assets	1.0	0.8	0.3	0.5	1.1
Tangible fixed assets	4.3	3.4	4.2	4.9	2.2
Development financing outstanding	995.9	845.1	1,064.6	1,046.6	981.7
Loss provisions and impairments	-93.4	-106.5	-93.2	-76.0	-69.3
Other securities	23.4	35.2	35.3	4.8	-
Other financial assets	2.7	5.0	5.2	4.9	3.2
Total non-current assets	933.9	783.0	1,016.4	985.7	1,068.8
Term investments	214.4	182.8	139.8	149.0	149.9
Receivables and other current assets	49.8	39.5	44.3	53.7	31.9
Cash and banks	60.1	236.5	109.9	109.3	119.3
Total current assets	324.3	458.8	294.0	312.0	301.1
Total	1,258.1	1,241.7	1,310.4	1,292.9	1,220.0
Group equity and funds	1,205.4	1,165.4	1,217.5	1,181.5	1,125.2
Provisions	0.2	0.3	1.1	1.8	1.6
Non-current liabilities	15.6	13.6	62.5	56.8	56.9
Current liabilities	36.9	62.4	29.3	52.8	36.3
Total	1,258.1	1,241.7	1,310.4	1,292.9	1,220.0
Income statement					
Interest and similar income	67.4	80.1	97.0	82.0	82.4
Interest and similar expenses	-2.4	-2.5	-1.7	-2.5	-2.1
Income from equity investments	-2.3	-0.9	4.4	1.7	6.9
Other income and expenses	-16.0	-36.2	-35.7	-29.6	-60.2
Grant income	0.4	0.5	1.1	1.1	0.9
General and administrative expenses	-29.5	-29.1	-31.5	-37.1	-37.6
Additions to loss provisions and impairments	1.8	-33.0	-23.1	-15.0	-7.1
Income before taxation	19.3	-21.1	10.5	0.6	-16.7
Taxes and third-party interests	-2.6	-1.8	-3.4	-2.0	-3.4
Result from discontinued operations	-1.6	-	-	-	-
Additions to and releases from funds	0.2	0.7	7.2	2.7	38.6
Net income	15.3	-22.2	14.3	1.3	18.4

www.oikocredit.coop

This document was produced by Oikocredit, Ecumenical Development Cooperative Society U.A, with the greatest of care and to the best of its knowledge and belief at the time of writing. It has not been reviewed and/or audited by an accountant. Before investing in Oikocredit, you are advised to read Oikocredit's prospectus to fully understand the potential risks and rewards associated with the decision to invest. Download the prospectus here: <https://www.oikocredit.coop/prospectus>