

## Prospectus Stichting Oikocredit International Share Foundation

dated 29 June 2012

*(incorporated as a foundation ("stichting") under the laws of the Netherlands and having its registered office in Amersfoort, the Netherlands)*

### **with respect to the offering of non-exchangeable registered Depository Receipts (*niet royeerbare certificaten op naam*) for Shares in the capital of Oikocredit, Ecumenical Development Cooperative Society U.A.**

By continuously offering Depository Receipts (the "Depository Receipts") for Shares ("Shares") in the capital of Oikocredit, Ecumenical Development Cooperative Society U.A. ("Oikocredit"), Stichting Oikocredit International Share Foundation ('the Foundation') provides additional investment possibilities in Oikocredit for non-church bodies, such as banks and development organizations, (ex) Staff and (ex) Board Members of Oikocredit and for individuals in countries where no Support Association exists that issues Depository Receipts for Shares in Oikocredit.

The proceeds of the Depository Receipts (after deduction of taxes, if any) will be used for the purchase of Shares, be it in euro, in US dollars or in any other currency that Oikocredit will issue its Shares. The Foundation will settle the subscription amounts received from Holders for the Depository Receipts issued by it with Oikocredit which will then issue the corresponding number of Shares to the Foundation. For the use of the funds obtained by Oikocredit by the issuance of Shares, please refer to the Oikocredit Prospectus which is included in Appendix 2.

Depository Receipts constitute registered claims ("*vorderingen op naam*") against the Foundation subject to the Terms and Conditions and represent the beneficial interest in the Shares which are acquired and administered by the Foundation in the interest of the Holders and for which they are issued on a one-to-one basis. The Depository Receipts are offered continuously and there is no limit to the amount of Depository Receipts, nor to the period during which, Depository Receipts can be issued or purchased. The Depository Receipts and the Shares are not and will not be listed on any stock exchange.

Depository Receipts may only be issued to persons, entities or organizations that fully subscribe to the objectives of Oikocredit and are approved and admitted as eligible holders by the Foundation Board in its discretion ("Holders"). Depository Receipts are amongst other issued to non-church bodies, such as banks and development organizations, (ex) Staff and (ex) Board Members of Oikocredit and to individuals in countries where no Support Association is able to operate, that issues Depository Receipts for Shares in Oikocredit.

The Foundation will maintain a register in which the names, addresses and bank account numbers of the Holders and the number and denomination of the Depository Receipts held by them are recorded. Each Holder must notify the Foundation of his address and bank account details and of any change thereof. Each Holder may at any time, free of costs, apply for a certified extract from the register stating the number of Depository Receipts in its name. Depository Receipts cannot be exchanged (*niet royeerbaar*) by Holders into Shares.

The Foundation will issue Depository Receipts to Holders at a price equal to the nominal value of the underlying Shares of EUR 200 per Depository Receipt or USD 200 per Depository Receipt or in any other currency that Oikocredit will issue its Shares, per Depository Receipt, free of costs (but the Foundation has the right to deduct or withhold from the amount (to be) paid by the Holder taxes, if any, in respect of any subscription or payment for Depository Receipts).

The full Terms and Conditions of each Depository Receipt are constituted by the Terms and Conditions as set out in full in this Prospectus in the section Appendix 1 headed 'Terms and Conditions of Administration', which constitute the basis of all Depository Receipts to be offered, together with the relevant final terms applicable.

Prospective investors in the Depository Receipts are explicitly advised that such investment entails financial risks. In making an investment decision, investors must rely on their own examination of the Foundation and of Oikocredit and its Shares, including the merits and risks involved. The risks of the Foundation and Oikocredit's operations and organization summarised in this Prospectus (the "Prospectus") and the Prospectus regarding the offering of Shares in the share

capital of Oikocredit (the "Oikocredit Prospectus") may have a material impact on the Foundation and Oikocredit's future financial performance and on the possible return from the Shares and the Depositary Receipts.

This Prospectus has been approved by The Authority for the Financial Markets (*"Autoriteit Financiële Markten"*) in the Netherlands for the purposes of Directive 2003/71/EC of the European Parliament and of the Council (the "Prospectus Directive") on 29 June 2012 (the "Publication Date"). Pursuant to this Prospectus, Depositary Receipts can be offered by the Foundation until 12 months after the Approval Date ultimately. If before the end of the period of 12 months after Publication Date important new events, material omissions or incorrectness occur regarding the Foundation that relate to the information in this Prospectus and which can be of influence to the assessment of the securities offered, then the Foundation will in accordance with article 5:23 of the Act on Financial Supervision 2007 (*"Wet op het Financieel Toezicht"*) make such information publicly available by issuing a supplement to this Prospectus which will be approved by the AFM.

**The Prospectus can be obtained as of the Publication Date at:**

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

**This Prospectus must always be read in combination with the Oikocredit Prospectus which is included in Appendix 2.**

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# 1. Summary

This summary describes in a brief manner the essential characteristics and risks associated with Stichting Oikocredit International Share Foundation and its Depositary Receipts for Shares in the capital of Oikocredit, Ecumenical Development Cooperative Society U.A.

This summary should be read as an introduction to the prospectus. Any decision to invest in the Depositary Receipts for Shares in the capital of Oikocredit, Ecumenical Development Cooperative Society U.A. should be considered after studying the Prospectus of Stichting International Share Foundation as well as the prospectus of Oikocredit, Ecumenical Development Cooperative Society U.A. as a whole by the investor, including the documents incorporated by reference.

If a claim relating to information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of a Member State, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Stichting Oikocredit International Share Foundation and Oikocredit, Ecumenical Development Cooperative Society U.A. are only liable if the summary of this Prospectus read in conjunction with the other part of the prospectus, is misleading, inaccurate or inconsistent.

The Foundation and Oikocredit, Ecumenical Development Cooperative Society U.A jointly prepared the prospectus. It is therefore that both the Foundation and Oikocredit are responsible for the contents included in this Prospectus.

## *The Foundation and Oikocredit*

The Foundation was established on March 10, 1995 as a legal entity in the form of a stichting according to the laws of the Netherlands for an indefinite period of time. The Articles were lastly amended on September 15, 2003. The Foundation is registered with the trade register of the Chamber of Commerce and Industry for Gooi-, Eem- en Flevoland with registration number 41190347.

The Foundation is a Member of Oikocredit. Main purpose of the Foundation is to provide additional investment possibilities in Oikocredit for amongst other non-church bodies, such as banks and development organizations, (ex) Staff and (ex) Board Members of Oikocredit and for individuals in countries where no Support Association can operate. To provide the additional investment possibilities the Foundation issues Depositary Receipts for Shares in Oikocredit. To achieve its purpose, the Foundation functions as an administrative office (*administratiekantoor*) for Oikocredit and intends to conduct no activities other than acquiring and administering Shares in the interest of the Holders (ten titel van beheer), issuing Depositary Receipts to the Holders and activities directly related to the foregoing.

Oikocredit was established on November 4, 1975 as a legal entity in the form of a cooperative society with excluded liability (*coöperatie met uitsluiting van aansprakelijkheid*) under the laws of the Netherlands for an indefinite period of time. The Articles of Incorporation of Oikocredit were lastly amended on October 19, 2009. Oikocredit is registered with the trade register of the Chamber of Commerce and Industry for Gooi-, Eem- en Flevoland with registration number 31020744.

The mission of Oikocredit is formulated as follows: **Oikocredit, as a worldwide cooperative society, promotes global justice by challenging people, churches and others to share their resources through socially responsible investments and by empowering disadvantaged people with credit.**

Its principal instrument to reach the mission is project funding: Oikocredit provides loans or other types of financing (equity, quasi equity, or guarantees) for the development of viable economic enterprises of groups of disadvantaged people, who are generally denied access to financial services. Thus, Oikocredit supports cooperatives and comparable organizations, as well as fair trade organizations, financial Intermediaries (including Microfinance Institutions) – the latter enabling Oikocredit to reach individuals or small groups of people whom it cannot serve with direct loans.

- Funding of Cooperatives and other comparable organizations is aimed at financing productive investments that generate a sustainable income, for example a coffee-processing plant, a fishing boat or a small-scale milk factory.
- Microfinance Institutions provide loans and other financial services to, for example, small enterprises, small scale producers and small scale farmers.

The loan -or financing- amounts range from a minimum of 50,000 euro to a maximum of 5,000,000 euro, or 2% of total equity (whatever is highest), with a loan repayment period up to ten years. Please refer to article 2 of the Articles of Incorporation for a formal description of the objectives of Oikocredit.

Both the Foundation and Oikocredit have their statutory seat and office address in Amersfoort, the Netherlands. The full objects of the Foundation and of Oikocredit are described in article 3 of the Articles and in article 2 of the Articles of Incorporation of Oikocredit.

## *The Depositary Receipts*

The Foundation will issue Depositary Receipts to Holders at a price equal to the nominal value of the underlying Shares of EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit., free of costs (but the Foundation has the right to deduct or withhold from the amount (to be) paid by the Holder taxes, if any, in respect of any subscription or payment for Depositary Receipts). Any request for the issue of Depositary Receipts is subject to a minimum amount of EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share,

CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit. Fractions of Depositary Receipts may also be issued. The Depositary Receipts are offered continuously and there is no limit to the amount of Depositary Receipts, nor to the period during which, Depositary Receipts can be issued or purchased. The Depositary Receipts and the Shares are not and will not be listed on any stock exchange. Depositary Receipts are registered in the name of the relevant Holder(s), like Shares are registered in the name of the relevant Member(s). Depositary Receipts cannot be exchanged (*niet royeerbaar*) by Holders into Shares. The Foundation may redeem (repurchase) Depositary Receipts as more fully described in the Terms and Conditions at a price that may be lower but may not be higher than EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit. Depositary Receipts do not give Holders any right to vote and no formal meetings of Holders will be held. The Depositary Receipts, and the issue, purchase and redemption thereof, are subject to the Articles, the Terms and Conditions and to Dutch law.

Depositary Receipts may be issued only to persons, entities or organizations that fully subscribe to the objectives of Oikocredit and are approved and admitted as eligible Holders by the Foundation Board at its discretion.

#### *Use of proceeds*

The proceeds of the Depositary Receipts (after deduction of taxes, if any) will be used for the purchase of Shares in Oikocredit, be it in euro or in US dollars, or in any other currency. The Foundation will settle the subscription amounts received from Holders for the Depositary Receipts issued by it with Oikocredit which will then issue the corresponding number of Shares to the Foundation. For the use of the funds obtained by Oikocredit by the issuance of Shares, please refer to the Oikocredit Prospectus that forms part of this Prospectus (Appendix 2).

#### *Tax position*

The Foundation is exempt from Dutch value added tax, dividend withholding tax and corporate income tax. Insofar as Holders are not resident in the Netherlands, they will generally not be subject to Dutch individual or corporate income tax on income or capital gains in respect of dividends received from the Foundation (we refer to chapter 7 for more details).

#### *Yield of the Depositary Receipts*

The yield of the Depositary Receipts on the basis of their issuing price is equal to the dividend (see paragraph 6.3.4 for information on dividend payment) received from Oikocredit on the underlying Shares after deduction of taxes and in discretion of the Foundation Board deduction of capital mobilisation, members relation, promotion and administration costs. So far these costs were covered by additional income, in addition to the dividend income received from Oikocredit, of the Foundation. Dividends by Oikocredit were so far not higher than 2% of the nominal value of the Shares. The yield will be influenced negatively in case the redemption of Depositary Receipts is below the nominal value. We refer to paragraph 6.3.3 explaining the yield and the redemption policies of Depositary Receipts.

#### *Risk factors*

Although the Foundation believes that the risks and uncertainties described below are the Foundation's most material risks and uncertainties, they may not be the only ones that the Foundation faces. Additional risks and uncertainties not presently known to the Foundation or that the Foundation currently deems immaterial may also have a material adverse effect on the Foundation's financial position and could negatively affect the dividends on the Depositary Receipts.

The Foundation functions as administration office (*administratiekantoor*) of Oikocredit and has no other activities. The following risks are a brief overview of the important risk factors involved which could have a material adverse effect on the Foundation's financial position and could negatively affect the dividends on the Depositary Receipts:

- Risks of non-current assets
- Risks regarding Oikocredit: Depositary Receipts are securities which entail particular risks. Depositary Receipts are investment instruments which yearly pay an amount of dividend determined to the level of the underlying Shares. The underlying Shares are the Shares in the capital of Oikocredit. As such, Depositary Receipts entail the same level of risk as a direct investment in the Shares of Oikocredit. Investors should be aware that their entire investment may be lost in the event that the Shares in the capital of Oikocredit are valued at zero. These risks are set out under 'Risk factors' in chapter 2 of the prospectus of Oikocredit and include risk factors relating to:
  - Country risks
  - Market and Interest rate risks
  - Currency risks
  - Credit risks (*and the risk of concentration of development financing in certain sectors*)
  - Legal risks
  - Dependency on volunteers
  - Liquidity risks
  - Reputation Risks
  - Credit crisis and Microfinance crisis in Andhra Pradesh
  - Risk that redemption of Shares will be below the nominal value

## 2. Risk factors

Prospective investors in the Depositary Receipts for Shares in the capital of Oikocredit are explicitly advised that such investment entails financial risks.

The risks and uncertainties described in this section may have a negative impact on the price of the Depositary Receipts and the underlying Oikocredit Shares and could negatively impact the dividends on the Depositary Receipts. Although the Foundation believes that the risks and uncertainties described below are the Foundation's material risks and uncertainties, they may not be the only ones that the Foundation faces. Additional risks and uncertainties not presently known to the Foundation or that the Foundation currently deems immaterial may also have a material adverse effect on the Foundation's financial position and could negatively affect the dividends on the Depositary Receipts. The Foundation functions as administration office (*administratiekantoor*) of Oikocredit and has no other activities. The following risks are a brief overview of the important risk factors involved.

### *Risks of non-current assets*

Taking into account that there is no normal market available for Depositary Receipts, there is a possibility that a Holder who wants to sell all or some of his Depositary Receipts may (temporarily) not be able to find a buyer for his Depositary Receipts. Accordingly, Holders should consider their investment in Depositary Receipts as "non-current assets."

### *Risks regarding Oikocredit*

Depositary Receipts are securities which entail particular risks. Depositary Receipts are investment instruments which yearly pay an amount of dividend determined to the level of the underlying Shares. The underlying Shares are the Shares in the capital of Oikocredit. As such, Depositary Receipts entail the same level of risk as a direct investment in the Shares. Investors should be aware that their entire investment may be lost in the event that the Shares in the capital of Oikocredit are valued at zero.

In view of the objectives of Oikocredit, the criteria for project funding (see the Oikocredit Prospectus) and the countries where Oikocredit carries out its work, it is clear that very real risks are present in the project funding portfolio. Oikocredit is subject to the usual commercial risks of any business and to that specific, to its market in particular. These risks can affect the financial operational results of Oikocredit. The following risks are a brief overview of the important risk factors involved.

Although Oikocredit believes that the risks and uncertainties described below are Oikocredit's material risks and uncertainties, they may not be the only ones that Oikocredit faces. Additional risks and uncertainties not presently known to Oikocredit, or that Oikocredit currently deems immaterial may also have a material adverse effect on Oikocredit's business, results of operations or financial condition and could negatively affect the price of the Shares. The following risks may have a negative impact on the price of the Depositary Receipts and the dividends on the Depositary Receipts since these risks potentially impact the underlying Shares.

### *Country risks*

Economic and/or political problems, sometimes in conjunction with extreme inflation or devaluation, can make it impossible for the recipients of the funding by Oikocredit to meet previously made commitments towards Oikocredit. Oikocredit's project funding portfolio in developing countries (development financing) may further be affected by existing governmental, economic and political problems (resulting into non-payment as a result of a currency crisis, political measures taken to prevent payment to institutions situated outside their country, or a deteriorating internal economic situation).

A slowdown in economic growth rates or recession in Europe and or the USA may negatively influence Oikocredit's capital inflow over the coming period.

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

### *Market and Interest rate risks*

Oikocredit is investing a part of its long term capital in development financing outstanding and investment grade bonds. Market developments which cause changes in interest rates, the creditworthiness of the bond issuers and share prices, will affect the value of Oikocredit's bond and share portfolio and may also affect the value of its project funding portfolio (development financing outstanding). This may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on the Shares as well as on then net asset value and the price of the Shares.

### *Currency risks*

Significant currency risks exist, as Oikocredit's available capital (members' capital and loans) at the end of 2011 is for approximately 92% denominated in euro while the amounts outstanding in development financing is denominated for 33% in US dollar, for 57% in local currencies and the remainder 10% in euros. The Term Investments (bond portfolio) are mainly denominated in euro.



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

*Credit risks (or counterparty) and the risk of concentration of project funding in certain sectors*

Project risks, i.e. the risks of non-payment of our project partners with as a result losses on our development financing portfolio, vary from project partner to project partner and depend on the nature of the activities, the sector of activity, the quality of management and a variety of other factors. A part of our development financing may also be concentrated in certain sectors. If problems occur within a certain sector (e.g. natural disasters within the agricultural sector) this could have a negative impact on the project partners that are active within the sector. This may result in non-payment of our project partners active within the sector, with as result losses on our development financing portfolio. Any losses may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.

*Legal risks*

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

*Dependency on volunteers*

As Oikocredit is for a significant part of its new share capital issues dependent on the efforts of volunteers working for its Support Associations, it may encounter difficulties attracting funding at the same volume if large numbers of volunteers decide to leave the Support Associations of Oikocredit. Losses due to a dramatic decrease of volunteers resulting in a decrease in share capital inflow, or significant costs to replace the volunteers, may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.

*Liquidity risks*

Taking into account that Oikocredit enters into commitments for new financing, there is a risk that Oikocredit is not able to meet these commitments in time when a substantial part of the project partners do not repay their loans in time. This may also negatively impact the liquidity of Oikocredit and therefore may have as a consequence that Oikocredit U.A. is not able to redeem all or part of the Shares and may have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.

*Illiquidity of Shares*

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

*Reputation risks*

As Oikocredit is for new share capital issues dependent on its Members, damage to Oikocredits reputation could seriously affect future capital inflow and could affect ability to finance commitments and new projects for development.

*Crisis in Andhra Pradesh India*

In the last quarter of 2010 and during 2011 the impact of oversaturation of certain markets led to criticism and protests against the microfinance industry in the Indian state of Andhra Pradesh (AP). Some borrowers took on too many loans and suffered the consequences of being unable to repay them. Collection practices of lenders and interest rates charged to borrowers by MFIs were also criticized. Following these protests, the government of Andhra Pradesh implemented an ordinance tightening regulation on MFIs operating as Non-Banking Financial Institutions (NBFCs) which made it quite difficult for these institutions to operate in a sustainable way.

The Reserve Bank of India implemented changes in the regulation of MFIs during 2011, but the government of Andhra Pradesh maintained its local legislation on MFIs. The Indian central government is reviewing whether the MFI legislation will be implemented countrywide whereby the local government ordinance and legislation will be superseded. In the case this legislation is accepted by the Indian parliament NBFCs present in Andhra Pradesh, will be able to operate in a sustainable way again.

Although, Oikocredit has a built up a loss provision for the risks of non-payment during 2010 and 2011, these developments may have further negative effects on the results of Oikocredit over the coming period, as this may further affect the quality of Oikocredit's project funding portfolio (development financing outstanding) and may also lead to a reduced capital inflow. Around 2.4% of Oikocredit's portfolio (approximately € 12.2 million) as at 31 March 2012 is situated in Andhra Pradesh and at risk by the developments in Andhra Pradesh. The loss provisions for the portfolio at risk in India as at 31 March 2012 amounts to approximately 55% of the portfolio.

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

Shares will be redeemed by Oikocredit taking into account the conditions mentioned in article 12 of the Articles of Incorporation of Oikocredit being the following:

Shares shall be redeemed, if a Member has ceased to be a Member of Oikocredit, not later than five year after cessation of membership. Moreover, Shares can be redeemed, without prejudice to what has been provided in Article 9 of the Articles of Incorporation of Oikocredit, without the Member ceasing its membership of Oikocredit. The redemption shall be decided upon by the Oikocredit Board. The redemption shall be at nominal value.

However, if the net asset value per Share is lower than the nominal value per Share in the most recent audited (interim) balance sheet preceding the redemption by the Society, the amount payable upon redemption of Share(s) shall not exceed the sum corresponding to the net asset value of the Share(s) according to that balance sheet.

There are no additional costs applicable for Depository Receipts when Depository Receipts are redeemed. In paragraph 6.4 of the Oikocredit Prospectus, Oikocredit described its risk management system.

The information above is directly extracted from chapter 2 'Risk factors' of the Oikocredit Prospectus (Appendix 2 to this Prospectus).

### **3. Important information**

*Responsibility statement*

The Foundation and Oikocredit are responsible for the contents of the prospectus. The Foundation and Oikocredit declare that they have taken all reasonable care to ensure that the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person is authorised to give any information or to make any representation in connection with the offering of Depository Receipts that is not contained in the prospectus. In the event that such information has been provided or such representation has been made, it must not be relied upon as having been authorised by the Foundation.

Neither the delivery of this Prospectus nor any sale on the basis thereof shall, under any circumstances, imply that the information contained in this Prospectus is correct as of a date subsequent to the date thereof.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Depository Receipts offered hereby, nor does it constitute an offer to sell or a solicitation of an offer to buy any securities to any person in any jurisdiction in which it is unlawful to make such an offer or solicitation to such person. Neither the delivery of this Prospectus nor any sale on the basis thereof shall, under any circumstances, imply that the information contained in this Prospectus is correct as of a date subsequent to the date thereof. The availability and distribution of this Prospectus and the offering of the Depository Receipts may, in certain jurisdictions, in particular the United States of America and Canada, be restricted by law. The Foundation requires persons into whose possession this Prospectus comes, to inform themselves of and observe all such restrictions. The Foundation accepts no responsibility for any violation by any person, whether or not such person is a prospective investor of the Depository Receipts, of any such restrictions.

In occurring events, the Foundation Board has the discretion to revoke or suspend the offer or to reduce subscriptions. The offer might be revoked or suspended, if within the year the prospectus is valid, there would be an increase of more than 50% in share capital of Oikocredit, and the Oikocredit Board expects that it cannot invest the proceeds of the Shares in development financing (in case the demand for new development financing is not sufficient or in case this development financing does not fit the criteria of Oikocredit) within the foreseeable future (in the next 3 years). No interest will be paid on subscriptions returned.

The Prospectus itself and all the documents incorporated by reference, the Articles and the last three annual accounts, can be obtained from the Foundation (free of charge) at the Foundations office in Amersfoort, the Netherlands.

Investors are advised to ascertain whether as from the date of this Prospectus, supplements have been made publicly available. This Prospectus, including all its supplements, is freely available at the Oikocredit office in Amersfoort, the Netherlands.

All qualifications of a legal nature contained in this Prospectus relate to the Dutch law, unless the context requires otherwise. References to "EUR" are to euro, the currency of the Netherlands, references to "USD" or "US dollar" are to United States dollars, the currency of the United States of America, references to "SEK" or "Swedish Kronor" are to Swedish Kroner, the currency of Sweden, references to "GBP" or "British Pound" are to the British Pound Sterling, the currency of the United Kingdom, references to "CAD" or "Canadian Dollar" are to the currency of Canada and references to "CHF" or "Swiss Franc" are to Swiss Franc, the currency of Switzerland. Dutch law is applicable to this Prospectus. Unless explicitly stated otherwise, all financial information in this Prospectus is unaudited.

This prospectus is only available in the English language.



References to the masculine include the feminine.

**NB: This Prospectus must always be read in combination with the Oikocredit Prospectus, see Appendix 2.**

## 4. Definitions

<b>Articles</b>	mean the Articles of Association of the Foundation, incorporated by reference in this Prospectus, as they may be amended from time to time
<b>Depository Receipt</b>	means each of the registered claims ( <i>vorderingen op naam</i> ) against the Foundation subject to the Terms and Conditions and representing the beneficial interest in a Share for which it has been issued by the Foundation; where the context so permits, Depository Receipt includes fractions thereof, issued by the Foundation for fractions of a Share
<b>Foundation</b>	means Stichting Oikocredit International Share Foundation
<b>Foundation Board</b>	means the Board ( <i>Stichtingsbestuur</i> ) of the Foundation as referred to in article 6 of the Articles
<b>Holders</b>	means the persons, entities or organizations duly admitted as eligible Holders in accordance with the Terms and Conditions and entitled to ( <i>rechthebbenden op</i> ) the Depository Receipts from time to time
<b>Members</b>	means the entities or organizations duly admitted as Member of Oikocredit in accordance with its Articles of Incorporation
<b>Membership Rights</b>	means the rights conferred upon the Members according to the Articles of Association of Oikocredit
<b>Oikocredit</b>	means Oikocredit, Ecumenical Development Cooperative Society U.A., having its statutory seat in Amersfoort, the Netherlands
<b>Oikocredit Board</b>	means the Board ( <i>bestuur</i> ) of Oikocredit as duly appointed and constituted ( <i>samengesteld</i> ) from time to time according to its Articles of Incorporation
<b>Oikocredit Nederland</b>	means Oikocredit Support Association Netherlands ( <i>Oikocredit Ontwikkelingsvereniging Nederland</i> ), having its statutory seat in Utrecht, the Netherlands
<b>Oikocredit Prospectus</b>	means the prospectus of Oikocredit regarding the offering of Shares in the capital of Oikocredit as published on 15 June 2012, including any supplements made publicly available, attached to the prospectus as Appendix 2
<b>Prospectus</b>	means this prospectus including the Appendices, including any supplements made publicly available
<b>Shares</b>	means Shares in the share capital of Oikocredit; where the context so permits, Shares shall include fractions thereof
<b>Support Association</b>	Support Associations (legally separated from Oikocredit) that are established locally, to raise the awareness of people in their region about the importance of development and socially responsible investments and to offer individuals, church congregations, parishes or other organizations, an opportunity to invest in Oikocredit. An example is the establishment of Support Associations in the Netherlands, Oikocredit Nederland (OCN) and the Oikocredit Nederland Fonds (ONF)
<b>Terms and Conditions</b>	means the terms and conditions ( <i>administratievoorwaarden</i> ) of the Foundation, attached to this Prospectus as Appendix 1, as they may be amended from time to time

## 5. General details

### Issuer of Depository Receipts

Stichting Oikocredit International Share Foundation  
Berkenweg 7  
3818 LA Amersfoort  
The Netherlands  
P.O. Box 2136  
3800 CC Amersfoort

### Issuer of Shares for which the Depository Receipts are issued

Oikocredit, Ecumenical Development Cooperative Society U.A.  
Berkenweg 7  
3818 LA Amersfoort  
The Netherlands  
P.O. Box 2136  
3800 CC Amersfoort

### Auditor

*Up to financial year 2010:*

PricewaterhouseCoopers Accountants N.V.  
Of which the auditors are a member of the Nederlandse Beroepsorganisatie van Accountants ("NBA")  
Thomas R. Malthusstraat 51066 RJ Amsterdam  
The Netherlands

*From 2011:*

Ernst & Young Accountants LLP  
Of which the auditors are a member of the Nederlandse Beroepsorganisatie van Accountants ("NBA")  
Wassenaarseweg 80  
2596 CZ The Hague  
The Netherlands

### Tax advisor

PricewaterhouseCoopers Belastingadviseurs N.V.  
Archimedeslaan 21  
3584 BA Utrecht  
The Netherlands

## 6. Stichting Oikocredit International Share Foundation

### 6.1. General information on the Foundation

The Foundation was established on March 10, 1995 as a legal entity in the form of a *stichting* according to the laws of the Netherlands for an indefinite period of time. The Articles were lastly amended on September 15, 2003. The Foundation has its statutory seat and office address in Amersfoort, the Netherlands, and is registered with the trade register of the Chamber of Commerce and Industry for Gooi-, Eem- en Flevoland with registration number 41190347.

The Foundation is a Member of Oikocredit. Main purpose of the Foundation is to provide additional investment possibilities in Oikocredit for non-church bodies, such as banks and development organizations, (ex) Staff and (ex) Board Members of Oikocredit and for individuals in countries where no Support Association exists or can operate, which then issues Depository Receipts for Shares in Oikocredit. To achieve its purpose, the Foundation functions as an administrative office (*administratiekantoor*) for Oikocredit and conducts no activities other than acquiring and administering Shares in the interest of the Holders (*ten titel van beheer*), issuing Depository Receipts to the Holders and activities directly related to the foregoing. The first request of a prospective Holder for the issuance of Depository Receipts takes place by sending a fully completed subscription form in accordance with Annex A of the Terms and Conditions (see Appendix 1) to the Foundation. See paragraph 6.3.2 for more information on the subscription for Depository Receipts.

The Foundation will use the proceeds of the Depository Receipts (after deduction of taxes, if any) for the purchase of Shares, be it in EUR or in USD, GBP, SEK, CAD, CHF, or any other nominal amount in any other currency in which Shares are issued by Oikocredit. The Foundation will settle the net amounts received from Holders for the Depository Receipts issued by it with Oikocredit which will then issue the corresponding number of Shares to the Foundation. For the use of the funds obtained by Oikocredit by the issuance of Shares, please refer to the Oikocredit Prospectus (Appendix 2).

### 6.2. History and mission of Oikocredit

The Oikocredit International Share Foundation ("Share Foundation"), situated in Amersfoort (the Netherlands), was established on March 10, 1995 according to the laws of the Kingdom of the Netherlands. The duration of the Foundation is unlimited. Main purpose of the Foundation is to provide additional investment possibilities in Oikocredit, Ecumenical Development Cooperative Society U.A. ("Oikocredit") for non-church bodies, such as banks and development organizations and for individuals in countries where no support association exists. Oikocredit Support Associations were established in the following countries:

#### *Europe:*

Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland

#### *South and Central America:*

Mexico, Uruguay

#### *Asia:*

Japan, Korea, the Philippines

#### *North America:*

Canada and United States

Oikocredit was established in 1975 in Rotterdam according to the laws of the Kingdom of the Netherlands. Oikocredit is owned by its Members throughout the world: churches, subdivisions of churches, councils of churches, church related organizations, project members and support organizations established by individuals and local parishes. The objective of Oikocredit is to mobilise financial credit and resources from Members as well as from third parties mainly in developed countries and to channel the proceeds thereof to development projects in order to raise standards of living in the poor areas of the world. Oikocredit is an initiative inspired by the World Council of Churches and was founded (and incorporated) by the World Council of Churches together with the Council of Churches in the Netherlands on 4 November 1975 under the laws of The Netherlands.

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

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

Oikocredit had a difficult start because many church treasurers did not believe in this alternative investment instrument. Some believed that it was unethical to lend instead of giving, or simply did not believe in the concept's success. Individual church members in Europe did, however, and started Support Associations. The First Support Association was

established in 1976 in the Netherlands. Today, these Support Associations mobilise the largest part of the share capital and have contributed in this way to the success of Oikocredit. Support Associations raise the awareness of people in their region about the importance of development and socially responsible investments.

Support Associations are mainly set up by and composed of groups and individuals in the country of their origin (consisting mainly of volunteers). Support Associations are not legally part of the group of Oikocredit. The way Support Associations offer the opportunity to invest in Oikocredit differs per country and is amongst others dependent on the local regulatory environment. An example is the establishment of Support Associations in the Netherlands: Oikocredit Support Association Netherlands (Oikocredit Ontwikkelingsvereniging Nederland) and the Oikocredit Nederland Fonds (ONF) which respectively issue certificates for Shares in Oikocredit and offer participations in ONF.

Support Associations are located in Europe, Northern America and some developing countries. In total, Oikocredit had 45,000 investors (39,000 individuals and 6,000 church parishes, congregations and other organizations) via 31 Support Associations or directly by Oikocredit International. Together, the Support Associations attracted more than 80% of Oikocredit's total share capital as at 31/12/2011.

Support Associations are active in the following countries:

*Europe:*

Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Switzerland

*Asia:*

Japan, Korea, the Philippines

*North America:*

Canada and United States

The first loan of Oikocredit was granted to a project partner in Ecuador in 1978.

In 1993 Oikocredit had a member's capital of 50 million euro. In 1998 the total share capital amounted to 100 million euro, in 2004 the share capital surpassed the 200 million euro, in 2009 the share capital surpassed 400 million euro and in 2011 the share capital surpassed the 500 million euros. During 1998 and 1999 projects financed by Oikocredit experienced some difficulties in repaying their interest and instalments to Oikocredit. This was a result of the "Asia" financial crisis in those years. As a result, Oikocredit only paid a one percent dividend instead of the usual 2% dividend in relation to the years 1998 and 1999.

During 1999 the Oikocredit Board decided to change its name from Ecumenical Development Cooperative Society U.A. (EDCS) into Oikocredit, Ecumenical Development Cooperative Society U.A.

Oikocredit is in many aspects a unique organization:

- Oikocredit operates like a development "bank", providing long term financing to disadvantaged people, people who would normally not get a loan from a commercial bank;
- Even though it is a small organization, Oikocredit has a wide network of regional offices and country offices;
- Oikocredit is one of the few cooperative societies operating with a worldwide membership of investors and clients;
- Oikocredit manages to run its operations with an aim for a limited financial return as well as a social return for its investors;
- Oikocredit has a unique structure of: members, project partners, regional offices, international office.

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

**Mission**

Oikocredit, as a worldwide Cooperative Society, promotes global justice by challenging people, churches and others to share their resources through socially responsible investments and by empowering disadvantaged people with credit.

**Vision**

Oikocredit will be a highly respected and leading provider of opportunities for socially responsible investments and credit for development.

**The Values & Guiding Principles of Oikocredit:**

- *Sharing*

An uneven distribution of resources, wealth and power lead to a world of conflict. When people in the North, South, East and West are prepared to share what they have, respect each other and co-operate, justice and peace can rule the world. Oikocredit provides a mechanism for meaningful sharing.

- *Ecumenical spirit*

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

- *Grassroots*

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

- **People**

All people are created equal. Oikocredit thus extends credit to marginalized people irrespective of their faith, culture, age or gender and favours initiatives of women, as they are the backbone of their families and thus society as a whole.

- **Integrity**

Respect between people implies honesty and truthfulness. *Oikocredit's determination is to listen with an open mind and communicate in full transparency on all the parameters of its own policies. A code of conduct for those who determine the Oikocredit course is part and parcel of this principle.*

- **Creation**

A wholesome eco-system is the basis for life. Animals, species and bio-diversity should thus be preserved. Oikocredit believes that a healthy balance in nature can only be achieved in a world of evenly spread resources and power.

## **Objective of Oikocredit**

The objective of Oikocredit is to make the mobilized resources available to cooperatives or groups of marginalized people in order to further finance their income-generating activities. Oikocredit also manages third party funds of amongst other so called donor agencies for the risk and account of such third party (for example for ICCO) by investing and administering these funds in projects managed by Oikocredit (For further details about the objectives of Oikocredit, we refer to Article 2 of the Articles of Incorporation of Oikocredit).

### *Use of proceeds*

There is no restriction for purposes of the use of the capital: by continuously issuing Shares to its Members, numbering 595 Members as at 31/12/2011, Oikocredit mobilises the capital needed to carry out its mission of development financing through project funding and to invest its reserves in the Term Investment Portfolio.

## **6.3. Depository Receipts**

### **6.3.1. The Depository Receipts**

Depository Receipts constitute registered claims ("*vorderingen op naam*") against the Foundation subject to the Terms and Conditions and represent the beneficial interest in the Shares which are acquired and administered by the Foundation in the interest of the Holders and for which they are issued on a one-to-one basis.

The Depository Receipts are offered continuously and there is no limit to the amount of Depository Receipts, nor to the period during which, Depository Receipts can be issued or purchased. In occurring events, the Foundation Board has also the discretion to revoke or suspend the offer or to reduce subscriptions. The Depository Receipts and the Shares are not and will not be listed on any stock exchange.

The Depository Receipts are in book entry form, meaning that the Foundation holds a register in which the names, addresses and bank account numbers of the Holders and the number and denomination of the Depository Receipts held by them are recorded. Each Holder must notify the Foundation of his address and bank account details and of any change thereof. Each Holder may at any time, free of costs, apply for a certified extract from the register stating the number of Depository Receipts in its name.

Depository Receipts cannot be exchanged (*niet royeerbaar*) by Holders into Shares. The Foundation may redeem (repurchase) Depository Receipts as more fully described in the Terms and Conditions at a price that may be lower but may not be higher than EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit.

Holders do not have any pre-emption rights in offers for subscriptions for Depository Receipts, nor do they have a right to share in any profits of the Foundation. In the case of a liquidation of the Foundation, Holders are entitled to share in any funds that remain in such an event, in accordance with article 13 of the Articles. The Holders will receive to the fullest extent possible an amount corresponding to their interest in the underlying shares of Oikocredit.

Depository Receipts do not give Holders any right to vote and no formal meetings of Holders will be held. The Foundation has one vote attached to the Shares, irrespective of the number of Shares it holds. The Foundation may exercise the rights attached to the Shares in accordance with article 7 of the Terms and Conditions.

Depository Receipts cannot be charged with a right of pledge or usufruct or any other right or encumbrance.

The Foundation Board at its discretion can decide upon transferability of Depository Receipts. As the Articles (article 3.1 sub a) determines that only Holders may hold Depository Receipts, Holders may freely transfer their Depository Receipts to other Holders, but the Foundation Board will obstruct to transfers of Depository Receipts by Holders to non-Holders.



The Depositary Receipts are continuously offered. There is no realistic estimation on the proceeds of the Depositary Receipts issue and how many Depositary Receipts will be issued. New Depositary Receipts issued are mentioned in the annual financial statements, and in general not announced separately publicly.

The Depositary Receipts, and the issue, purchase and redemption thereof, are subject to the Articles, the Terms and Conditions and Dutch law.

### **6.3.2. Subscription for Depositary Receipts**

The Foundation may (but is not obligated to) issue Depositary Receipts upon request. Depositary Receipts may be issued only to persons, entities or organizations that fully subscribe to the objectives of Oikocredit and are approved and admitted as eligible Holders by the Foundation Board at its discretion. Depositary Receipts are issued to non-church bodies, such as banks and development organizations, (ex) Staff and (ex) Board Members of Oikocredit and to individuals in countries where no Support Association exists that issues Depositary Receipts for Shares in Oikocredit.

The Foundation will issue Depositary Receipts to Holders at a subscription price equal to the nominal value of the underlying Shares of EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit Receipt, free of costs (but the Foundation has the right to deduct or withhold from the amount (to be) paid by the Holder taxes, if any, in respect of the subscription or payment for Depositary Receipts). Before issuing Shares in other currencies, the nominal value per Share is determined for each additional currency in which the Shares are issued. The subscription price will also be EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit and of the net asset value per Depositary Receipt is less than EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit (which may be the case if, e.g., the annual accounts of Oikocredit show a loss so that the net asset value of the Shares for which the Depositary Receipts are issued is less than EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit).

The first request of a prospective Holder for the issuance of Depositary Receipts takes place by sending a fully completed subscription form in accordance with Annex A of the Terms and Conditions (see Appendix 1) to the Foundation. Any further request of a Holder for additional Depositary Receipts takes place in a manner determined by the Foundation Board. Any request to issue Depositary Receipts must mention the amount in euro or US dollars or any other currency in which the Shares are issued by Oikocredit for which the request is made, subject always to a minimum amount of EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share, CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit for any request. After submission of a request to issue Depositary Receipts, the Holder is not entitled to cancel the request.

The Foundation will issue Depositary Receipts as soon as possible after (i) the Foundation Board has admitted the applicant as an eligible Holder and (ii) the Foundation has received the relevant amount in its bank account.

The amount of the Depositary Receipts to be issued will be equal to the amount received from the relevant Holder in the bank account of the Foundation minus taxes to be paid, retained or withheld by the Foundation in respect thereof, if any, (the "Net Amount Received"), divided by the subscription price per Depositary Receipt. If the Net Amount Received is different from the amount referred to in the request of the Holder, the request will be honored for the Net Amount Received. Fractions of Depositary Receipts may be issued as well and will be reported up to two digits. The Foundation will inform the Holder in writing by a statement of account in accordance with Annex B of the Terms and Conditions (see Appendix 1).

The Foundation may at all times issue Depositary Receipts except to the extent that Oikocredit has terminated or suspended the issuance of Shares. In the case that subscriptions are not in full assigned, any excess amount paid by a Holder will be refunded by the Foundation through a bank transfer.

### **6.3.3. Yield and Redemption of Depositary Receipts by the Foundation**

The yield of the Depositary Receipts on the basis of their issuing price is equal to the dividend received from Oikocredit on the underlying Shares after deduction of taxes and, in discretion of the Foundation Board, deduction of capital mobilisation, members relation, promotion and administration costs. So far these costs were covered by additional income- in addition to the dividend income received from Oikocredit-, of the Foundation. Dividends by Oikocredit were so far not higher than 2% of the nominal value of the Shares. The yield will be influenced negatively in case the redemption of Depositary Receipts is below the nominal value.

The Foundation may redeem Depositary Receipts from Holders in the cases and subject to the conditions described in the Terms and Conditions at a price that may (depending on the financial results and conditions of Oikocredit and on taxes, if any, that Oikocredit may have to pay on the repurchase of the corresponding Shares) be lower but may not be higher than EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CAD 200 per Share,

CHF 250 per Share, or any other nominal amount in any other currency in which Shares are issued by Oikocredit. From this price amounts will be deducted for taxes to be paid, retained or withheld by the Foundation, if any, in respect of redemption or repurchase of Depository Receipts.

Any redemption of Depository Receipts is entirely at the discretion of the Foundation. For further details, see Article 9 of the Terms and Conditions.

#### 6.3.4. Dividend payment

The Foundation will pass all dividends or other distributions received by it on the Shares on to the Holders after deduction of:

- taxes, if any, that the Foundation has to pay or withhold on the dividend or distribution (see paragraph 7.1) and,
- an administrative fee, if applicable, not exceeding 0.5% yearly of the nominal value of the Depository Receipts held by them (see paragraph 6.6).

Holders are asked in the annual dividend announcement that will be sent to all Holders whether they want the net dividends to be added to their Depository Receipts in the form of a stock dividend (which is the default option if no answer is received from the Holder), to be paid to them in cash or to be passed on as a gift to Oikocredit.

Dividends payable in cash will be paid by the Foundation to the bank account number notified by the relevant Holder to the Foundation and payment of any amount to such bank account will release the Foundation from liability for the amount of that payment. The rights of a Holder against the Foundation in respect of dividends or any other distribution on the Depository Receipts will lapse five years after the dividend or other distribution has become payable.

Dividends on the Shares and dividends on the Depository Receipts for 2011, 2010 and dividend for 2009 amounted to 2% of their nominal value, but may be less in the future, depending on the financial results of Oikocredit.

#### 6.4. Financial position of the Foundation

The following historical financial information (i.e. the complete paragraph 6.4) is, unless stated otherwise, extracted from the Financial Statements (Oikocredit International Share Foundation, Amersfoort, the Netherlands) of 2011, 2010 and 2009. The financial information must be read together with the presented annual accounts.

The Financial Statements (Oikocredit International Share Foundation, Amersfoort, the Netherlands) of 2011, 2010 and 2009, including the relevant auditor's opinion, are incorporated by reference in this Prospectus. The financial statements comply with Generally Accepted Accounting Principles in the Netherlands.

<b>Balance Sheet as of December 31, 2011, 2010 and 2009</b>			
	<b>31/12/2011</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long Term Investments			
Member Capital in Oikocredit	<b>37,976</b>	<b>40,670</b>	<b>36,374</b>
<b>Current assets</b>			
Cash and banks; time deposits	154	225	522
Current assets other	125	178	107
	<b>279</b>	<b>403</b>	<b>629</b>
<b>Total Assets</b>	<b>38,255</b>	<b>41,073</b>	<b>37,003</b>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Results previous years	65	37	27
Result current year	38	28	10
	<b>103</b>	<b>65</b>	<b>37</b>
<b>Depository Receipts</b>			
Depository Receipts Oikocredit	<b>37,976</b>	<b>40,670</b>	<b>36,374</b>
<b>Current liabilities</b>	<b>176</b>	<b>338</b>	<b>592</b>
<b>Total Liabilities</b>	<b>38,255</b>	<b>41,073</b>	<b>37,003</b>
<b>% of total Member Capital of Oikocredit held by the Foundation:</b>	<b>7.4%</b>	<b>8.5%</b>	<b>8.8%</b>

<b>Income Statement for the years 2011, 2010 and 2009</b>			
(before appropriation of the result)			
	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>INCOME</b>			
Dividends received from Oikocredit U.A.	759	615	430
Dividends paid or credited to Depository receipt holders	(759)	(615)	(430)
Financial Support Oikocredit	88	97	59
Interest received	2	1	1
Exchange rate differences	(9)	(19)	(5)
	<b>81</b>	<b>79</b>	<b>55</b>
<b>EXPENSES</b>			
Office expenses and sundries	43	(51)	(45)
	<b>43</b>	<b>(51)</b>	<b>(45)</b>
<b>RESULT for the year</b>	<b>38</b>	<b>28</b>	<b>10</b>

Up to the date of this Prospectus 29 June 2012 there has been no significant change to the financial situation and trading position of the Foundation since the closing of the annual accounts as at 31 December 2011.

The most important long-term capital resource of the Foundation is the Depository Receipts (100% by the end of 2011), which is fully invested in members capital of Oikocredit.

More detailed information about Oikocredit's capital resources, cash flows and funding structure are included in the Oikocredit Prospectus.

#### *Working capital statement*

The Foundation is of the opinion that the working capital is sufficient for Foundation's requirements for the forthcoming period up to 29 June 2013.

#### *Significant changes in the financial or trading position of the foundation and the group of companies of Oikocredit Development Cooperative Society UA (including the foundation)*

Up to the date of this Prospectus 29 June 2012 there are no significant changes in the financial and trading position of the foundation as well as the group. For more information on the group we refer to the Oikocredit *Development Cooperative Society UA* prospectus included in this prospectus (specifically to the Consolidated Financial Statements of the Society page 28 to 30).

#### *Legal and arbitration proceedings*

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

#### *Statement of capitalization and indebtedness as at April 30, 2012*

At April 30, 2012 the Depository Receipts liabilities amounted to € 379 million. Current liabilities consist of unsecured current account with Oikocredit amounting to € 206,000.

<b>Capitalisation as per 30 April 2012 (all amounts in € ,000)</b>	<b>ISF</b>
<u>Total current debt</u>	<b>206</b>
Guaranteed	-
Secured	-
Unguaranteed/unsecured	206
<u>Total non-current debt (excluding current portion of long -term debt)</u>	-
Guaranteed	-
Secured	-
Unguaranteed/unsecured	-
Members Equity	
Members capital	-
Legal Reserve	-
Other Reserves	103
<b>Total</b>	<b>103</b>

Indebtedness as per 30 April 2012 (all amounts in € ,000)	ISF
A. Cash	158
B. Cash equivalent	-
C. Trading securities	-
<b>D. Liquidity (A+B+C)</b>	<b>158</b>
<b>E. Current financial receivable</b>	<b>-</b>
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
<b>I. Current financial debt (F+G+H)</b>	<b>-</b>
<b>J. Net current financial indebtedness (I-E-D)</b>	<b>(158)</b>
K. Non-current bank loans	-
L. Bonds issued	-
M. Other non-current loans	-
<b>N. Non-current financial indebtedness (K+L+M)</b>	<b>-</b>
<b>O. Net financial indebtedness (J+N)</b>	<b>(158)</b>

Note: There are no other long and short term liabilities.

## 6.5. Foundation Board

The Foundation is managed by the Foundation Board consisting of:

- two of the Members of the Oikocredit Board, and
- one member of Oikocredit's senior staff, namely the Director Investor Relations of Oikocredit, or, if those functions no longer exist within the Oikocredit Board or Oikocredit, the person or persons performing functions substantially similar thereto.

The Foundation Board can appoint other persons as Members of the Foundation Board and is authorized to suspend or dismiss those Members.

The Foundation Board has full powers regarding the management of the Foundation.

The Foundation is represented by the Foundation Board or alternatively by two Members of the Foundation Board acting jointly.

For a complete description of the provisions with respect to the Foundation Board, please refer to the Articles as incorporated by reference in this Prospectus.

As per 1 July 2011, the following persons are Members of the Foundation Board:

**Mr Karsten Löffler**, Kaiser-Friedrich-Straße 1, 65193 Wiesbaden, Germany.  
**Board Member of the Share Foundation since 1/7/2008.**

### *Current Position*

Managing Director of Allianz Climate Solutions GmbH, Munich  
Former Head of Operations & Projects (prokurist) of Allianz Climate Solutions GmbH, Munich

### *Organizations/supervisory bodies or partnerships*

None

### *Specific areas of expertise and experience*

Management and Finance

**Mr Sergio Roschel**, Rue dos Cajueiros 86, Demarchi –Sao Bernardo- Sao Paulo- Brazil 09820-550.  
**Board Member of the Share Foundation from 1 July 2010.**

#### *Current position*

Finance & Supply Director, Chief of the President's office and controller of the Methodist University of Sao Paulo, Brazil. He holds a MSc in Business Administration of the Methodist University of Sao Paulo

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

None

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

Experience in management, economic development projects, microfinance and financial management

**Mrs Salome Sengani**, PO Box 31376, Braamfontein Johannesburg, Republic of South Africa.

**Board Member of the Share Foundation from 1 July 2010.**

#### *Current position*

Business transformation programme of broadening affordable housing finance to poorer section of the Society

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

- Former Board member of Johannesburg Development Agency
- Chairperson of the Board of Thubelisha Homes (a not for profit agency owned by the Republic of South Africa)
- Board Member of Wizzit Bank, Republic of South Africa
- Board Member of National Sustainable Housing facility Drafting Group, Republic of South Africa

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

Corporate strategy, Banker, holding a MBA degree from the university of Pretoria South Africa; professional nurse

**Ms Ylse Cynthia van der Schoot**, Director of Investor Relations Oikocredit per 1/7/2009.

**Board Member of the Share Foundation since 1 July 2009.**

Ms van der Schoot has been working for Oikocredit since March 2007 and has the following education:

1988 – 1990 Propedeuse Franse taal- en letterkunde and 1990 - 1995 Beleid en Bestuur in Internationale Organisaties at Rijksuniversiteit Groningen and Development Administration and Government & Politics in Africa at University of Zimbabwe from March to September 1994.

She worked for Life & Peace Institute as a Regional Representative Horn of Africa from July 2006 – December 2006 and Country Representative Dem. Republic of Congo October 2004 – July 2006 and for Oxfam Novib as Programme Officer Central Africa from May 1997 – October 2004.

#### *Remuneration of Foundation Board*

The Members of the Foundation Board receive no remuneration from the Foundation, but will receive reimbursement of necessary expenses.

#### *Conflicts or potential conflict of interest of the Foundation Board Members*

None of the Members of the Foundation Board carry out activities outside Oikocredit that are relevant for Oikocredit and there are no conflicts of interest between the members of the Board's duties to the Foundation and their private interests and/or other duties. None of the Members of the Foundation Board have received loans or guarantees from Oikocredit.

None of the Members of the Foundation Board is convicted in relation to fraudulent offences or involved in any bankruptcies, receiverships or liquidations or was involved in any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

There are no family relationships between any of the Members of the Foundation Board.

None of the Members of the Foundation Board has received loans or guarantees from the Foundation. Members of the Foundation Board hold a very limited number of Depository Receipts, if any. No Member of the Foundation Board holds more than 1% of the outstanding Depository Receipts.

## **6.6. Administration; Costs**

#### *Costs related to continuing issue of Depository Receipts*

The Depository Receipts are continuously offered to entitled parties. There is no realistic estimation on the proceeds of the issue and how many Depository Receipts that will be issued. The last 3 years new net Depository Receipts issued amounted to:

2009: € 8.0 million

2010: € 4.3 million

2011: € (2.7) million



The issuance of Depository Receipts incurs annual costs consisting of acquisition costs such as capital mobilization, members' relations, promotions, and additionally administration costs and so on, totalling € 55,000. The one-off costs associated with producing the present Prospectus (included in the administration costs mentioned in the previous sentence) are budgeted at € 13,000. These costs are and will be reflected in the income statement under operating costs. So far all of these capital mobilisations, members' relations, promotions and additionally administration costs were covered by additional income- in addition to the dividend income received from Oikocredit- of the Foundation.

The financial administration of the Foundation and the issuance of the Depository Receipts are carried out on behalf of the Foundation by the staff of Oikocredit. Oikocredit may at its discretion, charge an administration fee (calculated at cost without any profit) to the Foundation for this service. Oikocredit may, at its discretion, delegate parts of the administration of the Foundation to Support Associations.

The Foundation incurs annual costs consisting of e.g. bank- and interest charges, audit fees, administration fees, other office expenses, exchange rate differences, applicable taxes including taxes in connection with the distribution of dividend or other distributions received on the Shares, and sundries.

The Foundation's income consists of e.g. dividends (which will be directly passed on to the Holders) and other distributions received from Oikocredit, interests received, withholdings from amounts payable by or to Holders for taxes (if any) on the issuance, redemption or repurchase of Depository Receipts and the payment of fees by Oikocredit for increases in the number of Depository Receipts outstanding.

If the income of the Foundation from these sources (but excluding dividends and other distributions received from Oikocredit) is not sufficient to cover the costs of the Foundation, an administrative fee will be charged to the Holders not exceeding 0.5% yearly of the nominal value of the Depository Receipts held by them, respectively. This fee will be deducted by the Foundation from the dividends to be paid to the Holder(s) (but will not lead to a negative amount).

Depository Receipts are issued and redeemed free of charge to Holders (other than the subscription price payable), but the Foundation has the right to withhold from the price (to be) paid by or to the Holder(s) taxes which must be paid, retained or withheld by the Foundation, if any, in respect of any subscription, redemption or repurchase of Depository Receipts.

## **6.7. Calculation of net results; valuation of assets and liabilities**

The annual net results are calculated by subtracting all operating costs, losses and depreciation costs from the gross revenue (including dividends and other distributions received from Oikocredit) of the Foundation, in accordance with generally accepted accounting principles in the Netherlands.

Net income available for distribution is allocated by the Foundation Board. The result remaining after distribution of dividends to Holders is added to or subtracted from the general reserve of the Foundation.

Assets and liabilities are valued in the annual accounts of the Foundation in accordance with generally accepted accounting principles in the Netherlands.

## **6.8. Reporting**

The Foundation aims to have its annual accounts prepared and audited by its external auditors within 4 months, but must have this done no later than 6 months, after the end of the financial year. The financial year is concurrent with the calendar year. The annual accounts, including the auditor's report, are presented to the Foundation Board for final approval not later than June 30 of the year following the financial year concerned. After approval, the annual accounts and auditor's report are published by filing them with the trade register where the Foundation has its statutory seat and the Dutch Authority for the Financial Markets.

The Foundation prepares its semi-annual accounts within 4 months following the first 6 months of each financial year. Upon preparation, the relevant half-year figures of Oikocredit are published by filing these figures with the trade register where the Foundation has its statutory seat and the Dutch Authority for the Financial Markets.

Every Depository Receipt Holder receives annually:

- a dividend announcement detailing the dividend (if any) which has been made payable per Depository Receipt with the choices for payment (see paragraph 6.3.4 above), at the same time confirming the number of Depository Receipts for which the Holder is registered in the records of the Foundation, and (if requested)
- the annual report of Oikocredit and the Foundation

The Foundation will send a statement of account to the relevant Holder after every issuance and redemption of Depository Receipts. If a Holder does not object to the contents of a statement of account or other document with respect to the Depository Receipts held by him within one month after the statement or document can in reasonableness have been received by him, the contents of the statement of account or other document will be deemed to have been approved by him.

## 6.9. Information incorporated by reference

The following information shall be deemed to be incorporated in, and to form part of, this Prospectus:

- The Foundation's Articles of Association as per the publication date, dated 15 September 2003 (the "Articles") (in the original Dutch language version as well as in English translation)
- Financial statements 2011 (Oikocredit International Share Foundation, Amersfoort (the Netherlands))
- Financial statements 2010 (Oikocredit International Share Foundation, Amersfoort (the Netherlands))
- Financial statements 2009 (Oikocredit International Share Foundation, Amersfoort (the Netherlands))
- The Articles of Incorporation of Oikocredit, dated 19 October 2009 (in the original Dutch language version as well as in English translation)
- Oikocredit Annual report 2011
- Oikocredit Annual report 2010
- Oikocredit Annual report 2009

These documents are on display (available for viewing) for the life of the Prospectus and can be obtained free of charge at the office of the Foundation in Amersfoort, the Netherlands, as set out under chapter 5, General details.

*For specific references for Oikocredit we refer to the Oikocredit Prospectus page 40-42. The Oikocredit Prospectus as well as the supplement dated 28 June 2012 are included as an addendum to the Prospectus of the Oikocredit International Share Foundation.*

## 6.10. Subscription and sale

Depository Receipts may be issued only to persons, entities or organizations that fully subscribe to the objectives of Oikocredit and are approved and admitted as eligible Holders by the Foundation Board at its discretion. Depository Receipts are issued to amongst other non-church bodies, such as banks and development organizations, (ex) Staff and (ex) Board Members of Oikocredit and to individuals in countries where no Support Association exists that issues Depository Receipts for Shares in Oikocredit.

The distribution of this Prospectus and the offering, sale and delivery of the Depository Receipts in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any are required by the Foundation to inform themselves about and to observe any such restrictions. In particular, Depository Receipts have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). Depository Receipts may not be offered, sold or delivered within the United States of America or to U.S. persons.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), no offers of Depository Receipts to the public in that Relevant Member State may be made, except that, with effect from and including the Relevant Implementation Date, an offer of Depository Receipts may be made to the public in that Relevant Member State in the period beginning on the date of publication of a Prospectus in relation to those Depository Receipts which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication.

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

### France, United Kingdom, Ireland, Italy, Sweden, Ireland, Spain

This Prospectus has been approved by The Authority for the Financial Markets ("Autoriteit Financiële Markten") in the Netherlands on 29 June 2012 for the purposes of the Prospectus Directive.

The Foundation has requested The Authority for Financial Markets ("Autoriteit Financiële Markten") in The Netherlands to provide the competent authorities in the following Relevant Member States:

- United Kingdom (the Financial Services Authority)
- Italy (the Commissione Nazionale per le Società e la Borsa)
- Sweden (Finansinspektionen)
- France (AMF)
- Ireland (Central Bank of Ireland)
- Spain (CNMV)

with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Act on Financial Supervision and related regulations which implement the Prospectus Directive in Dutch law ("Notification"). The Foundation may request The Authority for Financial Markets ("*Autoriteit Financiële Markten*") to provide competent authorities in additional Member States within the European Economic Area with a Notification.

Other than in The Netherlands, France, United Kingdom, Italy, Spain, Sweden and Ireland the Foundation does not represent that this Prospectus may be lawfully distributed, or that Depositary Receipts may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available there under, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Foundation which would permit a public offering of the Depositary Receipts or distribution of this document in any jurisdiction where action for that purpose is required, other than in certain Member States of the European Economic Area.

## **7. Tax aspects of participation in the Foundation**

This section provides a brief summary of the most relevant Dutch tax implications of being a Holder of Depositary Receipts. The summary of the Dutch tax implications is based on current Dutch tax laws, case law and policy rules, all as in effect on the date of publication of this Prospectus. Future changes in the Dutch tax regime could affect the tax implications, whether or not with retroactive effect.

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

### **7.1. Tax position of the Foundation**

#### *Corporate income tax*

The Dutch tax authorities confirmed that the Foundation is exempt from Dutch corporate income tax.

#### *Dividend withholding tax*

The Dutch tax authorities have confirmed that no Dutch dividend withholding tax is due on dividends distributed by the Foundation to its Holders (either Dutch or non-Dutch residents).

#### *Gift taxes and inheritance taxes*

As of the year 2010 the Foundation does not qualify as a so called 'ANBI' (a charity in the sense of the Dutch State Taxes Act). This means that donations and inheritances received by Foundation are subject to gift or inheritance tax. The applicable tax rates vary from 30 up to 40 percent (percentages applicable in 2012). For inheritances or donations an amount of EUR 2,012 per donor or deceased is exempt from inheritance or gift tax. If in a calendar year the total amount of donations received from an individual donor exceeds the amount of EUR 2,012, the surplus is subject to gift tax. The same applies to inheritances or donations received by the Foundation.

Donations and inheritances received by the Foundation are generally exempt from Dutch gift and inheritance tax, in case the donor or deceased is not a (deemed) resident of the Netherlands.

#### *Value added tax ("BTW")*

The Dutch tax authorities confirmed that the Foundation is not subject to Dutch value added tax.

### **7.2. Tax position of Depositary Receipt Holders**

(Prospective) Holders of Depositary Receipts should consult their own professional advisors as to the implications of their subscribing for, purchasing, holding, and/or selling Depositary Receipts under the laws of their jurisdiction. For some initial information we refer to the tax paragraph 7.2 in the Oikocredit Prospectus (see Appendix 2).

## Appendix 1

### TERMS AND CONDITIONS OF ADMINISTRATION OF STICHTING OIKOCREDIT INTERNATIONAL SHARE FOUNDATION (*administratievoorwaarden*)

*These terms and conditions are effective as of 7 June 2008, and apply to each of the Depository Receipts (as defined below) issued by the Foundation (as defined below). These terms and conditions also apply to any written proof of participation in Shares in the capital of Oikocredit (as defined below) issued by the Foundation prior to July 1, 2003.*

#### Article 1 Definitions Applicable

<b>Subscription Price</b>	in respect of a Depository Receipt, means an amount equal to the nominal value expressed in the Relevant Currency of the Share for which it is issued, being EUR 200 or USD 200, or the nominal value in any other currency in which Shares are issued by Oikocredit
<b>Articles</b>	means the Articles of Association of the Foundation as amended from time to time
<b>Depository Receipt</b>	means each of the registered claims ( <i>vorderingen op naam</i> ) against the Foundation subject to the terms of the Terms and Conditions and representing the beneficial interest in a Share for which it has been issued by the Foundation; where the context so permits, Depository Receipt includes fractions thereof, issued by the Foundation for fractions of a Share
<b>Foundation</b>	means Stichting Oikocredit International Share Foundation, a foundation ( <i>stichting</i> ) established under the law of the Netherlands with statutory seat in Amersfoort, the Netherlands
<b>Foundation Board</b>	means the Board ( <i>stichtingsbestuur</i> ) of the Foundation as duly appointed and constituted ( <i>samengesteld</i> ) from time to time according to the Articles
<b>Holders</b>	means the persons, entities or organizations, duly admitted as eligible Holders in accordance with the Terms and Conditions and entitled to ( <i>rechthebbenden op</i> ) the Depository Receipts
<b>Members</b>	means the entities or organizations duly admitted as Members of Oikocredit in accordance with its Articles of Association
<b>Membership Rights</b>	means the rights conferred upon the Members according to the Articles of Association of Oikocredit
<b>Oikocredit</b>	means Oikocredit, Ecumenical Development Cooperative Society U.A., a co-operative society with excluded liability established ( <i>coöperatie met uitsluiting van aansprakelijkheid</i> ) under the law of the Netherlands with statutory seat in Amersfoort, the Netherlands
<b>Oikocredit Board</b>	means the Board ( <i>bestuur</i> ) of Oikocredit as duly appointed and constituted ( <i>samengesteld</i> ) from time to time according to its Articles of Association
<b>Relevant Currency</b>	in respect of a Share or a Depository Receipt, means the currency of the nominal value of such Share or the Depository Receipt in respect thereof, in accordance with the Articles of Association of Oikocredit or the Terms and Conditions, respectively

<b>Shares</b>	means the Shares in the issued share capital of Oikocredit, regardless their class or denomination; where the context so permits, Shares shall include fractions thereof
<b>Terms and Conditions</b>	means these terms and conditions as they may be amended from time to time subject to the terms hereof

## **Article 2**

### **Form and denomination**

#### **2.1**

The Foundation will issue a Depositary Receipt or a fraction thereof for each Share or fraction thereof, (to be) transferred or issued to it by way of "fiducia cum amico / ten titel van beheer / for purposes of administration".

#### **2.2**

Depositary Receipts are denominated into Shares or fractions thereof, in the Relevant Currency thereof and with the same nominal value as those Shares. Depositary Receipts will at all times be issued in registered form. No certificates will be issued for Depositary Receipts.

## **Article 3**

### **Issue and subscription**

#### **3.1**

The Foundation may (but is not obligated to) issue Depositary Receipts upon request. Depositary Receipts may be issued only to persons, entities or organizations that fully subscribe to the objectives of Oikocredit and are approved and admitted as eligible Holders by the Foundation Board at its discretion. Individuals resident in the Netherlands are not eligible to be Holders, except when they are (ex) staff or (ex) Board Member of Oikocredit.

#### **3.2**

The Applicable Subscription Price for Depositary Receipts equals EUR 200 or USD 200, or the nominal value in any other currency in which Shares are issued by Oikocredit as preferred by the (prospective) Holder, per Depositary Receipt. The Applicable Subscription Price will also be EUR 200 or USD 200 or the nominal value in any other currency in which Shares are issued by Oikocredit, if the intrinsic value per Depositary Receipt is less than EUR 200 or USD 200 or the nominal value in any other currency in which Shares are issued by Oikocredit (which may be the case if, e.g., the annual accounts of Oikocredit show a loss so that the intrinsic value of the Shares for which the Depositary Receipts are issued is less than EUR 200 or USD 200 or the nominal value in any other currency in which Shares are issued by Oikocredit).

#### **3.3**

The first request of a prospective Holder for the issuance of Depositary Receipts takes place by sending a fully completed subscription form in accordance with Annex A to the Foundation. Any further request of a Holder for additional Depositary Receipts takes place in a manner determined by the Foundation Board. Any request to issue Depositary Receipts must mention the amount in euro or US dollars for which the request is made, subject always to a minimum amount of EUR 200 or USD 200 or the nominal value in any other currency in which Shares are issued by Oikocredit. After submission of a request to issue Depositary Receipts the Holder is not entitled to cancel the request.

#### **3.4**

The Foundation will issue Depositary Receipts as soon as possible after (i) the Foundation Board has admitted the applicant as an eligible Holder and (ii) the Foundation has received the relevant amount in its bank account. The amount of the Depositary Receipts to be issued will be equal to the amount received from the relevant Holder in the bank account of the Foundation minus taxes to be paid, retained or withheld in respect thereof, if any, (the "Net Amount Received"), divided by the Applicable Subscription Price per Depositary Receipt. If the Net Amount Received is different from the amount referred to in the request of the Holder, the request will be honoured for the Net Amount Received. Fractions of Depositary Receipts may be issued as well and will be reported up to two digits.

#### **3.5**

The Foundation will inform the Holder in writing by a statement of account in accordance with Annex B each time Depositary Receipts are issued to him.

#### **3.6**

The Foundation may at all times issue Depositary Receipts except to the extent that Oikocredit has terminated or suspended the issuance of Shares.

## **Article 4**

### **Eligible Holders**

Depositary Receipts may only be issued to persons, entities or organizations that fully subscribe to the objectives of Oikocredit and are approved and admitted as eligible Holders by the Foundation Board in its discretion. Individuals resident in the Netherlands are not eligible to be Holders.



## **Article 5 Register**

### **5.1**

The Foundation Board will maintain a register at the office of the Foundation, in which the names, addresses and bank account numbers of the Holders and the number and denomination of the Depository Receipts held by them are recorded.

### **5.2**

Each Holder must notify the Foundation of his address, as well as his bank account details for the purpose of payments of dividend or other distributions, and of any change of any of the foregoing information. If a Holder has failed to notify his address or, in the event of a change of address, his new address, the Foundation will be irrevocably authorised to take delivery of notifications and notices of meetings on behalf of such Holder.

### **5.3**

Each Holder, as well as the Oikocredit Board, may inspect the register at any time and obtain extracts from the register at cost. However, a Holder may only obtain an extract of his own entry.

## **Article 6 Dividends**

### **6.1**

The Foundation will pass all dividends or other distributions received by it with respect to the Shares administered by it on to the Holders in proportion to the number of Depository Receipts held by them, after deduction (i) of taxes, if any, which the Foundation must pay or withhold on the dividends or distributions and (ii), if applicable (see article 12 below), of an administrative fee not exceeding 0.5% of the nominal value of the Depository Receipts held by the respective Holders.

### **6.2**

Each year the Foundation will send an annual dividend announcement to all Holders and ask each Holder whether he wants the net dividends to be added to his Depository Receipts in the form of a stock dividend (the default option if a Holder does not make a selection), to be paid to him in cash or to be passed on as a gift to Oikocredit. Holders who do not inform the Foundation of their selection within three months after the date of the annual dividend announcement shall receive the dividend as stock dividend.

### **6.3**

Dividends payable in cash will be paid by the Foundation to the bank account number notified by the relevant Holder to the Foundation and payment of any amount to such bank account will release the Foundation from liability for the amount of that payment. The Foundation shall not be liable for any failure or omission of a Holder to notify the Foundation of his correct bank account details.

### **6.4**

The rights of a Holder against the Foundation in respect of dividends or any other distribution by virtue of the holding of Depository Receipts will lapse (*verjaren*) five years after the dividend or other distribution has become payable. Thereafter, the Foundation will return any amount remaining unclaimed to Oikocredit.

### **6.5**

The Foundation is authorised to deposit the amounts referred to in this article for the purpose of payment with one or more reputable banks, for the account and risk of the interested Holder.

### **6.6**

Dividends on the Shares and dividends on the Depository Receipts are maximised at two per cent of their nominal value, but may be less depending on the financial results of Oikocredit.

## **Article 7 Relations between Holders and the Foundation; Membership Rights of the Foundation**

### **7.1**

Any person, entity or organization that has subscribed for, or acquired, Depository Receipts shall be deemed to have accepted the same subject to the Terms and Conditions.

### **7.2**

The Depository Receipts and all rights of Holders vis-à-vis the Foundation will also be governed by the relevant provisions of the Articles.

### 7.3

Depository receipts do not give the Holders thereof any right to vote and there will be no meetings of Holders.

### 7.4

If a Holder does not object to the contents of a statement of account or other document with respect to the Depository Receipts held by him within one month after the statement or document can in reasonableness have been received by him, the contents of the statement of account or other document will be deemed to have been approved by him.

### 7.5

The Foundation is a Member and shareholder of Oikocredit and will exercise all rights conferred to the Shares administered by it, such as the right to receive dividends and other distributions, including liquidation distributions, and will exercise the Membership Rights, such as the right to vote in the general meeting of Oikocredit, without instructions of the Holders.

## Article 8

### Encumbrance; Joint Ownership; Transferability

#### 8.1

Depository Receipts cannot be charged with a right of pledge, usufruct or any other right or encumbrance.

#### 8.2

The Board at its discretion can decide upon transferability of Depository Receipts. As the Articles (article 3.1 sub a) determine that only Holders may hold Depository Receipts, Holders may freely transfer their Depository Receipts to other Holders, but the Board will obstruct to transfers of Depository Receipts by Holders to non-Holders.

#### 8.3

If Depository Receipts are jointly held, the joint Holders may, on penalty of suspension of their rights, only be represented vis-à-vis the Foundation by one or more persons, whom they have so designated in writing with a copy to the Foundation. If they designate more than one person, they may, on such designation or at a later date, jointly determine who of those persons will represent them and in respect of which Depository Receipts. A designation, as referred to in this article, may be revoked or amended by the joint participants at any time but only in writing with a copy to the Foundation.

## Article 9

### Redemption

#### 9.1

The Foundation may, always subject to its sole discretion, redeem (i.e. repurchase) Depository Receipts, but only as described in this paragraph 9.1.

- i. The Foundation may, at its discretion, redeem all (and not some only) of the Depository Receipts:
  - if it is dissolved and liquidated (*ontbonden en vereffend*); and
  - if it enters into a legal merger (*juridische fusie*) or division (*splitsing*)
- ii. The Foundation may redeem all Depository Receipts held by a particular Holder if, in the opinion of the Foundation Board, the particular Holder ceases to comply with the criteria of an eligible Holder, in which case the Holder must offer and transfer the Depository Receipts to the Foundation.
- iii. The Foundation may at its sole discretion and upon consideration of all facts and circumstances it deems relevant, redeem some or all of the Depository Receipts held by a particular Holder at the request of that Holder and acceptance thereof by the Foundation Board.

#### 9.2

Any redemption as referred to in article 9.1 sub (ii) and (iii) may only take place if (a) the Foundation shall have found one or more Holders willing to purchase the Depository Receipts to be redeemed or (b) Oikocredit shall have agreed – subject to the limitations of and in compliance with the Articles of Association of Oikocredit – to repurchase from the Foundation a number of Shares equal to the number of Depository Receipts to be redeemed.

#### 9.3

A Holder may request redemption as referred to in article 9.1 sub (iii) by sending a fully completed redemption request by letter, fax or e-mail to the Foundation in accordance with Annex C or in another manner determined by the Foundation Board. Any request for redemption must mention the amount in euro or US dollars or other currency in which Shares are issued by Oikocredit, or the number of Depository Receipts for which redemption is requested. After submission of the redemption request, the Holder is not entitled to cancel the request.

#### 9.4

The price at which the Foundation may redeem Depository Receipts may be lower - but not higher - than EUR 200 or USD 200 or the nominal value in any other currency in which Shares are issued by Oikocredit per Depository Receipt

and will in the cases referred to in article 9.1 sub (ii) and (iii) be based on the price at which other Holders are willing to purchase the Depository Receipts or Oikocredit is willing to repurchase the corresponding Shares. The redemption price will be lower than EUR 200 or USD 200 or the nominal value in any other currency in which Shares are issued by Oikocredit if the intrinsic value of the Shares is less than EUR 200 or USD 200 or the nominal value in any other currency in which Shares are issued by Oikocredit (which may be the case if the annual accounts of Oikocredit show a loss) or if taxes must be paid or withheld in connection with the repurchase by Oikocredit of the corresponding Shares. From this price an amount will be deducted for taxes to be paid, retained or withheld by the Foundation, if any, in respect of the redemption of Depository Receipts.

#### **9.5**

If Depository Receipts are redeemed while the Foundation is dissolved and liquidated, the redemption price will only be paid after payment of all its debts.

#### **9.6**

The Foundation Board shall confirm any redemption which it has approved by statement of account in accordance with Annex B and remit, except in unforeseen circumstances, the redemption price as soon as possible to the bank account of the Holder.

#### **9.7**

If, after redemption of Depository Receipts, a Holder holds less than one Depository Receipt, that Holder must offer and transfer the balance of his Depository Receipts to the Foundation for redemption and the Holder stops being a Holder.

#### **9.8**

Depository Receipts redeemed or purchased by the Foundation which have not been purchased by one or more other Holders will be cancelled by operation of law by way of amalgamation (*vermenging*).

### **Article 10**

#### **No Exchange**

Depository Receipts are not exchangeable (*niet royeerbaar*) into Shares, neither at the request of any Holder nor at the discretion of the Foundation Board.

### **Article 11**

#### **Administration**

The financial administration of the Foundation, the issuance of the Depository Receipts and related matters are carried out on behalf of the Foundation by the staff of Oikocredit. Oikocredit may, at its discretion, charge an administration fee (calculated at cost without any profit) to the Foundation for this service. Oikocredit may, at its discretion, delegate parts of this administration to Support Associations. The Foundation and Oikocredit may enter into an agreement regarding the administration of the Foundation and other matters.

### **Article 12**

#### **Costs, administrative fee, taxes, gifts**

#### **12.1**

The Foundation incurs annual costs consisting of e.g. bank- and interest charges, audit fees, administration fees, other office expenses, exchange rate differences, applicable taxes including taxes in connection with the distribution of dividend or other distributions received on the Shares, and sundries.

#### **12.2**

The Foundation's income consists of e.g. dividends and other distributions received from Oikocredit (which will be directly passed on to the Holders), interests received, withholdings from amounts payable by or to Holders for taxes (if any) on the issuance, redemption or repurchase of Depository Receipts and fees received from Oikocredit for increases in the number of Depository Receipts outstanding.

#### **12.3**

If the income of the Foundation from these sources (but excluding dividends and other distributions received from Oikocredit) is not sufficient to cover the costs of the Foundation, an administrative fee will be charged to the Holders not exceeding 0.5% of the nominal value of the Depository Receipts held by them, respectively. This fee will be deducted by the Foundation from the dividends to be paid to the Holder(s) (but will not lead to a negative amount).

#### **12.4**

Depository Receipts are issued and redeemed free of charge to/from Holders (except for the Applicable Subscription Price and the redemption price), but the Foundation has the right to withhold from the price paid by/to the Holder(s) taxes which must be paid, retained or withheld by the Foundation, if any, in respect of any subscription or redemption of Depository Receipts.

**12.5**

Any bequests or gifts made to the Foundation will be diverted to the Stichting Oikocredit International Support Foundation and will not be deemed income of the Foundation.

**Article 13****Notices****13.1**

Notices to the Holders shall be given in writing to the addresses of the Holders entered in the register referred to in article 5.

**13.2**

Notices to the Foundation must be sent by mail or fax to the following address:

Stichting Oikocredit International Share Foundation  
Berkenweg 7  
3818 LA, Amersfoort  
The Netherlands  
+31 33 465 03 36  
oisf@oikocredit.org

**Article 14****Amendments**

The provisions of the Terms and Conditions may be amended by the Foundation Board. The Foundation Board will as soon as practically possible give written notice to the Holders of every amendment of the Articles and/or the Terms and Conditions.

**Article 15****Governing Law Jurisdiction****15.1**

The Terms and Conditions shall be governed exclusively by the law of the Netherlands.

**15.2**

All disputes arising in connection with the Terms and Conditions, including disputes concerning the existence and validity thereof, shall be submitted to arbitration in accordance with the rules of the Netherlands Arbitration Institute at the discretion of the Foundation.



## International Share Foundation Subscription form

<p><b>Mr/Mrs/Ms/Miss/Other</b></p> <p>Full name</p> <p>Date of birth</p> <p>Firm/organisation (if applicable)</p> <p>Address</p> <p>Postal code</p> <p>Town/city</p> <p>Country</p> <p>Representative (if applicable)</p> <p>Email</p> <p>Website (if applicable)</p>	<p><i>Please use <b>black ink</b> and <b>BLOCK CAPITALS</b></i></p> <p><b>Bank account details</b> <i>(for receipt of dividend and redemptions and for inclusion in the register of Holders)</i></p> <p>Account name</p> <p>Account number</p> <p>IBAN</p> <p>BIC-code</p> <p>Bank name</p> <p>Branch</p> <p><b>Please tick what category you or your organisation belongs to:</b></p> <table border="0"> <tr> <td><input type="checkbox"/> Individual</td> <td><input type="checkbox"/> Foundation/charity</td> </tr> <tr> <td><input type="checkbox"/> Development agency</td> <td><input type="checkbox"/> Church or church-related</td> </tr> <tr> <td><input type="checkbox"/> Bank/financial institution</td> <td><input type="checkbox"/> Other</td> </tr> </table>	<input type="checkbox"/> Individual	<input type="checkbox"/> Foundation/charity	<input type="checkbox"/> Development agency	<input type="checkbox"/> Church or church-related	<input type="checkbox"/> Bank/financial institution	<input type="checkbox"/> Other
<input type="checkbox"/> Individual	<input type="checkbox"/> Foundation/charity						
<input type="checkbox"/> Development agency	<input type="checkbox"/> Church or church-related						
<input type="checkbox"/> Bank/financial institution	<input type="checkbox"/> Other						
<p>I apply to purchase depository receipts to the value of €/\$ (the minimum investment is €/\$ 200 and there is no maximum). If you prefer another currency, please check with Oikocredit.</p> <p>I will pay the total amount of my investment to Oikocredit in the following way (please tick box):</p> <p><input type="checkbox"/> by direct bank transfer to: Account name: Oikocredit International Share Foundation Reference: <i>please use your full name for reference</i> Bank: ING Bank, P.O. Box 23432, 1100 DX Amsterdam, The Netherlands IBAN: NL48 INGB 0661 5193 68 BIC-code: INGBNL2A</p> <p><input type="checkbox"/> by enclosing a cheque made payable to Oikocredit International Share Foundation to the Oikocredit address below.</p>	<p>Please indicate how you would like to use the dividends on the depository receipts by ticking one of the three alternatives below. Until further notice I wish my dividend to be:</p> <p><input type="checkbox"/> automatically reinvested in (fractions of) depository receipts</p> <p><input type="checkbox"/> paid into my bank account mentioned above</p> <p><input type="checkbox"/> passed on as a gift to the Oikocredit International Support Foundation</p> <p>Oikocredit will confirm receipt of your investment, issue depository receipts and confirm your receipt reference number.</p>						
<p><b>Declaration</b></p> <p>I wish to participate in Oikocredit via Oikocredit International Share Foundation and to purchase depository receipts issued by Oikocredit International Share Foundation. I consent to Oikocredit International Share Foundation holding information about me in accordance with the Data Protection law and sharing that information with Oikocredit and with Support Associations of Oikocredit.</p> <p>I subscribe to the objectives of Oikocredit and have taken notice of the contents of the prospectus published regarding the depository receipts and agree to the terms and conditions as described in the prospectus.</p>	<p>The information contained in this application form is correct to the best of my knowledge and belief and I will inform Oikocredit International Share Foundation of any change affecting the information I have given.</p> <p>I agree that Oikocredit International Share Foundation reserves the right to accept or refuse my subscription or may request information to confirm my identity before accepting the subscription.</p> <p>Signature: _____ Date: _____</p>						
<p>Please indicate whether you would like to automatically receive Oikocredit publications such as the Annual Report and Newsletter:</p> <p><input type="checkbox"/> Yes, I would like to receive Oikocredit publications</p> <p><input type="checkbox"/> post <input type="checkbox"/> email <input type="checkbox"/> both</p> <p><input type="checkbox"/> No, I do not wish to receive Oikocredit publications</p> <p>Information regarding the mission and work of Oikocredit and the prospectus with information regarding the issuance of depository receipts can be obtained at the Oikocredit website <a href="http://www.oikocredit.org">www.oikocredit.org</a> and at the Oikocredit International Office and will be sent to you upon request.</p>	<p>Please return the completed application form, with accompanying cheque (if applicable) to: <b>Oikocredit - PO Box 2136 - 3800 CC Amersfoort - The Netherlands - Tel: 0031 33 422 40 40 - Fax: 0031 33 465 03 36 - Email: <a href="mailto:oisf@oikocredit.org">oisf@oikocredit.org</a></b></p> <p>How did you hear about Oikocredit?</p> <p>_____</p> <p>How did you get this brochure?</p> <p><input type="checkbox"/> internet <input type="checkbox"/> advertisement <input type="checkbox"/> event</p> <p><input type="checkbox"/> other: _____</p>						



## ANNEX B

To: [Name of holder Depository Receipts]  
[Address]

From: [OISF]  
[Address]

Subject: Account statement

Amersfoort, [\*\* date]

Investor nr. \*\*

Our ref: \*\*

### Investment nr. \*\* : [EUR][USD][other currency] depository receipt

	date	number of dep. receipts	amount received [Curr]	dep. rec. depot [Curr]
starting balance as at	***	**		**
movement	***	**	**	**
closing balance as at	***	**		**

**N.B.** We want to bring to your attention that you should have taken note of the contents of the Prospectus in which the depository receipts, the Shares in the capital of Oikocredit and the risks thereof are described. The depository receipts, and the issuance thereof, are subject to Dutch law and the terms and conditions of administration (*administratievoorwaarden*) as the same may be amended from time to time.

## ANNEX C

To: Stichting Oikocredit International Share Foundation  
Berkenweg 7  
3818 LA, Amersfoort  
The Netherlands

[\*\* *place and date*]

**Our ref: \*\***

**Subject: Redemption of Shares Oikocredit**

Ladies and Gentlemen,

We hereby request that you redeem [\*\* number] of the depository receipts held by us and issued by you for Shares in the capital of Oikocredit, Ecumenical Development Cooperative Society U.A. If your board agrees to this redemption, please remit the purchase price, calculated in accordance with article 9 of your terms and conditions of administration, to bank account number [\*\*] with [\*\* name bank] at [\*\* place] with reference to ["depository receipts Oikocredit"].

Sincerely yours,

[Name of Holder]

**Prospectus Oikocredit, Ecumenical Development Cooperative Society U.A.**

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## **Prospectus Oikocredit, Ecumenical Development Cooperative Society U.A. (“Oikocredit”)**

**Dated 15 June 2012**

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

### **In respect of the issuance of Shares in the capital of Oikocredit, Ecumenical Development Cooperative Society U.A. (“Oikocredit”)**

By continuously issuing Shares to its Members, numbering 595 Members as at 31/12/2011, Oikocredit mobilises the capital needed to carry out its mission of development financing through project funding.

The Shares are continuously offered to Members. There is no realistic estimation on the proceeds of the Share issue and how many Shares will be issued. New Shares issued are mentioned in the annual audited consolidated financial statements of Oikocredit, and in general not announced separately publicly. Participation in Oikocredit is open only to Members, see for more information paragraph 6.5 “Participation in Oikocredit”.

The Shares are in book entry form, meaning that Oikocredit holds a register stating the number of Shares registered in the name of the Shareholders. Upon issue of the Shares, the name and details of the Shareholder are entered into the Share register. Each Member may at any time apply for a certified extract from the Register stating the number of Shares registered in its name.

Shares are registered Shares with a nominal value of EUR 200, GBP 150, SEK 2,000, CAD 200, CHF 250, or USD 200. According to the Articles of Incorporation, the Board can decide to issue Shares in other currencies than in euro or in US dollar. Before issuing Shares in other currencies, the nominal value per Share will be determined for each additional currency in which the Shares are issued. Shares are continuously issued in euro as well as US dollar, or other currencies at their nominal value, at the discretion of the Board and there is no limit to the number of Shares that can be issued. In occurring events, the Board has also the discretion to revoke or suspend the offer or to reduce subscriptions. The offer might be revoked or suspended, if within the year the prospectus is valid, there would be an increase of more than 50% in share capital, and the Oikocredit Board expects that it cannot invest the proceeds of the Shares in development financing (in case the demand for new development financing is not sufficient or in case this development financing does not fit the criteria of Oikocredit) within the foreseeable future (in the next 3 years).

No interest will be paid on subscriptions returned. Shares are issued pursuant to a resolution of the Board. Changes in the offering price (if any) will be disclosed in an amendment to this Prospectus.

Prospective investors in the Shares are explicitly advised that such investment entails financial risks. In making an investment decision, investors must rely on their own examination of Oikocredit and its Shares, including the merits and risks involved. The risks summarised in this Prospectus are distinctive or characteristic of Oikocredit’s operations and organization, which may have a material impact upon Oikocredit’s future financial performance and risks related to the Shares. Please refer to chapter 2 of this Prospectus for a detailed description of these risks.

This Prospectus has been approved by The Authority for the Financial Markets (“Autoriteit Financiële Markten”) in the Netherlands for the purposes of Directive 2003/71/EC of the European Parliament and of the Council (the “Prospectus Directive”) on 15 June 2012 (the “Publication Date”). Pursuant to this Prospectus, Shares can be offered by Oikocredit until 15 June 2013 ultimately. In the meantime, changes may occur in the financial position or the activities of Oikocredit. In accordance with article 5:23 of the Dutch Act on Financial Supervision (“Wet op het Financieel Toezicht”), Oikocredit shall make such information publicly available by issuing a supplement to this Prospectus.

**The Prospectus can be obtained as of the publication date at:**

Oikocredit, Ecumenical Development Cooperative Society U.A.  
Berkenweg 7  
3818 LA Amersfoort  
PO Box 2136  
3800 CC Amersfoort  
The Netherlands  
+31 (0)33 422 40 40  
investor@oikocredit.org  
www.oikocredit.org

**The Prospectus is valid for a period of 12 months after the date of approval by the Authority for the Financial Markets (“Autoriteit Financiële Markten”).**

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# 1. Summary

This summary describes in a brief manner the essential characteristics and risks associated with Oikocredit and its Shares. This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be considered after studying the Prospectus as a whole by the investor including the documents incorporated by reference. If a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of a Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Oikocredit is only liable if the summary of this Prospectus read in conjunction with the other part of the Prospectus is misleading, inaccurate or inconsistent. Oikocredit U.A. prepared the Prospectus and is therefore responsible for the contents included in the Prospectus.

*Oikocredit, Ecumenical Development Cooperative Society U.A.*

Oikocredit was founded in 1975 at the initiative of the World Council of Churches to provide churches and church-related organizations with an investment tool aimed at supporting marginalized people in developing countries. It is Oikocredit's objective to make a lasting contribution to the struggle against poverty in developing countries.

The mission of Oikocredit is formulated as follows: **Oikocredit, as a worldwide cooperative society, promotes global justice by challenging people, churches and others to share their resources through socially responsible investments and by empowering disadvantaged people with credit.**

Its principal instrument to reach the mission is project funding: Oikocredit provides loans or other types of financing (equity, quasi equity, or guarantees) for the development of viable economic enterprises of groups of disadvantaged people, who are generally denied access to financial services. Thus, Oikocredit supports cooperatives and comparable organizations, as well as alternative trade organizations, financial Intermediaries (including Microfinance Institutions) – the latter enabling Oikocredit to reach individuals or small groups of people whom it cannot serve with direct loans.

- Funding of Cooperatives and other comparable organizations is aimed at financing productive investments that generate a sustainable income, for example a coffee-processing plant, a fishing boat or a small-scale milk factory.
- Microfinance Institutions provide loans to, for example, small enterprises, small scale producers and small scale farmers.

The loan -or financing- amounts range from a minimum of 50,000 euro to a maximum of 5,000,000 euro, or 2% of total equity (whatever is highest), with a loan repayment period up to ten years. Please refer to article 2 of the Articles of Incorporation for a formal description of the objectives of Oikocredit.

## *Participation in Shares*

Any interested party that meets the membership criteria of Oikocredit may submit an application for membership of Oikocredit to the Board at any time. After approval, Shares can be acquired accordingly against payment of the nominal value thereof. Shares are registered Shares and issued at a nominal value of EUR 200 per Share, USD 200 per Share, GBP 150 per Share, SEK 2,000 per Share, CHF 250 per Share and CAD 200 per Share, or any other currency approved by the Board. Before issuing Shares in other currencies, the nominal value per Share to be determined for each additional currency in which the Shares are issued.

Each Member is required to purchase at least one Share upon joining Oikocredit. Fractions of Shares may also be purchased thereafter. There is no limit to the number of Shares that can be issued. Shareholders are entitled to dividends. It is the policy of Oikocredit to pay out an annual dividend per Share with a percentage of the nominal value of a Share that was so far usually 2% of the nominal value, but this is up to the General Meeting of Members to decide per year what the exact dividend will be per Share. Up till 2011 Oikocredit did not pay a dividend higher than 2%. Dividends will be determined during the General Meeting of Members and will be lower than what is considered to be a normal dividend in the financial markets. The Shares are not listed on any stock exchange. Shares must be considered as illiquid. An objective price-fixing and -setting is not available. Each Member may exercise one vote at the General Meeting, irrespective of the number of Shares held. Please refer to paragraph 6.5 for more details.

## *The offering and the period of subscription*

Participation in Oikocredit Ecumenical Development Cooperative Society is open only to Members. Subscription is open continuously. Membership of Oikocredit is restricted to churches and church-related organizations, Support Associations project members and other organisations that are invited by the Board of Directors and meet certain criteria (please refer to paragraph 6.5 for more details). Organizations and individuals that do not qualify for direct participation may participate indirectly in the work of Oikocredit through one of the Oikocredit Support Associations, or through the Stichting Oikocredit International Share Foundation (ISF). In the Netherlands this is possible through Oikocredit Nederland or through the Oikocredit Nederland Fonds. Dutch investors should contact Oikocredit Nederland<sup>1</sup> for more details.

## *Use of proceeds*

By continuously issuing Shares to its Members, numbering 595 Members as at 31/12/2011, Oikocredit mobilises the capital needed to carry out its mission of development financing through project funding.

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<sup>1</sup> Oikocredit Nederland, PO Box 85015, 3508 AA Utrecht, the Netherlands, +31 30 234 10 69, nederland@oikocredit.org

### *Tax position*

The Dutch tax authorities have granted Oikocredit an exemption from Dutch corporate income tax, provided certain conditions are met (see chapter 7 for details). Furthermore, dividends distributed by Oikocredit to its Shareholders are not subject to dividend withholding tax. Charities in the sense of the Dutch State Taxes Act do not have to pay gift and inheritance taxes. Up to 31/12/2007 Oikocredit qualified as a charity in the sense of the Dutch State Tax Act. A request for renewal of the tax free status on gift and inheritance taxes for Oikocredit was rejected by the Dutch tax authorities in 2007. There are no consequences from this decision, as long as donations and inheritances are made to Oikocredit International Support Foundation, which does qualify as a charity for Dutch tax purposes. During 2011, the tax free status for gift and inheritance tax of Oikocredit International Support Foundation still qualifies as a charity. Members will generally not be subject to Dutch personal or corporate income tax on income or capital gains in respect of dividends and capital gains in respect of Shares (we refer to chapter 7 for more details). The Dutch tax authorities have confirmed that the activities of Oikocredit U.A. are exempt from VAT.

### *Effective yield of the Shares*

So far the maximum dividend that has been paid out on the Shares amounted to 2% per year of the nominal value of the Shares. Please refer to paragraph 6.10 for more details.

### *Risk Factors*

In view of the objectives of Oikocredit, the criteria for project funding (see Appendix 1) and the countries where Oikocredit carries out its work, it is clear that very real risks are present in the project funding portfolio. Oikocredit is subject to the usual commercial risks of any business and to that specific to its market in particular. These risks can affect the financial operational results of Oikocredit. These risks are set out under 'Risk factors' in chapter 2 and include risk factors relating to:

- Country risks
- Market and Interest rate risks
- Currency risks
- Credit risks (*and the risk of concentration of development financing in certain sectors*)
- Legal risks
- Dependency on volunteers Liquidity risks
- Reputation Risks
- Credit crisis and Micro Finance crisis in Andhra Pradesh
- Risk that redemption of Shares will be below the nominal value

## **2. Risk factors**

Interested parties are expressly advised to note that participation in Oikocredit entails financial risks.

In view of the objectives of Oikocredit, the criteria for project funding (see Appendix 1) and the countries where Oikocredit carries out its work, it is clear that very real risks are present in the project funding portfolio. Oikocredit is subject to the usual commercial risks of any business and to that specific, to its market in particular. These risks can affect the financial operational results of Oikocredit. The following risks are a brief overview of the important risk factors involved.

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

### *Country risks*

Economic and/or political problems, sometimes in conjunction with extreme inflation or devaluation, can make it impossible for the recipients of the funding by Oikocredit to meet previously made commitments towards Oikocredit. Oikocredit's project funding portfolio in developing countries (development financing) may further be affected by existing governmental, economical, and political problems (resulting into non-payment as a result of a currency crisis, political measures taken to prevent payment to institutions situated outside their country, or a deteriorating internal economic situation).

A slowdown in economic growth rates or recession in Europe and/or the USA may negatively influence Oikocredit's capital inflow over the coming period.

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

#### *Market and Interest rate risks*

Oikocredit is investing a part of its long term capital in development financing outstanding and investment grade bonds. Market developments which cause changes in interest rates, the creditworthiness of the bond issuers and share prices, will affect the value of Oikocredit's bond and share portfolio and may also affect the value of its project funding portfolio (development financing outstanding). This may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.

#### *Currency risks*

Significant currency risks exist, as Oikocredit's available capital (members' capital and loans) at the end of 2011 is for approximately 92% denominated in euro while the amounts outstanding in development financing is denominated for 33% in US dollar, for 57% in local currencies and the remainder 10% in euros. The Term Investments (bond portfolio) are mainly denominated in euro.

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

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

Credit risks, i.e. the risks of non-payment of our project partners with as a result losses on our development financing portfolio, vary from project partner to project partner and depend on the nature of the activities, the sector of activity, the quality of management, and a variety of other factors. A part of our development financing may also be concentrated in certain sectors. If problems occur within a certain sector (e.g. natural disasters within the agricultural sector) this could have a negative impact on the project partners that are active within the sector. This may result in non-payment of our project partners active within the sector, with as result losses on our development financing portfolio. Any losses may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.

#### *Legal risks*

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

#### *Dependency on volunteers*

As Oikocredit is for a significant part of its new share capital issues dependent on the efforts of volunteers working for its Support Associations, it may encounter difficulties attracting funding at the same volume if large numbers of volunteers decide to leave the Support Associations of Oikocredit. Losses due to a dramatic decrease of volunteers resulting in a decrease in share capital inflow, or significant costs to replace the volunteers, may negatively impact the financial results and therefore may have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.

#### *Liquidity risks*

Taking into account that the Society enters into commitments for new financing, there is a risk that the Society is not able to meet these commitments in time when a substantial part of the project partners do not repay their loans in time. This may also negatively impact the liquidity of Oikocredit and therefore may have as a consequence that Oikocredit U.A. is not able to redeem all or part of the Shares, and may have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.

#### *Illiquidity of shares*

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

#### *Reputation risks*

As Oikocredit is for new share capital issues dependent on its Members, damage to Oikocredits reputation could seriously affect future capital inflow, and could affect ability to finance commitments and new projects for development.

#### *Crisis in Andhra Pradesh India*

In the last quarter of 2010 and during 2011 the impact of oversaturation of certain markets led to criticism and protests against the microfinance industry in the Indian state of Andhra Pradesh (AP). Some borrowers took on too many loans and suffered the consequences of being unable to repay them. Collection practices of lenders and interest rates charged to borrowers by MFIs were also criticized. Following these protests, the government of Andhra Pradesh implemented an ordinance tightening regulation on MFIs operating as Non-Banking Financial Institutions (NBFCs) which made it quite difficult for these institutions to operate in a sustainable way.

The Reserve Bank of India implemented changes in the regulation of MFIs during 2011, but the government of Andhra Pradesh maintained its local legislation on MFIs. The Indian central government is reviewing whether the MFI legislation will be implemented countrywide whereby the local government ordinance and legislation will be superseded. In the case this legislation is accepted by the Indian parliament NBFCs present in Andhra Pradesh, will be able to operate in a sustainable way again.

Although, Oikocredit has built up a loss provision for the risks of non-payment during 2010 and 2011, these developments may have further negative effects on the results of Oikocredit over the coming period, as this may further affect the quality of Oikocredit's project funding portfolio (development financing outstanding) and may also lead to a reduced capital inflow. Around 2.4% of Oikocredit's portfolio (approximately € 12.2 million) as at 31 March 2012 is situated in Andhra Pradesh and at risk by the developments in Andhra Pradesh. The loss provisions for the portfolio at risk in India as at 31 March 2012 amounts to approximately 55% of the portfolio.

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

Shares will be redeemed by Oikocredit taking into account the conditions mentioned in article 12 of the Articles of Incorporation being the following:

Shares shall be redeemed, if a Member has ceased to be a Member of Oikocredit, not later than five years after cessation of membership. Moreover, Shares can be redeemed, without prejudice to what has been provided in Article 9 of the Articles of Incorporation, without the Member ceasing its membership of Oikocredit. The redemption shall be decided upon by the Board. The redemption shall be at nominal value.

However, if the net asset value per share is lower than the nominal value per Share in the most recent audited (interim) balance sheet preceding the redemption by the Society, the amount payable upon redemption of Share(s) shall not exceed the sum corresponding to the net asset value of the Share(s) according to that balance sheet.

In paragraph 6.4 Oikocredit describes its risk management system.

### **3. Important information**

*Responsibility statement*

Solely Oikocredit is responsible for the content of this Prospectus. Oikocredit declares that it has taken all reasonable care to ensure that the information contained in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person is authorised to give any information or to make any representation in connection with the offering of Shares that is not contained in this Prospectus. In the event such information has been provided or such representation has been made, it must not be relied upon as having been authorised by Oikocredit.

Neither the delivery of this Prospectus nor any sale on the basis thereof shall, under any circumstances, imply that the information contained in this Prospectus is correct as of a date subsequent to the date thereof.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Shares offered hereby, nor does it constitute an offer to sell or a solicitation of an offer to buy any securities offered hereby to any person in any jurisdiction in which it is unlawful to make such an offer or solicitation to such person. Neither the delivery of this Prospectus nor any sale on the basis thereof shall, under any circumstances, imply that the information contained in this Prospectus is correct as of a date subsequent to the date thereof. The availability and distribution of this Prospectus and the offering of the Shares may, in certain jurisdictions, in particular the United States of America and Canada, be restricted by law. Oikocredit requires persons into whose possession this Prospectus comes, to inform themselves of, and observe all such restrictions. Oikocredit accepts no responsibility for any violation by any person, whether or not such person is a prospective investor of the Shares, of any such restrictions.

The Prospectus itself and all the documents incorporated by reference, the Articles of Incorporation and the last three Consolidated Financial Statements, can be obtained from Oikocredit (free of charge) at Oikocredit's website and at the Oikocredit office in Amersfoort, the Netherlands. All documents in this Prospectus that are referred to as 'on display' are available (free of charge) for viewing at the Oikocredit office in Amersfoort, the Netherlands.

Investors are advised to ascertain whether as from the date of this Prospectus, supplements have been made publicly available. This Prospectus, including all its supplements, is freely available at the Oikocredit office in Amersfoort, The Netherlands.

All qualifications of a legal nature contained in this Prospectus relate to the Dutch law, unless the context requires otherwise. References to "EUR" are to euro, the currency of the Netherlands, references to "USD" or "US dollar" are to United States dollars, the currency of the United States of America, references to "GBP" or "British Pound" are to British Pound Sterling, the currency of the United Kingdom, references to "SEK" or "Swedish Kronor" are to Swedish Kronor, the currency of the Kingdom of Sweden, references to "CHF" or "Swiss Franc" are to Swiss Franc, the currency of Switzerland and references to "CAD" or "Canadian Dollar" are to Canadian Dollar, the currency of Canada. Dutch law is

applicable to this Prospectus. This Prospectus is only available in the English language. Unless explicitly stated otherwise, all financial information in this Prospectus is unaudited.

## 4. Definitions

These definitions apply to the whole Prospectus including the summary, risk factors and important Information chapters.

<b>AGM</b>	the Annual General Meeting
<b>Articles of Incorporation</b>	the Articles of Incorporation of Oikocredit, as incorporated by reference in this Prospectus
<b>Board</b>	the Board of Directors (" <i>Bestuur</i> ") of Oikocredit as mentioned in article 25 of its Articles of Incorporation
<b>General Meeting</b>	the general meeting of members (" <i>algemene ledenvergadering</i> ") of Oikocredit as mentioned in article 13 of the Articles of Incorporation
<b>ISUP</b>	Stichting Oikocredit International Support Foundation
<b>ISF</b>	Stichting Oikocredit International Share Foundation
<b>Managing Director</b>	the Managing Director (" <i>President-directeur</i> ") of Oikocredit as mentioned in article 30 (2) of the Articles of Incorporation
<b>Member</b>	a member of Oikocredit as mentioned in article 4 of the Articles of Incorporation
<b>MFI</b>	Microfinance Institution, which provide financial services to the poor
<b>Oikocredit</b>	Oikocredit, Ecumenical Development Cooperative Society U.A., having its registered office in Amersfoort, the Netherlands
<b>Oikocredit International Office</b>	Oikocredit's headquarters in the Netherlands that coordinates and supports its activities worldwide.
<b>Oikocredit Nederland</b>	Oikocredit Support Association Netherlands (" <i>Oikocredit Ontwikkelingsvereniging Nederland</i> "), having its registered office in Utrecht, the Netherlands
<b>Oikocredit Nederland Fonds</b>	an investment fund incorporated by Oikocredit Netherlands having its registered office in Utrecht, the Netherlands
<b>Projects/Project funding</b>	projects financed by Oikocredit referred to in the Audited consolidated financial statements of Oikocredit as Development Financing Outstanding
<b>Project Partner</b>	the organization in developing countries to whom Oikocredit provided funding
<b>Prospectus</b>	this Prospectus of Oikocredit including any supplements to be made publicly available
<b>Regional Development Centre</b>	Regional Development Centre is a status a regional office of Oikocredit can receive, after having been accredited (through a formal accreditation process) by the management and Board of Oikocredit. The Regional Development Centre can approve projects themselves but only up to certain limits
<b>Regional Manager/Director(RM/RD)</b>	a regional manager or regional director of Oikocredit who manages a regional office or Regional Development Centre of Oikocredit
<b>Shareholder</b>	the holder of Shares

<b>Shares</b>	the Shares in the capital of Oikocredit, as mentioned in article of the Articles of Incorporation
<b>Society</b>	Oikocredit Ecumenical Development Cooperative Society U.A., as mentioned in article 1 of the Articles of Incorporation
<b>SRI</b>	socially responsible investments
<b>Support Association</b>	Support Associations (independent legal entities from Oikocredit) that are established locally, to raise the awareness of people in their region about the importance of development and socially responsible investments and to offer individuals, church congregations, parishes or other organizations, an opportunity to invest in Oikocredit. An example is the establishment of a Support Association in the Netherlands, Oikocredit Nederland (OCN)
<b>Term Investment Portfolio (TIP)</b>	the Term Investment Portfolio of Oikocredit that consists of bonds and shares

## 5. General details

### Issuer

Oikocredit, Ecumenical Development Cooperative Society U.A.  
 Berkenweg 7  
 3818 LA Amersfoort  
 PO Box 2136  
 3800 CC Amersfoort  
 The Netherlands  
 +31 (0)33 422 40 40

### Auditor

*Up to financial year 2010:*

PricewaterhouseCoopers Accountants N.V.  
 Of which the auditors are a member of the Nederlandse Beroepsorganisatie van Accountants ("NBA")  
 Thomas R. Malthusstraat 5 1066 RJ Amsterdam  
 The Netherlands

*From 2011:*

Ernst & Young Accountants LLP  
 Of which the auditors are a member of the Nederlandse Beroepsorganisatie van Accountants ("NBA")  
 Antonio Vivaldistraat 150  
 1083 HP Amsterdam The Netherlands

### Tax advisor

PricewaterhouseCoopers Belastingadviseurs N.V.  
 Archimedeslaan 21  
 3584 BA Utrecht  
 The Netherlands



## 6. Oikocredit Ecumenical Development Cooperative Society U.A.

### 6.1. History and mission of Oikocredit

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

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

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

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

Support Associations are mainly set up by and composed of groups and individuals in the country of their origin (consisting mainly of volunteers). Support Associations are not legally part of the group of Oikocredit. The way Support Associations offer the opportunity to invest in Oikocredit differs per country and is amongst others dependent on the local regulatory environment. An example is the establishment of Support Associations in the Netherlands: Oikocredit Support Association Netherlands (Oikocredit Ontwikkelingsvereniging Nederland) and the Oikocredit Nederland Fonds (ONF) which respectively issue certificates for Shares in Oikocredit and offer participations in ONF.

Support Associations are located in Europe, Northern America and some developing countries. In total, Oikocredit had 45,000 investors (39,000 individuals and 6,000 church parishes, congregations and other organizations) via 31 Support Associations or directly by Oikocredit International. Together, the Support Associations attracted more than 80% of Oikocredit's total share capital as at 31/12/2011.

Support Associations are active in the following countries:

#### *Europe:*

Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Switzerland

#### *Asia:*

Japan, Korea, the Philippines

#### *North America:*

Canada and United States

The first loan of Oikocredit was granted to a project partner in Ecuador in 1978.

In 1993 Oikocredit had a member's capital of 50 million euro. In 1998 the total share capital amounted to 100 million euro, in 2004 the share capital surpassed the 200 million euro, in 2009 the share capital surpassed 400 million euros and in 2011 the share capital surpassed 500 million euros. During 1998 and 1999 projects financed by Oikocredit experienced some difficulties in repaying their interest and instalments to Oikocredit. This was a result of the "Asia" financial crisis in those years. As a result, Oikocredit only paid a one per cent dividend instead of the usual 2% dividend in relation to the years 1998 and 1999.

In 1999 the Oikocredit Board decided to change its name from Ecumenical Development Cooperative Society U.A. (EDCS) into Oikocredit, Ecumenical Development Cooperative Society U.A.

Oikocredit is in many aspects a unique organization:

- Oikocredit operates like a development "bank", providing long term financing to disadvantaged people, people who would normally not get a loan from a commercial bank
- Even though it is a small organization, Oikocredit has a wide network of regional offices and country offices
- Oikocredit is one of the few cooperative societies operating with a worldwide membership of investors and clients
- Oikocredit manages to run its operations with an aim for a limited financial return as well as a social return for its investors
- Oikocredit has a unique structure of: members, project partners, regional offices, international office

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

### **Mission**

Oikocredit, as a worldwide Cooperative Society, promotes global justice by challenging people, churches and others to share their resources through socially responsible investments and by empowering disadvantaged people with credit.

### **Vision**

Oikocredit will be a highly respected and leading provider of opportunities for socially responsible investments and credit for development.

### **The Values & Guiding Principles of Oikocredit:**

- *Sharing*

An uneven distribution of resources, wealth and power lead to a world of conflict. When people in the North, South, East and West are prepared to share what they have, respect each other and co-operate, justice and peace can rule the world. *Oikocredit provides a mechanism for meaningful sharing.*

- *Ecumenical spirit*

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

- *Grassroots*

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

- *People*

All people are created equal. Oikocredit thus extends credit to marginalized people irrespective of their faith, culture, age or gender and favours initiatives of women, as they are the backbone of their families and thus society as a whole.

- *Integrity*

Respect between people implies honesty and truthfulness. *Oikocredit's determination is to listen with an open mind and communicate in full transparency on all the parameters of its own policies. A code of conduct for those who determine the Oikocredit course is part and parcel of this principle.*

- *Creation*

A wholesome eco-system is the basis for life. Animals, species and bio-diversity should thus be preserved. Oikocredit believes that a healthy balance in nature can only be achieved in a world of evenly spread resources and power.

### **Objective of Oikocredit**

The objective of Oikocredit is to make the mobilized resources available to cooperatives or groups of marginalized people in order to further finance their income-generating activities. Oikocredit also manages third party funds of amongst other so called donor agencies for the risk and account of such third party (for example for ICCO) by investing and administering these funds in projects managed by Oikocredit (for further details about the objectives of Oikocredit, we refer to Article 2 of the Articles of Incorporation).

#### *Use of proceeds*

There is no restriction for purposes of the use of the capital: continuously issuing Shares to its Members, numbering 595 Members as at 31/12/2011, Oikocredit mobilises the capital needed to carry out its mission of development financing through project funding and to invest its reserves in the Term Investment Portfolio.

## **6.2. General structure**

Oikocredit forms the head of a group as defined in section 2:24b of the Dutch Civil Code and includes Oikocredit, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Oikocredit exercises direct or indirect dominant control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account.

The group companies are listed below:

- Oikocredit Ecumenical Development Cooperative Society U.A., Amersfoort, the Netherlands
- Maanaveeya Development & Finance Private Limited in Hyderabad, India
- Financial Company Oikocredit Ukraine in Lviv, Ukraine
- Oikocredit International Support Foundation, Amersfoort, the Netherlands (Support Foundation)
- Oikocredit International Share Foundation, Amersfoort, the Netherlands (Share Foundation)
- Oikocredit Seed Capital Fund, Amersfoort, the Netherlands (OSCAP)

- Barefoot Power Trade Finance Fund, Amersfoort, the Netherlands (BTF)

*Maanaveeya Development & Finance Private Limited in Hyderabad, India*

- A 100 % owned subsidiary of Oikocredit in India to deal with its development financing activities in India

*Financial Company Oikocredit Ukraine in Lviv, Ukraine*

- A 100 % owned subsidiary of Oikocredit in Ukraine to deal with its development financing activities in Ukraine

*The 4 F Funds*

Oikocredit has developed a portfolio of socially responsible investments in investment-grade bonds alongside its direct financing of development projects. This portfolio consists of fixed income investments and has the following characteristics:

- a focus on development: bonds issued by developing countries and by development banks and corporate bonds, whose issuers are active in developing countries and screened on their particular benefits in developing countries;
- the bond titles have a credit rating of at least Moody's investment grade;
- the investments have a high social / ethical profile, which is monitored by thorough screening done by Vigeo Group and guaranteed by the Ethibel label.

As of January 1, 2011 Oikocredit transferred the fund management (including the management of the track record) and the name of the 4-F fund was transferred to Institutional Management Services (IMS) in Leusden, the Netherlands. From 2011 onwards the 4 F Funds are not part of the Oikocredit group anymore.

*OSCAP and BTF*

Oikocredit has developed the OSCAP that invests in exceptionally risky projects with a big social impact in developing countries and the BTF for a specific project. These Funds are created as a restricted, tax transparent investment fund (*beleggingsfondsen*) with an open-end. The Funds are not an incorporated legal entity, but an unincorporated contract of its own nature. The Funds and the participations will not be listed on any stock exchange. The BTF Fund will be dissolved before June 30, 2012 according to its terms and conditions.

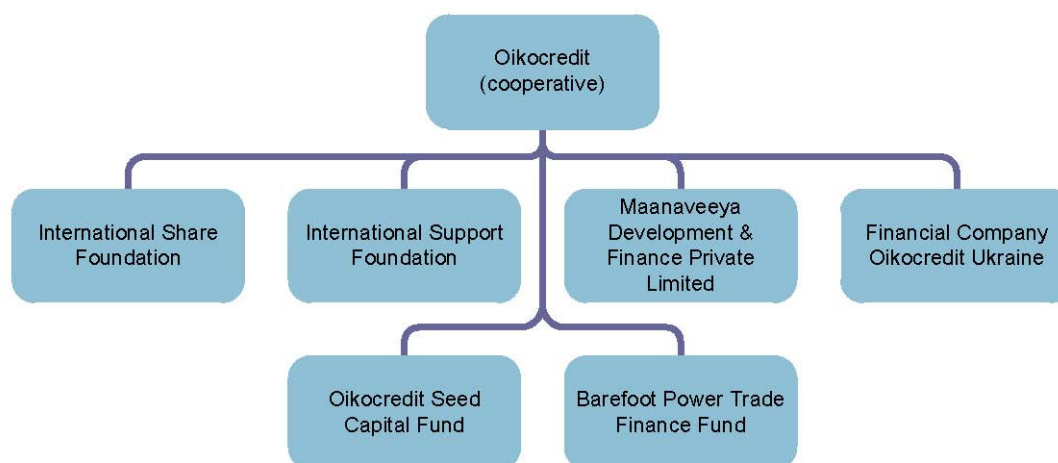
*Stichting Oikocredit International Share Foundation and Stichting Oikocredit International Support Foundation*

The following foundations support the activities of Oikocredit Ecumenical Development Cooperative Society ("Oikocredit"):

- the Oikocredit International Share Foundation ("Share Foundation") was established on March 10, 1995, in Amersfoort, the Netherlands, according to the laws of the Kingdom of the Netherlands. The duration of the Share Foundation is unlimited. The main purpose of the Share Foundation is to provide investment opportunities in Oikocredit by issuing Depository receipts for non-church bodies, such as banks and development organizations and for individuals in countries where no support association exists or are not allowed to sell financial products themselves;
- the Oikocredit International Support Foundation ("Support Foundation") was established on March 10, 1995, in Amersfoort, in accordance with the laws of the Kingdom of the Netherlands. The duration of the Support Foundation is unlimited. The main purpose of the Support Foundation is to promote the provision of microfinance and other forms of development finance to support enterprise initiatives by local people in developing countries lacking an adequate banking network available to fund such initiatives, and the provision of anything which is above related or may be conducive. The foundation seeks to achieve its purpose in a number of ways, including:
  1. supporting the activities of Oikocredit, Ecumenical Development Cooperative Society U.A., a cooperative having its corporate office at Amersfoort ("Oikocredit") and supporting its project partners and generating financial means by means of subsidies or otherwise to finance the above mentioned microfinance; and
  2. placing financial means of Oikocredit at the disposal of support associations to finance their overhead costs insofar as these cannot be paid from own earnings, contributions, grants, legacies and so on.

The foundation is non-profit.

## Chart group structure Oikocredit as from 01/01/2012



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

Oikocredit has its international office in Amersfoort, the Netherlands, and has regional offices in the following locations: Abidjan, Côte d'Ivoire; Amersfoort, the Netherlands, Hyderabad, India; Lima, Peru; Manila, the Philippines; Montevideo, Uruguay; Nairobi, Kenya and San José, Costa Rica. It has country representatives operating outside regional offices in Argentina, Benin, Bolivia, Brazil, Bulgaria, Cambodia, Colombia, Dominican Republic, Ecuador, El Salvador, Ghana, Guatemala, Honduras, Kyrgyzstan, Mali, Mexico, Moldova, Mozambique, Nicaragua, Nigeria, Romania, Russian Federation, Paraguay, Senegal, Slovakia, Tanzania, Uganda, and Ukraine.

Oikocredit has National Support Offices for assisting Oikocredit Support Associations in Germany, France, Sweden, United Kingdom, and the USA.

The Regional Manager or Director of Oikocredit (RMs/RDs) who manages a regional office or Regional Development Centre of Oikocredit is responsible for identifying and reviewing projects that are presented for funding (generally in the form of loans, equity or guarantees). These funding proposals are forwarded to the Oikocredit International Office in Amersfoort (OI) for appraisal and approval. Funding proposals below a certain amount and with a low risk profile can be approved at regional level, while funding proposals above a certain amount, with a high-risk profile are to be approved by the Board. The Managing Director has established a Credit Committee, which approves projects that are presented for funding. Upon approval by the Credit Committee, the Legal unit together with the RMs and the project partners (Oikocredit's clients to which loans, guarantees or equity funding are granted) and local lawyers draft loan agreements, establish collateral papers and take all necessary steps to obtain any government approval required, before payments can be made.

Because Oikocredit is financially dependent on timely payments of interest and loan repayments by the project partners, a great deal of attention is paid to monitoring. After the funds have been disbursed, the RMs pay regular visits to each project to identify potential problems and, if problems arise, offer pro-active assistance in solving them, if necessary by involving other (local or international) organizations. The RMs and Loans & Investments department of the Oikocredit International Office in Amersfoort, monitor project partners' payments of instalment and interest as well as their financial position very closely amongst others through Oikocredit's automated systems. The RMs concerned are closely involved

and informed on the status of the projects. Detailed procedures are in place, determining which steps (reminders, final reminder, visit) are to be taken in the event of payments being delayed. The OI Loans & Investments department, the Legal unit and the RMs in particular, play a crucial role in this process. Oikocredit also established a special collections unit, taking care of problem projects and difficult cases. Legal proceedings against our clients are started in the event of continuing default of the client in payment of interest or repayment of capital to Oikocredit, in order to be able to sell and/or collect on collateral (if applicable and considered necessary).

The following departments based at the Oikocredit International Office in Amersfoort have supervision on-, and offer active support to the rest of the organization:

- Loans & Investments including the legal unit
- Social Performance & Financial Analysis
- Investor Relations
- Finance and Administration

The average number of employees who were directly or indirectly employed by Oikocredit ultimo 2011 on the basis of Full Time Equivalents (FTEs) amounted to 222 (2010:210 2009:183). The growth in the number of employees of Oikocredit is a result of the continuing growth in the activities of Oikocredit and an increased focus on Social Performance and capacity building.

### 6.3. Description of activities: Loans & Investments (development financing)

Oikocredit's primary activity is to make funding available to viable economic enterprises undertaken by economically disadvantaged groups of people in developing countries. This "lending for development model" was unique when Oikocredit started in 1975. It is based on the conviction that for productive business enterprises, loans stimulate sustainable development and self-reliance and are thus more effective than grants alone. In Oikocredit's experience, most of the project partners that received a loan proved that they can indeed develop and run their own businesses. The project funding by Oikocredit mainly takes the form of loans with an average loan repayment period of around 4 to 5 years. Equity participations account for the remaining funding.

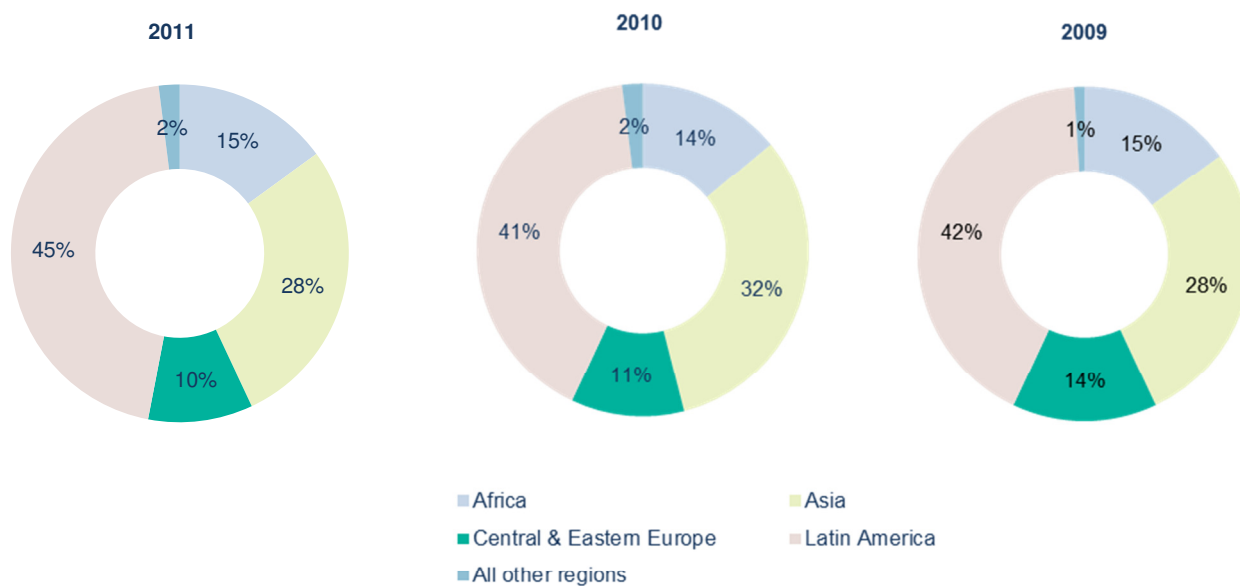
Project funding outstanding	31/12/2011	31/12/2010	31/12/2009
Loans	93%	94%	93%
Equity	7%	6%	7%

Most funding is in US dollars (33%) and in local currencies (57%). The remainder of funding (10%) is offered in euros.

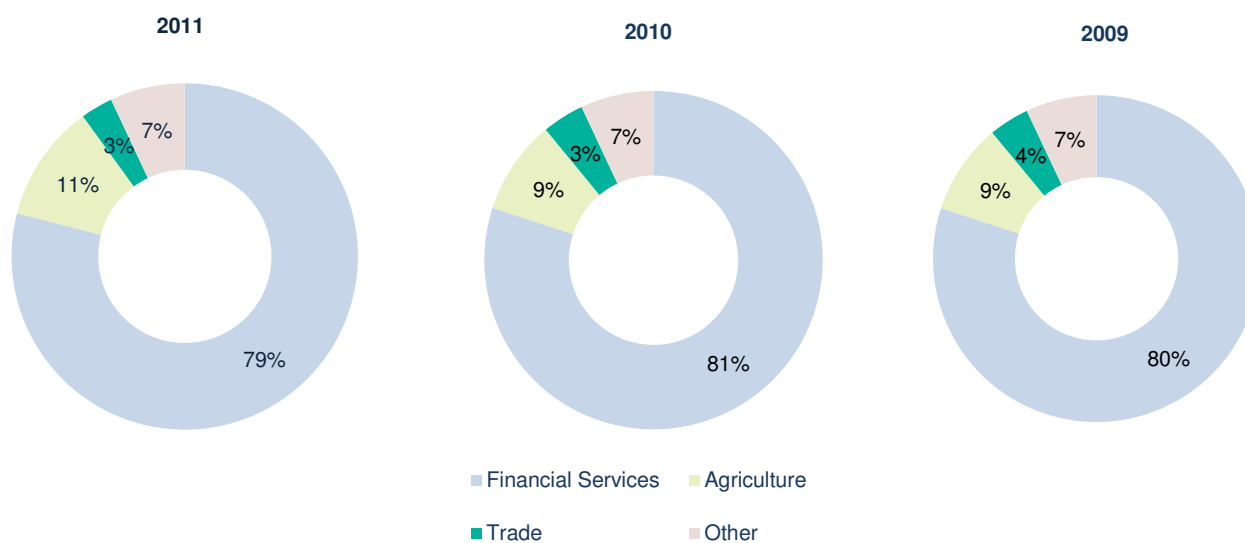
Project funding outstanding	31/12/2011	31/12/2010	31/12/2009
USD	33%	33%	39%
EUR	10%	11%	14%
Other currencies	57%	56%	47%

The active project portfolio of Oikocredit (consisting of approved and disbursed funding) amounted to approximately 896 projects in more than 60 countries for a total of approximately 643 million euro at 31/12/2011 (582 million as of 31/12/2010 and 474 million as of 31/12/2009), of which approximately 520 million euro was outstanding as at 31/12/2011 (481 million as of 31/12/2010 and 394 million as of 31/12/2009).

Development financing outstanding per region 31/12/2011, 31/12/2010 and 31/12/2009 are as follows:



Development financing outstanding per sector 31/12/2011, 31/12/2010 and 31/12/2009 are as follows:





The abovementioned graphs show the principal markets in which Oikocredit is operating. The countries where Oikocredit has invested the biggest percentage of total project funding as at 31/12/2011 are as follows: all other countries invested into were below 4%.

Countries invested into (> 4% of total outstanding)	31/12/2011	31/12/2010	31/12/2009
India	11%	15%	11%
Bolivia	7%	7%	6%
Paraguay	7%	5%	4%
Cambodia	6%	5%	5%
Peru	5%	5%	6%
Bulgaria	-	-	4%
Ecuador	-	-	4%
Nicaragua	-	-	4%
Philippines	-	4%	4%
Costa Rica	-	4%	-

The loan sums range from a minimum of € 50,000 to a maximum of € 5,000,000, or 2% of Oikocredit's equity (whatever is highest). The smaller loans are offered to groups that in most cases have been rejected by their local banks for being insufficiently creditworthy. One of the most common reasons for rejection is insufficient collateral.

The larger loans are generally offered to Microfinance Institutions (or MFIs) (i.e. local financial institutions and intermediaries that grant small loans), which use the funds to support large numbers of disadvantaged people directly with small loans. In specific cases, funds are also made available in the form of guarantees, or (direct or indirect) capital participations. Loan agreements and guarantees are drawn up in accordance with local law in the countries where the loans, respectively the guarantees, are provided and may vary in content.

The credit crisis evolving during 2008 and 2009 did not materially affect Oikocredit's development financing portfolio in following years. No other exceptional factors influenced Oikocredit's activities and markets during those years. Oikocredit faces major challenges in the Indian state of Andhra Pradesh (AP), where the impact of oversaturation of certain markets led to criticism and protests against the microfinance industry in the fourth quarter of 2010. Some borrowers took on too many loans and suffered the consequences of being unable to repay them. Collection practices of lenders and interest rates charged to borrowers by MFIs were also criticized. Following these protests, the government of Andhra Pradesh implemented an ordinance tightening regulation on MFIs operating as Non-Banking Financial Institutions (NBFCs) which made it quite difficult for these institutions to operate in a sustainable way.

The Reserve Bank of India implemented changes in the regulation of MFIs during 2011, but the government of Andhra Pradesh maintained its local legislation on MFIs. The Indian central government is reviewing whether the MFI legislation will be implemented countrywide whereby the local government ordinance and legislation will be superseded. In the case this legislation is accepted by the Indian parliament NBFCs present in Andhra Pradesh will be able to operate in a sustainable way again.

Although, Oikocredit has built up a loss provision for the risks of non-payment during 2010 and 2011, these developments may have further negative effects on the results of Oikocredit over the coming period, as this may further affect the quality of Oikocredit's project funding portfolio (development financing outstanding) and may also lead to a reduced capital inflow.

Oikocredit's portfolio performance in developing countries may further be affected by existing governmental, economic and political problems (resulting into non-payment as a result of a currency crisis, political measures taken to prevent payment to institutions situated outside their country, or a deteriorating internal economic situation).

#### *Competition*

Microfinance Institutions, who offer financial and other services as well as loans to (groups of) poor people, in principle had difficulties to finance their operations. However during the last couple of years more organizations and funds, all over the world, are offering financing possibilities (in the form of loans or equity participations) to especially the larger microfinance institutions. This means that for these institutions there are opportunities to get access to loans and equity participations from different national and international sources. Oikocredit therefore has - to some extent - to compete with these other organizations in offering loans and equity participations to Microfinance Institutions, although it has a focus on smaller MFIs and MFIs which are more difficult to reach for other institutions.

#### *Oikocredit:*

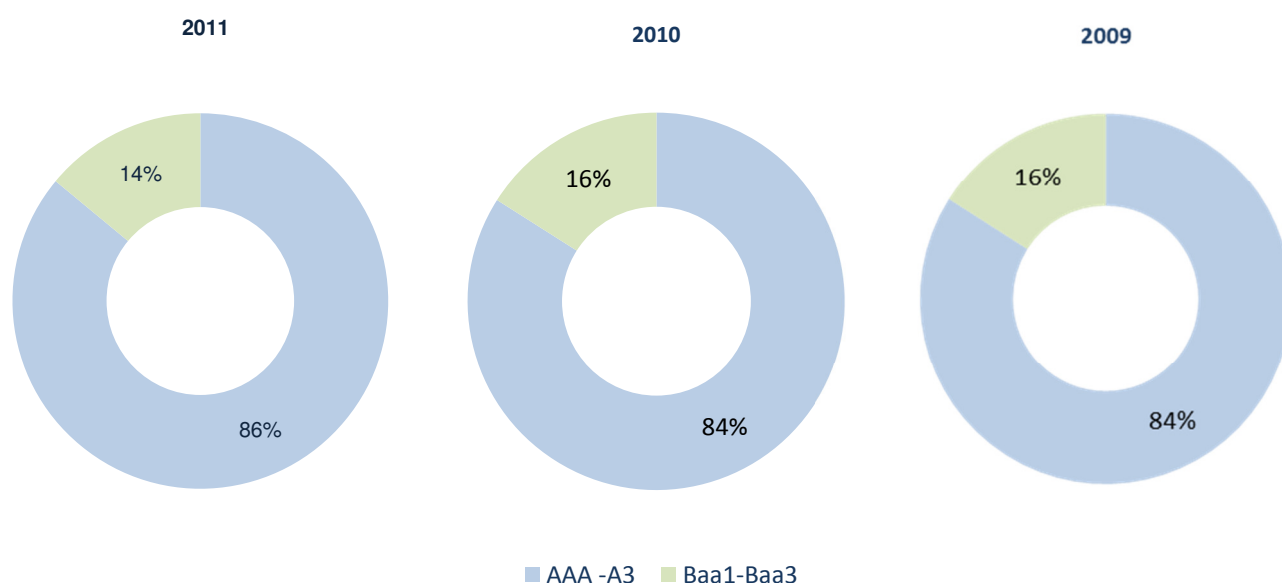
- has a history of 36 years in lending to the poor
- offers products and conditions that differ to some extent from those offered by other institutions and organizations (for example loans in local currencies and long term loans to especially remote institutions which cannot be reached by others)
- has regional offices with local experts that have knowledge of the local markets and conditions
- has a strong position to provide financing opportunities to all kind of microfinance Institutions, not only the larger ones, but also to the relatively small and not so well known microfinance Institutions

In offering loans to non-Microfinance Institutions (for example agricultural cooperatives and other initiatives to benefit poor people), Oikocredit experiences hardly any competition, as in principle normal commercial banks and other institutions who could provide funding to the poor, do not focus on financing these organizations. Other financing organizations and institutions mainly work in the field of micro finance.

#### **Term Investments**

In order to balance the total risks and for liquidity purposes, Oikocredit has invested a percentage of its financial resources in a Term Investment Portfolio (TIP). The TIP is for at least 90% invested in the 4 F Fund and no more than 10% invested in Shares in social responsible investment funds. The value of the TIP as of 31 December 2011 amounted to approximately 110 million euro (all consisting of bonds). The graph below shows the rating categories of the investments in the 4 F Fund per 31/12/2011, 31/12/2010 and 31/12/2009.

**Term investment categories per 31/12/2011, 31/12/2010 and 31/12/2009 are as follows:**



#### *4 F Fund*

Oikocredit acted as the manager of the 4 F Fund up to 31/12/2010. As of January 1, 2011 Oikocredit transferred the management, the name and the track record to Institutional Management Services (IMS) in Leusden, the Netherlands.

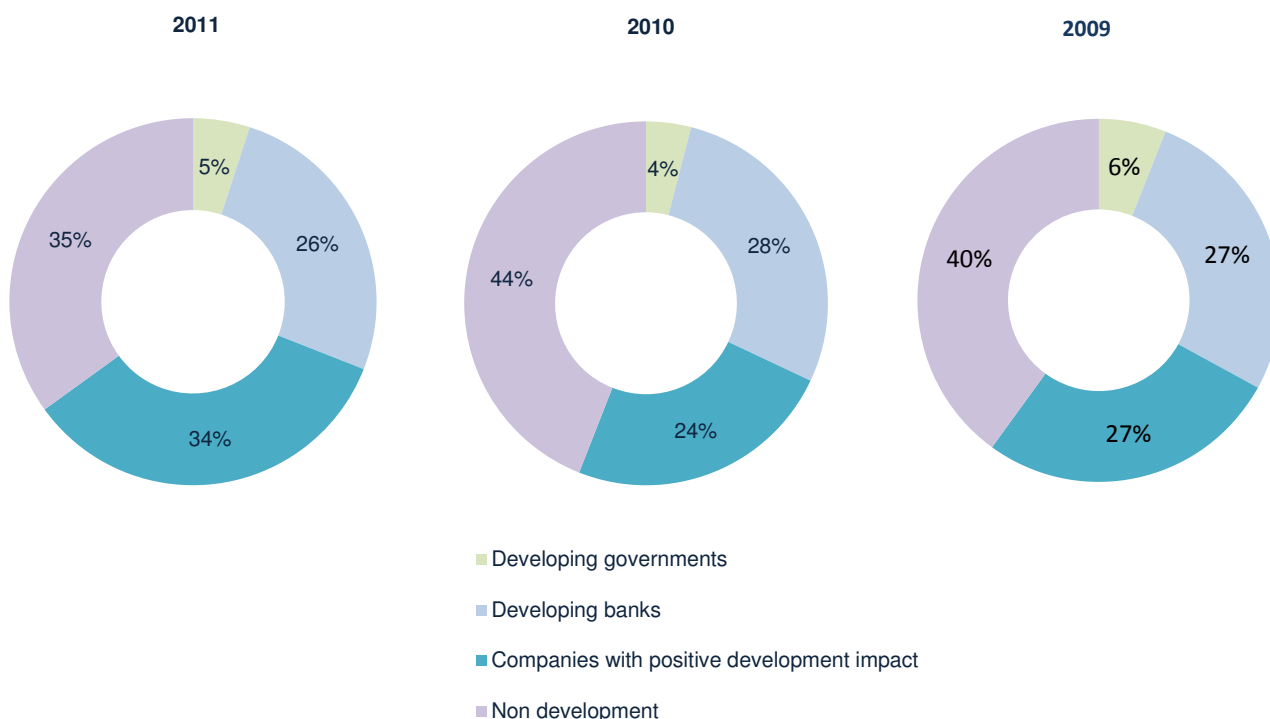
The investments in the 4 F Fund are screened by Vigeo/Ethibel. Ethibel is an independent advisory agency in the field of SRI, based in Brussels, Belgium. Ethibel developed Labels for SRI Funds. These labels are a visible and reliable guarantee for an investment based on strong SRI criteria. Based upon an extensive sustainability analysis, Ethibel selects companies and bond issuers that demonstrate their Corporate Social Responsibility at every level. The core of Ethibel's research methodology is the analysis of companies, policies and performances in the four fields of corporate

Social Responsibility. In their analysis they also take into account the internal and external social policy of a company, their environmental policy and their economic policy. During 2006 a system was developed together with Ethibel to provide the 4 F Fund with additional information on the behaviour and impact of companies which are active in developing countries. This enabled the Fund to select more corporations with a clear positive involvement and impact in developing countries for our TIP. The 4 F Fund received the following Ethibel labels:

- For bonds issued by developing countries the Ethibel label for emerging markets and developing countries was received;
- For all other bonds the Ethibel Excellence label was received.

The graph below shows the sector division of the investments in the 4 F Fund per 31/12/2011, 31/12/2010 and 31/12/2009.

**Term investment categories per 31/12/2011, 31/12/2010 and 31/12/2009 are as follows:**



## 6.4. Risk management

Chapter 2 describes the material risks and uncertainties that have been identified by Oikocredit and that Oikocredit faces. This paragraph describes if and how Oikocredit manages these financial risks. No specific additional risk management measures were taken for the legal risks and the risk of dependency on volunteers described in chapter 2, as this was not considered necessary out of a materiality point of view.

### Definitions

*Credit risk (including project-, counterparty and country risks)* – the risk that a change in the credit quality of a project partner or another counterparty to which we granted loans or invested in an equity stake, or bonds or shares will affect the value of Oikocredit positions. Changes in credit quality can occur due to specific counterparty risk or risks relating to the country in which the counterparty conducts its business.

*Market risks* – this risk includes

- Currency risk – the risk that the value of Oikocredit currency positions will fluctuate due to changes in foreign currency exchange rates
- Interest rate risk – the risk that the changes in market interest rates will cause fluctuations in the value of Oikocredit development financing or bond portfolio
- Equity risk - the risk that the value of Oikocredit equity investments will fluctuate due to changes in the value of equity investments

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

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

Development financing:

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

The Society's Credit Committee, consisting of the Managing Director, Loans & Investments Director and his Deputy, Finance Director, the Manager Social Performance as well as a member of the legal team, approve all projects above a predefined risk level and amount.

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

- Amounts outstanding per country and per region (depending on a risk assessment of the countries Oikocredit works in).
- Amounts outstanding per project partner (usually € 2 million, and a maximum of € 5 million, if a partner meets the conditions Oikocredit set for these so-called 'premium loans').
- Amounts outstanding to a group of companies. The observance of these limits is monitored on a periodic basis.

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

Term investments:

The term investments in bonds included in the 4F Funds are all rated 'investment grade', by Moody's Investor Services, of which at least 80% in AAA to A3 and 20% in Baa1 to Baa3. Moreover, in the Baa1 to Baa3 category, it is the Society's policy that not more than 2% of the portfolio should be invested in a single debtor. The Society's Investment Advisor is constantly monitoring for rating downgrades, and appropriate action will be taken where necessary. Despite this monitoring, a debtor can face sudden downgrades and/or price corrections. This credit risk must always be considered when investing. A maximum of 10% of the total amount available for term investments can be invested in shares.

### **Market risk**

Market risk is split into three types:

- Currency risk – the risk that the value of Oikocredit currency positions will fluctuate due to changes in foreign currency exchange rates.
- Interest rate risk – the risk that the changes in market interest rates will cause fluctuations in the value of Oikocredit development financing or bond portfolio.
- Equity risk - the risk that the value of Oikocredit equity investments will fluctuate due to changes in the value of equity investments.

#### Currency risk:

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

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

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

#### Interest rate risk - development financing:

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

The interest rates on loans denominated in US dollars and euros granted to our project partners are usually fixed. The loans have an average maturity of around four years. Individual loans can have maturities from one up to 10 years. Each year, a part of the loans we granted to our partners mature and are repaid. Oikocredit replaces these loans with new loans to new or existing project partners. The new loan agreements we enter into are spread over the year.

The risk of market interest rate changes influencing the market value of the portfolio is reduced, as each year new loans are added to the portfolio with fixed interest rates prevailing at the moment we enter into a new loan agreement. The interest rates on loans denominated in the domestic currencies of the countries we work in granted to our project partners are usually variable and repriced semi-annually. Therefore, market interest rate developments hardly influence the value of our loan portfolio stated in domestic currencies.

By concluding derivatives, the main focus of the Society is currency hedging.

#### Interest rate risk - term investments:

The average effective duration of the 4F Fund's portfolio is a measure of the sensitivity of the fair value of the 4F Fund's fixed interest securities to changes in market interest rates. The management of the 4F Fund aims for a duration of its bond portfolio of approximately five years (lower or higher duration can be accepted) and is normally not actively managing interest rate risks related to its bond portfolio.

#### Interest rate risk – liabilities:

The risk of market interest rate changes influencing the market value of the liabilities is reduced, as each year new long-term loans are added with fixed interest rates prevailing at the moment we enter into a new loan agreement. To the extent that the assets are financed via liabilities, the interest profile of the liabilities (fixed versus floating plus the durations) matches the assets.

#### Equity risk - development financing:

A separate equity unit operates within Oikocredit. This unit is co-responsible, together with the local management in the countries we work in, for monitoring equity investments. For all major equity investment stakes Oikocredit invested in, Oikocredit has a board seat.

### **Liquidity risk**

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

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

Furthermore, the Society is primarily funded by member capital. The articles of association include provisions that shares shall be redeemed, if a member has ceased to be a member of the Society, no later than five years after the cessation of membership. If a member has ceased to be a member of the Society, redemptions of capital due are transferred to current liabilities. Redemption (partial redemption) will be at the nominal value. So far the Society did not use these provisions to delay redemptions of its member capital. For more specific information we refer to paragraph 6.5.

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

Note that most of these risks go hand in hand with the nature of the activities performed by Oikocredit and it is Oikocredit's core business to handle such risks. In the 37 years that Oikocredit has been in operation, experience in restricting such risks has been gained. Oikocredit uses for instance not only an acceptance policy for new projects, but also a process of intensive project monitoring and guidance as described above under project risks.

Of the total amounts disbursed to projects over Oikocredit's full history from 1975 up to 31 December 2011, less than 3% of capital amounts had to be written off.

Of the total sum of project funding outstanding as at 31 December 2011, 9.2%, 31 December 2010 (7.6%) was more than three months overdue (principal), of which 5.4 % (4.7%) was overdue for more than a year.



## 6.5. Participation in Oikocredit

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

- the founders, being the World Council of Churches and the Council of Churches in the Netherlands
- the member churches of the World Council of Churches
- churches not belonging to the World Council of Churches
- subdivisions of churches
- Councils of Churches
- church-related organizations
- Support Associations
- project members and
- other organizations that share Oikocredit's mission and in addition to investing in the Society are invited by the Board of Directors, and meet the following criteria:
  - have a mission and objectives that closely align with the Society's mission
  - are democratically organized and reflect the views of the constituency or membership and
  - invest at least fifty thousand euro (EUR 50,000) in the Society's shares.

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

Project members are project partners (clients who obtained a loan or equity funding from Oikocredit).

Churches, Support Associations, organizations and others who want to become a Member of Oikocredit and would like to invest in Oikocredit, can contact the Oikocredit International Office in Amersfoort, the Netherlands, tel nr +31334224040, fax nr +31334650336 or through the contact possibilities available at website of Oikocredit ([www.oikocredit.org](http://www.oikocredit.org)).

An application for membership in Oikocredit may be submitted to the Board at any time. Following approval by the Board, Shares can be acquired accordingly. The Board informs new Members of their acceptance in writing. Each new Member is required to purchase a minimum of one Share of CAD 200, GBP 150, SEK 2,000, CHF 250, USD 200 or EUR 200 or the nominal value of any other currency in which the Shares are issued by Oikocredit.

Provided at least one Share is held, fractions of Shares may also be purchased. Each Member may exercise one vote at the General Meeting, irrespective of the number of Shares held. All amounts received in excess of EUR 200 or the nominal value of any other currency in which the Shares are issued by Oikocredit are used for issuing new share capital if the members indicated that it is to be used for new share capital, therefore no refunds take place (as fractions of Shares may be purchased), unless a Member asks for redemption of its share capital, which is described further on in this paragraph 6.5. Shares are issued on the date the amounts for share capital are received by Oikocredit from its members.

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

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

Shares are governed by, and shall be construed in accordance with, the laws of the Netherlands. Shares are continuously issued at their nominal value, at the discretion of the Board and there is no limit to the number of Shares that can be issued. The Board has also the discretion to revoke or suspend the offer or to reduce subscriptions. The offer might be revoked or suspended, if within the year the prospectus is valid, there would be an increase of more than 50% in share capital, and the Oikocredit Board expects that it cannot invest the proceeds of the shares in development financing (in case the demand for new development financing is not sufficient or in case this development financing does not fit the criteria of Oikocredit) within the foreseeable future (in the next 3 years)

No interest will be paid on subscriptions returned. Shares are issued pursuant to a resolution of the Board. The Board has delegated this authority to the Managing Director. Consequently, the budget, stating amongst other things the financing plans, is approved by the Board on a yearly basis.

Oikocredit itself calculated the net asset value. The total net asset value of Oikocredit (the cooperative) was calculated as total net asset value according to the audited consolidated financial statements of Oikocredit Ecumenical Development Cooperative Society 31/12/2011 (as mentioned on page 59 of these statements) amounting to EUR 572.3 million divided by the number of Shares issued. Per 31 December 2011 the net asset value per Share amounts to EUR 222.61 for each Share with a nominal value of EUR 200, USD 222.61 for each Share with a nominal value of USD 200, CAD 222.61 for each Share with a nominal value of CAD 200, GBP 166.96 for each Share with a nominal value of GBP 150 and SEK 2,226.10 for each Share with a nominal value of SEK 2,000.

Changes in the offering price (if any) will be disclosed in an amendment to this Prospectus. Upon receipt of payment by a Member to the bank account of Oikocredit and approval of the Board, a corresponding number of Shares (and if

applicable fractions of Shares) will be issued to such Member and a confirmation of receipt showing the quantity and nominal value of the Shares issued as well as an overview showing the total number of Shares held by such Member will be sent to the latter. Dividend and other shareholders' rights date from the moment the Shares are issued. The Shares are in book entry form, meaning that Oikocredit holds a register stating the number of Shares registered in its name. Upon issue of the Shares, the name and details of the Shareholder are entered into the Share register. Each Member may at any time apply for a certified extract from the Register stating the number of Shares registered in its name. No mandatory take-over bid, squeeze-out and sell-out rules apply in relation to the Shares. A public take-over bid with respect to Oikocredit's equity has never occurred. Oikocredit has not the intention to have the Shares admitted to trading or distributed on a regulated market.

All Shares entitle the holder to a dividend proportional to the nominal value of the Shares. The AGM, having considered the recommendations of the Board, decides how the net profits will be allocated. Dividend is paid either by allotting additional fractions of Shares or in cash.

The Board at its discretion can decide upon transferability of Shares. As the Articles of Incorporation (article 4 and 8) determine that only Members may hold Shares, Members may freely transfer their Shares to other Members upon written notice to the Society, but the Board will obstruct to transfers of Shares by Members to non-Members.

Shares will be redeemed by Oikocredit taking into account the conditions mentioned in article 12 of the Articles of Incorporation being the following:

Shares shall be redeemed, if a Member has ceased to be a Member of Oikocredit, not later than five year after cessation of membership. Moreover, Shares can be redeemed, without prejudice to what has been provided in Article 9 of the Articles of Incorporation, without the Member ceasing its membership of Oikocredit. The redemption shall be decided upon by the Board. The redemption shall be at nominal value. However, if the net asset value per share is lower than the nominal value per Share in the most recent audited (interim) balance sheet preceding the redemption by the Society, the amount payable upon redemption of Share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet.

The reason for the continuous offering is to generate capital. The capital generated by the continuous issue of Shares is used for funding of activities in the ordinary course of business of Oikocredit, being financing of development projects and investments in the Term Investment Portfolio (consisting of mainly investment grade bonds and two share funds).

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

As of the 31/03/2012 the following Members have a shareholding in Oikocredit of more than 5% of the total issued share capital:

- Oikocredit Westdeutscher Förderkreis e.V. (14.2%)
- Oikocredit Nederland Fonds (13.2%)
- Oikocredit Förderkreis Baden-Württemberg (12.7%)
- Oikocredit International Share Foundation (7.3%)
- Oikocredit Förderkreis Bayern e. V (6.8%)
- Oikocredit Austria (6.4%)

## 6.6. Legal structure

Oikocredit is a cooperative society with excluded liability ("coöperatie met uitsluiting van aansprakelijkheid") incorporated and operating under Dutch law. Oikocredit has its statutory office in Amersfoort, the Netherlands and its head office at Berkenweg 7 3818 LA in Amersfoort, the Netherlands. Oikocredit is registered at the Gooi- Eem and Flevoland Chamber of Commerce in Amersfoort, the Netherlands, under number 31020744. The Dutch Corporate Governance Code is not applicable to Oikocredit as its Shares are not listed on a government-recognised stock exchange. Oikocredit does not comply with the Dutch Corporate Governance Code.

For a formal description of the objectives of Oikocredit, we refer to article 2 of the Articles of Incorporation. The Articles of Incorporation may be modified by the AGM as stipulated in article 13 of the same; however alteration of the Articles of Incorporation can at no time result in an increase in the liability of the Members (article 11). The members of the Board are elected and dismissed by the AGM. Members shall be liable only for the obligations imposed upon them by the Articles of Incorporation and liability of the Members for debts of Oikocredit is expressly excluded.

## 6.7. Financial position

The following financial information (i.e. the complete paragraph 6.7) is, unless stated otherwise, extracted from the audited annual accounts of Oikocredit 2011, 2010 and 2009. The financial information must be read together with the presented annual accounts. The audited annual accounts for 2011, 2010 and 2009 including the relevant auditor's opinion are incorporated by reference in this Prospectus (please see the table in paragraph 6.12 for a reference to the information in the audited annual accounts). The audited consolidated financial statements of Oikocredit comply with Generally Accepted Accounting Principles in the Netherlands.

<b>CONSOLIDATED BALANCE SHEET</b> (before appropriation of net income)	<b>31/12/2011</b> <b>EUR ,000</b>	<b>31/12/2010</b> <b>EUR ,000</b>	<b>31/12/2009</b> <b>EUR ,000</b>
<b>NON-CURRENT ASSETS</b>			
<b>Financial assets</b>			
Development Financing:			
Approved	642,938	582,014	474,486
Less: - not yet disbursed	(122,485)	(100,842)	(80,684)
<b>Outstanding project financing</b>	<b>520,453</b>	<b>481,172</b>	<b>393,802</b>
Less: - loss provision	(55,539)	(49,814)	(39,932)
	<b>464,914</b>	<b>431,358</b>	<b>353,870</b>
Term investments	138,515	133,464	121,749
Other financial fixed assets	8,492	8,924	6,699
	<b>611,921</b>	<b>573,746</b>	<b>482,318</b>
<b>Tangible assets</b>	<b>614</b>	<b>1,019</b>	<b>777</b>
<b>Total non-current assets</b>	<b>612,535</b>	<b>574,765</b>	<b>483,095</b>
<b>CURRENT ASSETS</b>			
Receivables and other current assets	17,401	16,006	17,026
Cash and banks	41,948	49,012	37,352
<b>Total</b>	<b>59,349</b>	<b>65,018</b>	<b>54,378</b>
<b>TOTAL</b>	<b>671,884</b>	<b>639,783</b>	<b>537,473</b>
<b>GROUP EQUITY AND FUNDS</b>			
Member capital in euros <sup>1)</sup>	471,947	435,957	377,458
General and other reserves and funds	87,644	81,881	54,436
Undistributed net income for the year	14,833	12,706	18,308
	<b>574,424</b>	<b>530,544</b>	<b>450,202</b>
Third party interests	<b>1,073</b>	<b>5,088</b>	<b>4,478</b>
<b>Total group equity and funds</b>	<b>575,497</b>	<b>535,632</b>	<b>454,680</b>
<b>LIABILITIES</b>			
Member capital in foreign currencies <sup>1)</sup>	39,021	37,435	28,768
Other non-current liabilities	35,603	43,811	33,249
Current liabilities	21,763	22,905	20,776
	<b>96,387</b>	<b>104,151</b>	<b>82,793</b>
<b>TOTAL</b>	<b>671,884</b>	<b>639,783</b>	<b>537,473</b>

<sup>1)</sup> Beside its currency denomination, non-euro membership certificates have the same characteristics as euro denominated membership certificates. It is accounted for as a liability instead of equity, considering the stipulations of Dutch GAAP. For a detailed explanation refer to note 12 to the consolidated balance sheet. In the Society's accounts (not consolidated) this amount is included as equity.

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>FINANCIAL INCOME</b>			
Development financing income	51,114	42,508	36,049
Term investment income	3,947	4,030	4,516
<b>Total financial income</b>	<b>55,061</b>	<b>46,538</b>	<b>40,565</b>
<b>FINANCIAL EXPENSES</b>			
Additions to loss provisions	(14,975)	(12,051)	(8,123)
Revaluation term investments	1,207	826	7,073
Other financial expenses	(3,023)	3,368	(4,969)
<b>Total financial expenses</b>	<b>(16,791)</b>	<b>(7,857)</b>	<b>(6,019)</b>
<b>TOTAL FINANCIAL INCOME LESS EXPENSES</b>	<b>38,270</b>	<b>38,681</b>	<b>34,546</b>
<b>GRANT INCOME</b>	<b>1,890</b>	<b>4,593</b>	<b>3,979</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Personnel	(11,378)	(10,149)	(9,296)
Travel	(841)	(834)	(649)
General and other expenses	(9,064)	(6,889)	(5,113)
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(21,283)</b>	<b>(17,872)</b>	<b>(15,058)</b>
<b>INCOME BEFORE TAXATION</b>	<b>18,877</b>	<b>25,402</b>	<b>23,467</b>
Taxes	(183)	(619)	(616)
<b>INCOME AFTER TAXATION</b>	<b>18,694</b>	<b>24,783</b>	<b>22,851</b>
Third party interests	21	(82)	(111)
Additions to and releases from funds	(3,882)	(11,995)	(4,432)
<b>INCOME FOR THE YEAR AFTER ADDITION TO FUNDS</b>	<b>14,833</b>	<b>12,706</b>	<b>18,308</b>
<b>CONSOLIDATED CASH FLOW STATEMENTS</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
<b>CASH FLOW FROM OPERATIONS</b>			
Development financing	47,258	36,220	34,675
Term investments	5,585	3,425	3,829
Grants	1,890	4,593	4,338
Operating expenses	(22,222)	(18,445)	(18,366)
Taxes	(742)	(253)	(1,017)
Interest	(4,528)	(2,933)	(3,249)
<b>Total cash from operations</b>	<b>27,241</b>	<b>22,607</b>	<b>20,210</b>
<b>CASH FLOW USED FOR INVESTING ACTIVITIES</b>			
<b>Development financing (net additions)</b>			
Disbursements	(196,141)	(206,355)	(141,326)
Less: - repayments of principal	153,493	141,957	108,067
	(42,648)	(64,398)	(33,259)
Tangible fixed assets: (net investments)	(227)	(489)	(207)
Term investments: (net investments)	(2,296)	(10,423)	(3,299)
<b>Total cash used for investing activities</b>	<b>(45,171)</b>	<b>75,310</b>	<b>(36,765)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of member capital	40,809	61,978	54,148
Redemption of member capital	(8,137)	(1,231)	(3,133)
Funds: net investments third parties	290	70	4,283
Net dividends paid	(4,431)	(3,829)	(3,217)
Term loans	(9,989)	8,927	(10,273)
<b>Total cash from financing activities</b>	<b>18,542</b>	<b>65,915</b>	<b>41,808</b>
<b>Exchange rate differences during the year</b>	<b>(4,415)</b>	<b>(1,552)</b>	<b>1,281</b>
<b>CHANGES IN CASH AND BANKS</b>	<b>(3,803)</b>	<b>11,660</b>	<b>26,534</b>

	2011	2010	2009
<b>Movements in Members' Equity and Reserves Society</b>	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
Balance as of December 31 previous year	531,068	453,832	385,869
Net adjustments as a result of change in accounting policies		0	0
New members' capital issued (net)	36,868	64,324	54,992
Exchange rate differences	(2,872)	4,171	201
Dividends to members	(8,627)	(7,353)	(6,578)
Undistributed net income for the year	15,887	16,094	19,348
Balance as of December 31	572,324	531,068	453,832
	2011	2010	2009
<b>Reconciliation between Members Equity and Reserves Society and Consolidated Equity and Funds</b>	<b>EUR ,000</b>	<b>EUR ,000</b>	<b>EUR ,000</b>
Members' Equity and Reserves according to Society Financial Statements	572,324	531,068	453,832
Reclassification of Members Capital to Non-Current Liabilities	(39,021)	(37,435)	(28,768)
Reserves and Funds Oikocredit International Support Foundation	40,728	36,846	25,102
Reserves Oikocredit International Share Foundation	90	65	36
Revaluation result hedges share capital	303	-	-
Third party interest	1,073	5,088	4,478
Group Equity and Funds according to Consolidated Financial Statements	575,497	535,632	454,680

The most important long-term capital resource of Oikocredit is its member's capital (84% of total long term capital resources by the end of 2011). The remaining funding is obtained from long term loans as well as reserves (not including undistributed net income).

More detailed information about Oikocredit's capital resources, cash flows and funding structure are included in the audited annual accounts. This information can be found under the section "Consolidated financial statements" on page 23 to 56 of the audited annual account 2011 (page 24 to 27 contain the balance sheet, income statement and cash flow statement, whereas page 28 to 56 contain explanatory notes). A reference to this information and the audited Consolidated Financial Statements 2010 and 2009 is available in the table in paragraph 6.12.

The information on material changes in revenues in line with the growth of the portfolio is available in the Oikocredit Consolidated Financial statements. These changes are the results of Oikocredit growth strategy. In the Board of Directors report included in the Oikocredit Financial Statements of 2011, 2010, 2009 there are comments on the results and specifically in changes in financial income and other income. There were specific comments on page 7 of Consolidated Financial Statements 2011 under heading 'Income Statement 2011'. The same applies to page 7 of Consolidated Financial Statements 2010 under heading 'Income Statement 2010', and to page 6 of Consolidated Financial Statements 2009 under heading 'Income Statement 2009'.

Additional Information on cash position: there are no material changes in Oikocredit's cash position up to 31/05/2012 when compared to 31/12/2011.

Oikocredit has entered into a rental agreement for seven years starting at 01/07/2007 for its head office in Amersfoort of in total 1953 m2. The total rent payments amount to € 312,000 per year and are indexed.

#### *Working capital statement*

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

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

There are no significant changes in the financial or trading position of the group which have occurred since 31 December 2011.

#### Legal and arbitration proceedings

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

#### Members' Capital

The issued and paid-up capital of Oikocredit as of 31 December 2011 exists of 2,359,740 Shares with a nominal value of EUR 200 each, 92,517 Shares with a nominal value of USD 200 each, 20,750 Shares with a nominal value of CAD 200 each, 23,532 Shares with a nominal value of GBP 150 each and 74,091 Shares with a nominal value of SEK 2,000 each. Per 31 December 2011 the members' capital and reserves per Share amounts to EUR 222.61 for each Share with a nominal value of EUR 200, USD 222.61 for each Share with a nominal value of USD 200, CAD 222.61 for each Share with a nominal value of CAD 200, GBP 166.96 for each Share with a nominal value of GBP 150 and SEK 2,226.10 for each Share with a nominal value of SEK 2,000 each.

<b>Movement schedule of the issued share capital in EUR'000:</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Balance of January 1	477,332	413,008	358,016
New shares issued and redeemed during the year (net)	36,868	64,324	54,992
<b>Balance as of December 31</b>	<b>514,200</b>	<b>477,332</b>	<b>413,008</b>
Of which:			
- Euro Shares	471,948	435,957	377,458
- Shares in other currencies	42,252	41,375	35,550

<b>Reconciliation of numbers of shares as per 31/12/2011</b>	<b>EUR</b>	<b>USD</b>	<b>SEK</b>	<b>GBP</b>	<b>CAD</b>
Shares issued and paid as per 01/01/2011	2,179,785	100,145	73,270	18,987	18,990
Shares issued and redeemed during the year	179,955	(7,628)	821	4,545	1,760
Shares issued and paid as per 31/12/2011	2,359,740	92,517	74,091	23,532	20,750

The nominal value of the Shares is EUR 200, CAD 200, CHF 250, GBP 150, SEK 2,000 or USD 200 each.

#### Statement of capitalization and indebtedness as at March 31, 2012

The information provided in the capitalisation and indebtedness statements below was updated as of 31 March 2012 and is unaudited and extracted from the accounting records of Oikocredit. The information below should be read together with the Society's and Consolidated Financial Statements as per December 31, 2011, December 31, 2010 and December 31, 2009.

<b>Capitalization as per 31 March 2012 (all amounts in EUR ,000)</b>	<b>Society</b>	<b>Consolidated</b>
Current debt		
Guaranteed	-	-
Secured <sup>1)</sup>	-	8,102
Unguaranteed/unsecured	11,664	8,628
<b>Total current debt</b>	<b>11,664</b>	<b>16,730</b>
Non-current debt		
Guaranteed	-	-
Secured <sup>1)</sup>	1,658	5,218
Unguaranteed/unsecured	38,500	29,110
<b>Total non-current debt</b>	<b>40,158</b>	<b>34,328</b>
Members Equity and Reserves		
Members capital	519,130	
General Reserves; net income	62,723	
Dividend payable proposed by the Board to AGM to be approved in the Annual General Meeting of 15 June 2012	(9,717)	
Restricted Exchange fluctuation Reserve	(85)	
<b>Total equity and reserves</b>	<b>572,051</b>	
<b>Total members capital in foreign currency</b>	<b>-</b>	<b>37,894</b>

(Due to Dutch GAAP rules members capital in Foreign Currency is not included in Consolidated Equity, but as a separate item under Non-Current debt. For further explanations we refer to note 12 page 44 of the Consolidated Financial Statements 2011 incorporated by reference)		
Group Equity and Funds		
Members capital in euros		477,096
General Reserves; net income		66,351
Dividend payable proposed by the Board to AGM to be approved in the Annual General Meeting of 15 June 2012		(9,717)
Funds		41,000
Restricted exchange fluctuation reserve		(85)
<b>Total group equity and funds</b>		<b>574,645</b>

- 1) a) Loans granted by a Social Investment Fund to Oikocredit amounting to US\$ 24.6 million (In total € 18.5 million of which € 4.6 million is current and € 13.9 million is non-current) are secured by a negative pledge issued by Oikocredit amounting to US\$ 2.2 million. Oikocredit has to keep investment grade bonds up to this amount free of liens, pledges or any other encumbrances); this negative pledge is valid up to 31 December 2012.
- b) Loans granted in Indian Rupee by financial institutions to Oikocredits subsidiary in India (Maanaveeya Development & Finance Private Limited) amounting to € 8.2 million non-current. As security Oikocredit has issued a guarantee to a financial institution of € 16 million and a guarantee to another institution of maximum 985 million Rupee (approximately € 14.3 million).

<b>Indebtedness as per 31 March 2012 (all amounts in EUR ,000)</b>	<b>Consolidated</b>
Liquidity	
A. Cash and cash equivalents	52,241
B. Cash equivalent	-
C. Trading securities	-
<b>D. Liquidity (A+B+C)</b>	<b>52,241</b>
<b>E. Current financial receivable</b>	<b>13,118</b>
Current financial debt	
F. Current bank debt	-
G. Current portion of non-current debt	12,889
H. Other current financial debt	-
<b>I. Current financial debt (F+G+H)</b>	<b>12,889</b>
<b>J. Net current financial indebtedness (I-E-D)</b>	<b>(52,470)</b>
Non-current financial debt	
K. Non-current bank loans	5,904
L. Bonds issued	-
M. Other non-current financial debt	14,991
<b>N. Non-current financial indebtedness (K+L+M)</b>	<b>20,895</b>
<b>O. Net financial indebtedness (J+N)</b>	<b>(31,575)</b>

#### **Other commitments not included in the Balance Sheet as per 31 March 2012**

Rental agreement from 01/07/2007 to 30/06/2013 with annual rental amounts of € 312,000 per year (indexed).  
New loans and financing approved and committed for development financing, but not yet disbursed to project partners as at 31/03/2012 amounted to € 120 million.

#### **Investments**

The estimated figures for 2012 (principal investments and geographical distribution of the investments) are unaudited and extracted from the budget 2012 Oikocredit)



Principal investments (in EUR 1,000)	2012	2011	2010	2009
	Estimate			
	EUR ,000	EUR ,000	EUR ,000	EUR ,000
Invested (disbursed) development financing during the year <sup>1)</sup>	210,000	196,141	206,355	141,718
Term investments in bonds and shares	50,000	2,296	10,423	3,299
Total (expected) investments	260,000	198,437	216,778	145,017
The investments were- or are expected to be-, financed as follows:				
- Cash from own operations	196,500	175,754	147,104	104,275
- By issuing shares to members	55,000	32,672	60,747	51,015
- Term loans	8,500	(9,989)	8,927	(10,273)
Total (expected) financing	260,000	198,437	216,778	145,017

<sup>1)</sup> During 2012 expected new commitments for new financing to our project partners amount to 220 million euros (commitments in 2011 amounted to 211 million; 2010 214 million). Of this amount 210 million euros is expected to be disbursed in 2012 while 196 million was disbursed in 2011 and 206 million in 2010 to our project partners.

Oikocredit currently has a credit line with banks that might be utilized (see for information page 43 of the financial statements 2011). Oikocredit does not expect any material borrowings from other parties. Please refer to the table in section 'principal investments' above, where it is stated how Oikocredit will finance the expected investments for 2012.

The geographical distribution of the investments that are in progress and the expected investments (disbursements) for 2012 to development financing projects is as follows:

Asia	€ 48 million
Latin America	€ 76 million
Africa	€ 37 million
Central and Eastern Europe	€ 35 million
Other	€ 14 million

For more information on the geographical distribution of the project funding in 2011, 2010 and 2009 see paragraph 6.3.

The expected reinvestments of matured or sold bonds in 2012 will be mainly in issuers that issue bonds in euro.

## 6.8. Governance structure

### *General Meeting of Members*

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

- the alteration of the Articles of Incorporation
- the election and removal of members of the Board and members of the auditing and nomination committee
- the appointment of an expert as mentioned in article 33 of the Articles of Incorporation
- the approval and confirmation of the annual accounts and the report of the Board
- the allocation of profits and the declaration of dividends
- the release of the Board
- the decision of appeals of Members in relation to termination of membership
- the determination of the remuneration of directors, to the extent that any remuneration shall be awarded to them
- resolutions on all matters reserved to it by law
- the right to appoint a committee to evaluate implementation of the policy. This committee shall reflect the ecumenical character of Oikocredit and one member shall always be a representative of the World Council of Churches

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

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

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

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

For a complete description of the provisions with respect to the General Meeting, we refer to the articles 13 to 21 of the Articles of Incorporation.

#### *Board of Directors*

The members of the Board are elected and dismissed by the AGM. The Board takes (final) responsibility for all aspects of the administration of Oikocredit. The Board may delegate its power to a Managing Director, who is responsible for the day-to-day management of Oikocredit.

The Board consists of a minimum of 6 and a maximum of 16 persons; the majority of them must be associated with the Members of Oikocredit. The Board is composed entirely of volunteers whose remuneration consists of travel and hotel expenses incurred during their work as a member of the Board, or if applicable compensation for loss when attending Oikocredit Board Meetings. The composition of the Board reflects the ecumenical character of Oikocredit and the interests of the groups that Oikocredit aims to support (the poor).

Members of the Board shall be elected to hold office for a period of three years and shall be eligible for re-election for one term. Upon completion of service as a member of the Board and a lapse of three years a former member shall be eligible for election again under the terms of this article. Even if a member of the Board has been appointed for a certain time, he may at any time be dismissed by the General Meeting.

The Board shall elect from its body a President.

- a. The Board shall have the widest powers in regard to the management of Oikocredit. It shall have the authority to decide on all matters which are not specifically attributed and reserved to the General Meeting or other bodies of Oikocredit.
- b. The Board has the power to delegate its powers to the Managing Director, which delegation can be made subject to conditions and limitations. The powers mentioned in Article 31 of the Articles of Incorporation under IX and X cannot be delegated to the Managing Director.
- c. The Managing Director is responsible for the day-to-day management of Oikocredit. The Board shall give him/her instructions in respect of the financial, economic and social policies.

Members of the Board do not occupy a specific function, but each member of the Board maybe assigned to focus areas to be responsible for preparing matters to be discussed during the meeting of the Board.

The Board has full mandatory powers regarding the management of Oikocredit. It is empowered to make decisions on all matters which are not specifically attributed to the General Meeting or to other bodies within Oikocredit.

Oikocredit is represented by the Board or alternatively by two members of the Board, or by one member of the Board together with the Managing Director, or by the Managing Director together with another manager or by two other managers.

#### *Frequency of Board meetings*

The frequency of Board meetings are in principle three times a year.

For a complete description of the provisions with respect to the Board, we refer to the articles 25 to 31 of the Articles of Incorporation.

#### *Audit Committee*

The General Meeting shall give to an expert as referred to in Article 2:393 of the Civil Code an instruction to audit the Annual Accounts, notwithstanding the provisions of the law. The General Meeting shall furthermore elect an Audit Committee, consisting of three persons. The Audit Committee shall make and deliver a written report on the Annual Accounts. In its work the Audit Committee shall be assisted by the expert. The Audit Committee shall invariably be appointed for a period of three years and hold office until the next ordinary General Meeting. The Audit Committee shall be entitled, but not obliged, to be represented at the General Meeting by one of its members.

#### *Summary of terms of reference agreed with Audit Committee*

##### **Membership**

The Audit Committee will be comprised of a minimum of 3 members to be elected by the Annual General Meeting of Oikocredit. All members shall be non-executive and be independent of board and management.

## Meetings

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

## Roles and Responsibilities of Audit Committee

### Internal Control

- Evaluate whether management is setting the appropriate “control culture” and endeavour an adequate system of internal control and a system of risk management ensuring that all employees have an understanding of their roles and responsibilities;
- Gain an understanding of whether internal control recommendations made by internal and external auditors have been implemented by management and periodically monitor progress of the implementation of these recommendations.

### Financial Reporting

#### a) General

- Gain an understanding of the current areas of greatest financial or other significant risks and exposures and how management is managing these effectively;
- Consider with the internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues;
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the audited consolidated financial statements of Oikocredit;
- Ask management and the internal and external auditors about significant risks and exposures and the plans to minimize such risks;
- Review any legal and compliance matters which could significantly impact the financial statements or reputation of Oikocredit; Make sure that mechanisms are established within the organization, for receiving confidential concerns of employees, regarding accounting principles and other accounting issues in the Oikocredit financial statements.

#### b) Annual Financial Statements

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

#### c) Internal Audit

- Review the scope and planning of the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made;
- Review the effectiveness of the internal audit function;
- Ensure that significant findings and recommendations made by the internal auditor are received and discussed on a timely basis;
- Ensure that management responds to recommendations by the internal auditor;
- Good Practices for Meeting Market Expectations.

#### d) External Audit

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

e) Compliance with Laws and Regulations

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

f) Reporting Responsibilities

- Ensure the board is aware of matters, which may significantly impact the financial condition or affairs of the business;
- Prepare written minutes of all meetings;
- Report all main findings and recommendations to the Annual General Meeting of Oikocredit.

*Nomination Committee*

Oikocredit shall have a Nomination Committee consisting of five (5) persons, three (3) of which shall be elected by the General Meeting, one (1) of which shall be elected by the Board of Directors and one (1) will be the Managing Director.

Members of the Nomination Committee shall be appointed for a period of three years. If for any reason one or more positions on the Nomination Committee are vacant, the remaining members shall constitute a valid Nomination Committee.

The Nomination Committee shall

- At least one hundred twenty (120) days before the General Meeting announce to the Members any vacant position(s) to be filled on the Board of Directors, the Nomination Committee and the Audit Committee together with needed qualifications for the positions. The announcement shall be published in the periodic "circular" of the Society or in a letter, and shall invite the Members to propose candidates at least ninety (90) days before the date of the General Meeting. A "vacant position to be filled" includes a position whose current occupant is eligible for re-election;
- Make best efforts to obtain at least two candidates for each vacant position to be filled;
- Review the qualifications and suitability of the proposed candidates for the Board of Directors and the Audit Committee. In the case of candidates for vacancies in the Nomination Committee, the Nomination Committee will collect the names and qualifications of the candidates and will distribute this information to the Members, without making recommendations and without reviewing the qualifications and suitability of the candidates;
- In connection with the mailing of the provisional agenda for the General Meeting, inform the Members on the outcome of the review and recommend at least one proposed candidate for each vacancy to be filled on the Board of Directors and the Audit Committee, which recommendation(s) should give clear reasons as to why the recommended candidates for the Board of Directors and Audit Committee are preferred;
- Develop criteria to evaluate a member of the Board of Directors or the Audit Committee for a second term of three years.

The provisional agenda, as described in Article 17, shall contain the definitive list of proposed candidate(s) for membership on the Board of Directors, the Audit Committee and the Nomination Committee.

The definitive list shall contain particulars in respect of the name, the age and the profession of every candidate, as well as the candidate's present and past functions insofar as these are of interest in connection with the performance of the duties of a member of the Board of Directors, the Nomination Committee or the Audit Committee.

At the General Meeting no persons shall be appointed other than the candidate(s) mentioned in the aforementioned definitive list.

Votes against a candidate shall be permitted in all cases.

At a General Meeting where voting takes place to elect members of the Board of Directors, Member-representatives on the Nomination Committee or members of the Audit Committee, the candidate will be appointed if she/he gets more positive votes than negative votes. In a case where multiple candidates receive more positive votes than negative votes the candidate, or in the case of multiple vacancies to be filled, the candidates who received the highest number of positive votes, will be appointed. In the event candidates receive an equal number of positive votes, there shall be a run-off election between those candidates.

*Selection criteria of Board Members (established by the Board of Directors)*

The most important criteria for the selection of Board Members is professional qualification. They should be specialists in the fields of economic development/projects (2), ecumenical relations (1), PR/fundraising/investor relations (1), investments/finance/banking (2) and other (3 - 5). (All figures between brackets mean the minimum Board Members that have to comply with the criteria set).

Oikocredit should aim for a proper geographical distribution. With a minimum of 11 Members, the geographical representation should be as follows: one (= minimum) Board Member each to come from South America, Central America, Africa, Asia, Eastern Europe, Western Europe, North America, Support Associations ("SAs"), Members (not SAs) and two others from emerging countries (which can be developing countries, Middle East etc.). There should be a proper gender balance (equal distribution, but minimum is 1/3).

#### *Remuneration of Board (established by the Board of Directors)*

The members of the Board in general do not receive remuneration, but if applicable they will be reimbursed for the loss of compensation when attending Oikocredit Board Meetings. Travel and hotel expenses incurred during their work for Oikocredit are reimbursed. No contributions are set aside or accrued by Oikocredit to provide pension, retirement or similar benefits.

There are no service contracts providing for benefits upon termination of employment of the Members of the Board.

#### *Composition of the Board*

The following persons are member of the Board as of June 16, 2011

Dr. **Aris Alip PhD** Board Member since 2008; Resignation in 2014.

20 M.L. Quezon St. City Subdivision San Pablo City Laguna 4000, Philippines.

#### *Current position:*

Managing Director Centre for Agricultural and Rural Development (CARD) mutually reinforcing institutions, Chairman of CARD bank, President of Card NGO, CARD MBA (Insurance) and Card Training Institute, Philippines

#### *Organisations/supervisory bodies or partnerships*

- President of CMDI Philippines
- Board Member of SAMIC Microfinance Limited (former CHC MFI Ltd.) Cambodia
- Board member of Seilanithih Microfinance Limited, Cambodia
- Chairman Emeritus of RIMANSI, Philippines
- Board Member of CARD BDSFI, Philippines
- Member of Board of Trustee Southeast Asia Interdisciplinary Development Institute (SAIDI), Philippines
- Member of Board of Directors of Microventures, Inc. (MVI), Philippines
- Member of Board Trustees of APRACA CENTRAB, Philippines
- Chairman of RBST (SME) Bank, Philippines
- Member of Board of Trustees of Social Microfinance Foundation, Philippines
- Former Board Member of KCCDFI, Philippines
- Former Board Member of Quidan PI, Philippines
- Former Director of Cashpor, India
- Former Member of International Advisory Board Grameen USA Foundation
- Former president and Director of Microfinance Council of the Philippines
- Former Special Fellow Nihon Fukushi University Nagoya Japan

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

Microfinance practitioner/Rural Banker holding a doctor in Philosophy in Organisational Development South East Asia Interdisciplinary Development Institute, Antipolo Metro Manila Philippines and a master in professional studies in agricultural marketing from University of the Philippines in Los Banos Philippines

Mrs **Martha Judith Castaneda Amaya** Board Member since 2006; Resignation in 2012.

8 av. 8-57 zona 2 Guatemala City, Guatemala.

#### *Current position*

General Coordinator of Central American Evangelical Center for Pastoral Studies (CEDEPCA) (from 1982)

#### *Organisations/supervisory bodies or partnerships*

- Assistant Professor Economic Faculty San Carlos University Guatemala (1982 to 1987)
- Board Member of Fundacion de Apoyo a la pequena empresa (FAPE) 1986-1990; 2005- current

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

Her background is in economy (economist). She has a solid background in business management as well as commitment to global justice and ecumenical ministries

Mr **Matt Christensen**, Board Member since 2008; Resignation in 2014.

8 rue Jules Valles, 75011 Paris, France.

#### *Current position*

Global Head of Responsible Investment at AXA Investment Managers, France

#### *Organisations/supervisory bodies or partnerships*

- Non-executive Director of Ludgate Environmental Technology Fund listed on AIM

- Non-executive Director of Munro Fundamental Tracker Fund, privately held

*Specific areas of expertise and experience*

Investments and Fundraising; He holds a MBA from the Wharton School/University of Pennsylvania, USA

Dr. **Nune Darbinyan**, Board Member since 2007; Resignation in 2013.  
Heratsistreet 18, apt 3, 0025 Yerevan, Republic of Armenia.

*Current position*

President NGO Eco-Globe; General Director Ecoglobe LLC. She holds a MS in Agronomy and Phytopathology from the Armenian Agricultural Academy Yerevan, Armenia and is a doctor of Agriculture, the Yerevan State University, Institute of plant protection Yerevan

*Organisations/supervisory bodies or partnerships*

- Member of International Association of Impact Assessment (IAIA USA)
- Member of Executive Board of International Association of Agricultural Medicine and Rural Health (IAAM RH)
- Founder and member of Board of Trustees of Armenia Organic Agricultural Foundation
- Member of Board of Directors of Association of Organic Producers and Consumers
- Member of Board of Directors of Regional Environmental Center of Caucasus
- Member and honoured ambassador of IHPA

*Specific areas of expertise and experience*

Management, economic development projects

Mrs **Kristina Herngren**, Board Member since 2007; Resignation in 2013.  
Fastingsgatan 71, 129 38 Hagersten Sweden.

*Current position*

Director/ project leader of the Freja Foundation; She holds a MSc in Business Administration and Economics, French and English. Studies in Macro economics and marketing at the Concordia University Canada and Ecole Superiere de Commerce Reims

*Organisations/supervisory bodies or partnerships*

- Member of the Board of Andrew Church (mission Covenant) in Stockholm
- Member of the Board of Hand in Hand, for development cooperation in India
- Member of the Board of the development fund of the Swedish Churches

*Specific areas of expertise and experience*

Management, development concepts, marketing and capital mobilisation

Mr. **Richard Libroek** Board Member since 2011; Resignation in 2014; eligible for re-election up to 2017.  
Co-operation Canada-Mozambique (COCAMO)  
360 Bloor Street West, Suite 409. Toronto, Ontario, Canada.

*Current Position*

Executive Director Co-operation Canada-Mozambique (COCAMO), Toronto, Canada, Nov. 2000-Present

*Organisations/supervisory bodies or partnerships*

None

*Specified areas of experience and expertise*

Experience in program management and organizational development, fundraising and microfinance.  
Successfully expanded COCAMO's reserve fund more than ten times the size it was hired

Dr. **Fidon Rwezahula Mwombeki, (President as from 10 June 2010)** Board Member since 2006; Resignation in 2012.  
Rudolfstrasse 137, D-42285 Wuppertal, Germany.

*Current position:*

General Secretary of United Evangelical Mission, Wuppertal in Germany. He obtained a Ph. D at the Lutheran Seminary St Paul, USA and a Master in Business Administration of the California Coast University, Santa Ana, CA, USA.

*Organisations/supervisory bodies or partnerships*

Board Member of Evangelical Mission, Germany

*Specific areas of expertise and experience*

His background is in both theology and administration/management. He was a leading expert and resource person during the debt campaign "Jubilee 2000". He was involved in the executive staff of United Evangelical Mission a



communion of Churches in 3 continents. He has profound knowledge in the fields of economy and theology and has a broad experience in church work and in NGO's

Mr **Sergio Roschel**, Board Member since 2007; resignation in 2013.  
Rue dos Cajueiros 86, Demarchi –Sao Bernardo- Sao Paulo- Brazil 09820-550.

*Current position*

Finance & Supply Director, Chief of the Presidents office and controller of the Methodist University of Sao Paulo, Brazil. He holds a MSc in Business Administration of the Methodist University of Sao Paulo

*Organisations/supervisory bodies or partnerships*  
None

*Specific areas of experience and expertise*

Experience in management, economic development projects, microfinance and financial management

Mrs **Salome Sengani, (Vice President as from 10 June 2010)** Board Member since 2008; resignation in 2014.  
PO Box 280, Melrose Arch Melrose 2076 Johannesburg, Republic of South Africa.

*Current position*

Business transformation programme of broadening affordable housing finance to poorer section of the Society

*Organisations/supervisory bodies or partnerships*

- Former Board member of Johannesburg Development Agency
- Chairperson of the Board of Thubelisha Homes (a not for profit agency owned by the Republic of South Africa)
- Board Member of Wizzit Bank, Republic of South Africa
- Board Member of National Sustainable Housing facility Drafting Group, Republic of South Africa

*Specific areas of experience and expertise*

Corporate strategy, Banker, holding a MBA degree from the university of Pretoria South Africa; professional nurse

Ms **Martina Straub**, Board Member since 2010; resignation in 2013; eligible for re-election up to 2016.  
Ruhtalstrasse 26, 8400 Winterthur, Switzerland.

*Current position*

Manager, Consultant and Coach at Changels GmbH, a small coaching and consulting enterprise for individuals leaders, teams or companies developing inspiring leadership or corporate culture

Ms Straub is holding a Masters degree of Arts in Marketing, Services and Communication Management from the University of st. Gallen. BA Business Administration Bachelor Program from the University of Applied Sciences and Arts of Lucerne.

*Organisations/supervisory bodies or partnerships*  
Retired in 2011 from project Qlocks

*Specific areas of experience and expertise*

Investor relations and organisational development

Mr **Heinrich Wiemer**, Board Member since 2007; Resignation in 2013.  
Avenida de Mayo 1480 1085 Capital Federal Argentina.

*Current position*

Founder of Capital Market Strategies GmbH, independent Strategy Consultant with focus on corporate development and capital market communication; He holds a MSc of the London School of Economics and a diplome d' Etudes Supérieures Européennes de Management & Diplomkaufman (FH) of European Partnership of Business Schools and a Chartered European Financial Analyst, a diploma of the CSFB.

*Organisations/supervisory bodies or partnerships*  
Board member of World Microfinance Forum Geneva

*Specific areas of expertise and experience*

Finance and Accounting and investor relations

*Organisations/supervisory bodies or partnerships*

- Non-executive Director of Ludgate Environmental Technology Fund listed on AIM
- Non-executive Director of Munro Fundamental Tracker Fund, privately held

*Specific areas of expertise and experience*

Investments and Fundraising; He holds a MBA from the Wharton School/University of Pennsylvania, USA

The potential conflicts of interest of the members of the Board between their respective duties to Oikocredit and their private interests and other duties are mentioned in the next paragraph. None of the members of the Board have received loans or guarantees from Oikocredit.

No members of the Board or management team members are entitled to invest directly in Oikocredit shares. However it is possible for the members of the Board to obtain and hold indirectly a limited number of depository receipts via the Oikocredit International Share Foundation, which invests in the Shares in Oikocredit U.A. or Oikocredit Nederland Fund or another Support Association. Through this indirect shareholding no Board member holds more than 0.1% of the outstanding Shares, as they are not eligible of becoming a direct member of Oikocredit. A Board Member can only acquire certificates of shares or depository receipts through Support Associations, or the International Share Foundation. There are therefore no voting rights in respects of these shares.

#### *Potential conflicts of interest of Board Members*

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

There are no family relationships between any of the Members of the Board and any of the members of the Management Team.

#### *Managing Director and Management Team*

The Board appoints a Managing Director, who is responsible for the day-to-day management of Oikocredit and has appointed the following persons as Managers, together forming the Management Team ("MT"). All MT members have their office at Berkenweg 7, 3818 LA, Amersfoort. The Board of Directors established a Selection Committee ("SC"), which has been mandated to recruit a new Managing Director (MD). The Board agreed that the composition of the SC should reflect the cooperative character of Oikocredit UA as much as possible. The President of Oikocredit UA, will chair the SC and five additional Board members are included in the SC. The SC appointed one Management Team member and one Regional Director, as well as one representative from our main stakeholders – the Support Associations – to the SC. It is expected that the SC will propose candidates to the Oikocredit UA Board in the second half of September 2012, and that a new MD will be appointed by the end of 2012.

**Mr Bernardus Henricus Johannes Simmes**, Managing Director. Mr Simmes has been working for Oikocredit since 1996 and has a degree in comparative sociology and economy of the State University of Utrecht. Mr Simmes is a Board Member of Kontakt der Kontinenten in Soesterberg and was a Board Member of the Fair Trade Organization in Culemborg. Prior to working for Oikocredit he was employed with Central Mission Commissariaat as Head of department of Overseas Development Workers, as well as a staff member of Kinaiyahan Foundation (ecology organization in the Philippines and development worker in Papua New Guinea).

**Mr Florian Christoph Grohs**, Director Loans and Investments. Mr Florian Grohs has been appointed as the new Director Loans & Investments as of 1 April 2012. Mr Grohs has been working for Oikocredit since 2002 and has a Masters and PhD in Agricultural Economics from the University of Hohenheim, Germany. He worked as National Director for Oikocredit in Germany from 1 June 2009 up to 31 March 2012 and before that he was the Oikocredit Regional Director for Central and Eastern Europe. Prior to working for Oikocredit, Mr Grohs was employed with DZ BANK as a Vice President in the Structured Trade Finance Department, and with the World Bank in Washington DC as a Senior Economist.

**Mr Albert Hofsink**, Director Finance and Administration, has been working for Oikocredit since 1998 and has a degree in accounting from the University of South Africa. Prior to working for Oikocredit, he was working in the auditing practice of the audit firms Moret Ernst & Young in Utrecht, the Netherlands and KPMG and Taylor & Geerling in Pretoria South Africa.

**Ms Maria Lourdes Ledesma**, Director Social Performance and Financial Analysis. Ms Lourdes Maria Hilado Ledesma has been appointed as the new Director Social Performance & Financial Analysis as of 1 April 2012, replacing Mr Simmes in this position. Ms Ledesma has a degree in Business Administration majoring in Finance and Management from the University of the Philippines. She has twenty three years experience in development work. From January 1999 up to 31 March 2012 she had the following functions within Oikocredit: Manager, Social Performance, Manager Monitoring & Administration Unit and Regional Manager Oikocredit Philippines and Cambodia. Before that she was Consultant Program Development, Management and Evaluation, Projects Officer Asia Partnership for Human Development based in Hong Kong and Projects Evaluator National Secretariat for Social Action, Justice and Peace (NASSA).

**Ms Ylse Cynthia van der Schoot**, Director Investor Relations. Ms van der Schoot has been working for Oikocredit since March 2007 and has the following education: 1988 – 1990 Propedeuse Franse taal- en letterkunde and 1990 - 1995

Beleid en Bestuur in Internationale Organisaties at Rijksuniversiteit Groningen and Development Administration and Government & Politics in Africa at University of Zimbabwe from March to September 1994. She worked for Life & Peace Institute as a Regional Representative Horn of Africa from July 2006 – December 2006 and Country Representative Dem. Republic of Congo October 2004 – July 2006 and for Oxfam Novib as Programme Officer Central Africa from May 1997 – October 2004.

#### *Remuneration of management*

The remuneration policies, as well as the remuneration of the Managing Director, are determined by the personnel committee of the Board. The personnel committee of the Board consists of the President and the Vice-President of the Board. All Management Team members have an employment contract for an indefinite period of time.

The Managing Director (MD) and all personnel at the Amersfoort office and the regional offices reporting to the MD, receive a full salary and related benefits (pension and social security contributions, cost allowances, etc.).<sup>2</sup> The total amounts set aside or accrued by Oikocredit to provide pension, retirement or similar benefits:

- a. Total Tor Gull Managing Director 1/1/2011 up to 31/7/2011 Euro 30,408 (2010: Euro 48,969)
- b. Total Ms Rosalind Copisarow Managing Director from 23/5/2011 up to 31/12/2011 Euro 14,145 (2010 -)
- c. Total for the other 4 Management Team members for 2011 Euro 81,908 (2010: Euro 75,846)

There are no service contracts providing for benefits upon termination of employment of Members of the Management Team and the Managing Director.

#### *Conflicts or potential conflict of interest of Management Team members*

There are no potential conflicts of interest of the members of the Management Team and the Managing Director between their respective duties to Oikocredit and their private interests and other duties.

Members of the Management Team and other employees hold a very limited number of Shares and depository receipts in one of the Support Associations or the Oikocredit International Share Foundation, which invests in the Shares in Oikocredit U.A. If a part of the performance reward is paid by issuing shares, participations or depository receipts, these are then issued at the nominal value at the same conditions as for other shareholders / depository receipt holders / participants. No member of the Board or Management Team or other employee holds any of the outstanding Shares of Oikocredit U.A., as they are not eligible of becoming a direct member of Oikocredit. Members of the Board or Management Team can only acquire certificates of shares or depository receipts through Support Associations, the Oikocredit Nederland Fonds, or the International Share Foundation.

Neither the members of the Management Team nor the Managing Director have been convicted in relation to fraudulent offences for the previous five years. Neither the members of the Management Team nor the Managing Director have been associated, as members of the administrative, management or supervisory bodies or as senior manager, to bankruptcies, receiverships or liquidations for the previous five years. Neither the members of the Management Team nor the Managing Director have been involved in official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) for the previous five years. Neither the members of the Management Team nor the Managing Director have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the previous five years.

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



<sup>2</sup> Details are included in the Financial Statements 2011 (note 30, page 55) incorporated by reference in this Prospectus

## 6.9. Costs

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

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

The last 3 years new Shares issued amounted to:

2009: € 55.0 million

2010: € 64.3 million

2011: € 36.9 million

The issue of Shares incurs annual costs consisting of acquisition costs of share capital such as capital mobilization, members' relations, promotions and so on, amounted to approximately € 4.4 million for 2011 including share administration costs within the International Office of Oikocredit.

The one-off costs associated with producing the present Prospectus are budgeted at € 20,000. These costs are and will be reflected in the profit and loss account under operating costs. The direct costs of issuing Shares are not separately charged to the Members.

The costs (annual costs of capital mobilisation and one-off costs associated with producing the present Prospectus) are estimated at € 5.4 million for 2012.

## 6.10. Net income and dividends

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

Net income available for distribution is calculated by correcting the annual net income with any extraordinary costs or income not arising from normal operations and an addition to the general reserves. The remaining net income available for distribution is paid out as dividend. The policy of Oikocredit is to pay out as dividend a maximum of 2% of the nominal value of a Share. In accordance with a Board resolution of November 27, 2002 distribution of dividends will be calculated as follows: all Shares outstanding at the end of the dividend year that were already outstanding at the start of such year will receive 100% of the dividend payable per Share. Shares outstanding at the end of the year that were issued between January 1 and 30 June of that year will receive 50% of the dividend payable per Share. Shares outstanding at the end of the year but issued after 30 June of the year will receive 25% of dividend payable per Share. Shares outstanding at the end of the previous year but sold (meaning: bought back by, or redeemed by the Society) between July 1 and December 31 of the year will receive 50% of dividend payable per Share. Dividends made available in cash which is not claimed within 5 years, shall be forfeited for the benefit of Oikocredit. This dividend calculation method is applicable for the dividend 2011, 2010 and 2009.

### **Dividend proposal 2011**

The total proposed dividend for 2011 amounts to € 9.7 million. The proposed dividend per Share for 2011 amounts to:

- a. For Shares that were already held at 31 December 2010 and held up to 31 December 2011
  - EUR 4 per Share for EUR denominated Shares
  - USD 4 per Share for USD denominated Shares
  - CAD 4 per Share for CAD denominated Shares
  - GBP 3 per Share for GBP denominated Shares
  - SEK 40 per Share for SEK denominated Shares
- b. For Shares that were not yet held at 31 December 2010, but held at 30 June 2011 and held up to 31 December 2011, or for Shares that were held at December 31, 2010 and held up to June 30, 2011, but sold (redeemed) between July 1, 2011 and December 31, 2011
  - EUR 2 per Share for EUR denominated Shares
  - USD 2 per Share for USD denominated Shares
  - CAD 2 per Share for CAD denominated Shares
  - GBP 1.50 per Share for GBP denominated Shares
  - SEK 20 per Share for SEK denominated Shares
- c. For Shares that were not yet held at 31 December 2010, or at 30 June 2011, but held at 31 December 2011
  - EUR 1 per Share for EUR denominated Shares
  - USD 1 per Share for USD denominated Shares
  - CAD 1 per Share for CAD denominated Shares
  - GBP 0.75 per Share for GBP denominated Shares
  - SEK 10 per Share for SEK denominated Shares

Please also refer to the dividend proposal to note 47 on page 72 in the Oikocredit Consolidated Financial Statements 2011.

#### **Dividend proposal 2010**

The total dividend for 2010 amounted to € 8.7 million. The dividend per Share for 2010 amounted to:

- a. For Shares that were already held at 31 December 2009 and held up to 31 December 2010.
  - EUR 4 per Share for EUR denominated Shares
  - USD 4 per Share for USD denominated Shares
  - CAD 4 per Share for CAD denominated Shares
  - GBP 3 per Share for GBP denominated Shares
  - SEK 40 per Share for SEK denominated Shares
- b. For Shares that were not yet held at 31 December 2009, but held at 30 June 2010 and held up to 31 December 2010, or for Shares that were held at December 31, 2009 and held up to June 30, 2010, but sold (redeemed) between July 1, 2010 and December 31, 2010.
  - EUR 2 per Share for EUR denominated Shares
  - USD 2 per Share for USD denominated Shares
  - CAD 2 per Share for CAD denominated Shares
  - GBP 1.50 per Share for GBP denominated Shares
  - SEK 20 per Share for SEK denominated Shares
- c. For Shares that were not yet held at 31 December 2009, or at 30 June 2010, but held as at 31 December 2010.
  - EUR 1 per Share for EUR denominated Shares
  - USD 1 per Share for USD denominated Shares
  - CAD 1 per Share for CAD denominated Shares
  - GBP 0.75 per Share for GBP denominated Shares
  - SEK 10 per Share for SEK denominated Shares

Please also refer to the dividend proposal for 2010 to note 47 on page 72 in the Oikocredit Consolidated Financial Statements 2010.

#### **Dividend proposal 2009**

The total dividend for 2009 amounted to € 7.4 million. The proposed dividend per Share for 2009 amounted to:

- a. For Shares that were already held at 31 December 2008 and held up to 31 December 2009.
  - EUR 4 per Share for EUR denominated Shares
  - USD 4 per Share for USD denominated Shares
  - CAD 4 per Share for CAD denominated Shares
  - GBP 3 per Share for GBP denominated Shares
  - SEK 40 per Share for SEK denominated Shares
- b. For Shares that were not yet held at 31 December 2008, but held at 30 June 2009 and held up to 31 December 2009, or for Shares that were held at December 31, 2008 and held up to June 30, 2009, but sold (redeemed) between July 1, 2009 and December 31, 2009.
  - EUR 2 per Share for EUR denominated Shares
  - USD 2 per Share for USD denominated Shares
  - CAD 2 per Share for CAD denominated Shares,
  - GBP 1.50 per Share for GBP denominated Shares
  - SEK 20 per Share for SEK denominated Shares
- c. For Shares that were not yet held at 31 December 2008, or 30 June 2009, but held at 31 December 2009.
  - EUR 1 per Share for EUR denominated Shares
  - USD 1 per Share for USD denominated Shares
  - CAD 1 per Share for CAD denominated Shares
  - GBP 0.75 per Share for GBP denominated Shares
  - SEK 10 per Share for SEK denominated Shares

Please also refer to the dividend proposal for 2009 to note 43 on page 72 included in the Oikocredit Consolidated Financial Statements 2009.

The General Meeting, after consideration of the Board's proposal, decides on the allocation of annual net income in June of the year following the financial year, upon which the dividend payable is made available as (fractional) Shares issued to the Members or in cash (see also article 36 of the Articles of Incorporation).



## 6.11. Reporting

Oikocredit aims to have its Consolidated Financial Statements prepared, audited by its external auditors and reviewed by the Oikocredit audit committee within 3 months after year-end, but must have this done no later than 6 months after the end of the financial year. The financial year is equal to the calendar year. The Oikocredit audit committee is a committee appointed by the General Meeting and consists of 3 persons. The annual accounts, including the audit report, is presented to the General Meeting by the 30th of June of the year following the financial year concerned and shall be made available in print to the members immediately afterwards.

Assets and liabilities are valued in the annual accounts of Oikocredit in accordance with generally accepted accounting practices in the Netherlands.

Oikocredit prepares its half-year figures within four months following the first six months of each financial year. Upon preparation, the half-year figures will be published within a week by filing these figures with the relevant Chamber of Commerce in the Netherlands.

Every Member receives annually:

- the annual report and audited consolidated financial statements of Oikocredit
- a members' circular in January detailing the resolutions of the Board during the November meeting of the Board of the previous year and the latest information on Oikocredit
- a provisional agenda with a proxy attached in anticipation of the General Meeting
- request for Board and Audit committee nominations
- the final agenda of the General Meeting
- a dividend announcement: a letter detailing the dividend which has been made payable per Share and
- a members' circular in September including the minutes of the last General Meeting and a circular detailing the most important resolutions made by the Board during the June meeting

Each member also has access to Oikocredit's website [www.oikocredit.org](http://www.oikocredit.org).

## 6.12. Information incorporated by reference

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

- Oikocredit's Articles of Incorporation (by deed executed on 19 October 2009) as per the publication date (in the original Dutch language version as well as in the English translation)
- Oikocredit's Audited Annual report 2011
- Oikocredit's Audited Annual report 2010
- Oikocredit's Audited Annual report 2009

These documents are on display (available for viewing) for the life of the Prospectus and can be obtained free of charge at the office of Oikocredit in Amersfoort, the Netherlands, as set out under chapter 5, General details. In addition the articles (available on [www.oikocredit.org/articles](http://www.oikocredit.org/articles) in English and in Dutch) and audited consolidated financial statements of Oikocredit (available on [www.oikocredit.org/ar](http://www.oikocredit.org/ar)) are available on Oikocredit's website.

Information Incorporated by Reference Cross Reference checklist

Information on fixed assets	p. 35 to 42 of Oikocredit's Audited Consolidated Financial Statements 2011
	p. 35 to 42 of Oikocredit's Audited Consolidated Financial Statements 2010
	p. 35 to 42 of Oikocredit's Audited Consolidated Financial Statements 2009
Information on financial condition	p. 5 to 9 and 23-74 Oikocredit's Audited Consolidated Financial Statements 2011
	p. 5 to 9 and 23-74 Oikocredit's Audited Consolidated Financial Statements 2010
	p. 4 to 8 and 23-74 Oikocredit's Audited Consolidated Financial Statements 2009
Reasons for changes in net sales or revenues	p. 5-9 of the Board of Directors report of Oikocredit's Audited Consolidated Financial Statements 2011 (There were specific comments on p. 7 under heading 'Income Statement 2011')
	p. 5-9 of the Board of Directors report of Oikocredit's Audited Consolidated Financial Statements 2010 (There were specific comments on p. 7 under heading 'Income Statement 2010')

	p. 5 to 9 of the Board of Directors report of Oikocredit's Audited Consolidated Financial Statements 2009 (There were specific comments on p. 7 under heading 'Income Statement 2009')
Information concerning capital resources	<p>p. 25 and p 44-48 of Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>p. 25 and p 44-48 of Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>p. 25 and p 44-48 of Oikocredit's Audited Consolidated Financial Statements 2009</p>
Description of cash flows	<p>The cash flow statement can be found on p. 27 of Oikocredit's Audited Consolidated Financial Statements 2011; the description and explanation can be found on p. 8 and 29 of the Annual Report 2011</p> <p>The cash flow statement can be found on p. 27 of Oikocredit's Audited Consolidated Financial Statements 2010; the description and explanation can be found on p. 8 and 29 of the Annual Report 2010</p> <p>The cash flow statement can be found on p. 27 of Oikocredit's Audited Consolidated Financial Statements 2009; the description and explanation can be found on p. 7 of the Annual Report 2009</p>
Explanation of sources and amounts of cash flows	<p>p. 27 of Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>p. 27 of Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>p. 27 of Oikocredit's Audited Consolidated Financial Statements 2009</p>
Borrowing requirements and funding structure	<p>p. 23-57 of Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>p. 23-57 of Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>p. 23-57 of Oikocredit's Audited Consolidated Financial Statements 2009</p>
Amount of remuneration paid and benefits granted	<p>Note 23, page 50 and Note 30, page 55 of Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>Note 23, page 50 and Note 30, page 55 and 56 of Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>Note 23, page 50 and Note 30, page 55 and 56 of Oikocredit's Audited Consolidated Financial Statements 2009</p>
Amount set aside or accrued to provide benefits	<p>Note 23, page 50 of Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>Note 23, page 50 of Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>Note 23, page 50 of Oikocredit's Audited Consolidated Financial Statements 2009</p>
Information on audit committee	<p>Note 31, page 56 of Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>Note 31, page 56 of Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>Note 31, page 56 of Oikocredit's Consolidated Financial Statements Accounts 2009</p>
Description of arrangements involving employees in the capital.	<p>Note 30, page 55 of Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>Note 30, page 55 and 56 of Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>Note 30, page 55 and 56 of Oikocredit's Audited Consolidated Financial Statements 2009</p>
Historical financial information	<p>p. 23-74 Oikocredit's Audited Consolidated Financial Statements 2011</p> <p>p. 23-74 Oikocredit's Audited Consolidated Financial Statements 2010</p> <p>p. 23-74 Oikocredit's Audited Consolidated Financial Statements 2009</p>



Financial statements	p. 23-74 Oikocredit's Audited Consolidated Financial Statements 2011
	p. 23-74 Oikocredit's Audited Consolidated Financial Statements 2010
	p. 23-74 Oikocredit's Audited Consolidated Financial Statements 2009
Description of conditions governing the manner in which annual meetings and extraordinary meeting of shareholder are called	Articles 13-24 Articles of Incorporation
Information on holdings	Consolidated and Society Balance sheet, Income Statement and Cash flow statements p. 24-27 and p. 58 to 60, p. 28 to 31, p. 37, p.38, Note 34 on page 62 to 64 of Oikocredit's Audited Consolidated Financial Statements 2011
	Consolidated and Society Balance sheet, Income Statement and Cash flow statements p. 24-27 and p. 58 to 60, p. 28, p.30, p. 31, p. 37, p.38, Note 34 on page 62 to 64 of Oikocredit's Audited Consolidated Financial Statements 2010
	Consolidated and Society Balance sheet, Income Statement and Cash flow statements p. 24-27 and p. 58 to 60, p. 28, p.30, p. 31, p. 37, p.38, Note 34 on page 62 to 64 of Oikocredit's Audited Consolidated Financial Statements 2009
Related party transactions	Page 28-29 and Note 46 page 71 Oikocredit's Audited Consolidated Financial Statements 2011
	Page 28-29 and Note 46 page 71 Oikocredit's Audited Consolidated Financial Statements 2010
	Page 28-29 and Note 46 page 71 Oikocredit's Audited Consolidated Financial Statements 2009
A description of Oikocredit's object and purposes	Article 2 of the Articles of Incorporation

## 6.13. Subscription and sale

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

- the founders, being the World Council of Churches and the Council of Churches in the Netherlands
- the member churches of the World Council of Churches
- churches not belonging to the World Council of Churches
- subdivisions of churches
- Councils of Churches
- church-related organizations
- Support Associations
- project members
- other organizations that share Oikocredit's mission and in addition to investing in the Society are invited by the Board of Directors, and meet the following criteria:
  - have a mission and objectives that closely align with the Society's mission;
  - are democratically organized and reflect the views of the constituency or membership; and
  - invest at least fifty thousand euro (EUR 50,000) in the Society's shares.

Project members are current or former project partners (clients who obtained a loan or equity funding from Oikocredit).

Support Associations are established locally, to offer individuals, church congregations, parishes or other organizations, an opportunity to invest in Oikocredit.

The distribution of this Prospectus and the offering, sale and delivery of the Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any are required by the Oikocredit to inform themselves about and to observe any such restrictions. In particular, Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). Shares may not be offered, sold or delivered within the United States of America to U.S. persons.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is

implemented in that Relevant Member State (the “Relevant Implementation Date”), no offers of Shares to the public in that Relevant Member State may be made, except that, with effect from and including the Relevant Implementation Date, an offer of Shares may be made to the public in that Relevant Member State in the period beginning on the date of publication of a Prospectus in relation to those Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication.

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

#### **Belgium, Germany, France, United Kingdom, Ireland, Spain, Italy, Austria, Sweden**

This Prospectus has been approved by The Authority for the Financial Markets (“Autoriteit Financiële Markten”) in the Netherlands on 15 June 2012 for the purposes of the Prospectus Directive.

Oikocredit has requested The Authority for Financial Markets (Autoriteit Financiële Markten) in the Netherlands to provide the competent authorities in the following Relevant Member States:

- Belgium (Commission Bancaire, Financière et des Assurances)
- Germany (Federal Financial Supervisory Authority)
- France (Autorité des marchés financiers)
- United Kingdom (the Financial Services Authority)
- Ireland (the Central Bank of Ireland)
- Spain (Comisión Nacional del Mercado de Valores)
- Italy (Commissione Nazionale per le Società e la Borsa)
- Austria (the Financial Market Authority)
- Sweden (Finansinspektionen)

with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Wet financieel toezicht and related regulations which implement the prospectus Directive in Dutch law (“Notification”). Oikocredit may request the AFM to provide competent authorities in additional Member States within the European Economic Area with a Notification.

Other than in the Netherlands, Belgium, Germany, France, United Kingdom, Ireland, Spain, Italy, Austria and Sweden, Oikocredit does not represent that this Prospectus may be lawfully distributed, or that Shares may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available under it, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Oikocredit which would permit a public offering of the Shares or distribution of this document in any jurisdiction where action for that purpose is required, other than in certain Member States of the European Economic Area.

## **7. Tax aspects of participation in Oikocredit**

This section provides a brief summary of the most relevant Dutch tax implications of being a Member and holder of Shares. The summary of the Dutch tax implications is based on current Dutch tax laws, case law and policy rules, all as in effect on the date of publication of this Prospectus. Future changes in the Dutch tax legislation, with or without retroactive effect, could affect the tax implications as described.

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

### **7.1. Tax position of Oikocredit**

#### *Corporate income tax*

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

- The nature of the activities of Oikocredit remains unchanged; and
- Funds attracted from non-Members do not exceed 10% of the funds contributed by the Members

#### *Dividend withholding tax*

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

#### *Gift and inheritance tax*

As of the year 2008 Oikocredit no longer qualifies as a so called 'ANBI' (a charity in the sense of the Dutch State Taxes Act). This means that donations and inheritances received by Oikocredit are subject to gift or inheritance tax. The applicable tax rates vary from 30 up to 40 per cent (percentages applicable in 2012). For inheritances or donations an amount of € 2,012 per donor or deceased is exempt from inheritance or gift tax. If in a calendar year the total amount of donations received from an individual donor exceeds the amount of € 2,012, the surplus is subject to gift tax. The same applies to inheritances or bequests received by Oikocredit.

Donations and inheritances received by Oikocredit are generally exempt from Dutch gift and inheritance tax, in case the donor or deceased is not a (deemed) resident of the Netherlands.

#### *VAT*

The tax-authorities stated that the activities of Oikocredit U.A. are VAT-exempted based on the Dutch VAT Act.

## **7.2. Tax position of shareholders**

#### *Dutch residents*

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

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

If a Shareholder is subject to Dutch corporate income tax, profits from the Shares should not be taxable because of the participation exemption (article 13 (2) (c) of the Dutch Corporate Income Tax Act). It is not definitely clear, however, whether the participation exemption applies, as, in contrast to its legal form, Oikocredit is regarded as an association that does not carry on a trade or business for Dutch corporate income tax purposes rather than a cooperative association. In case the participation exemption should not apply, dividend received from Oikocredit and capital gains realised on the disposal of Shares will be taxable at the standard Dutch corporate income tax rates of up to 25% (rates applicable in 2012).

In view of article 4 of the Articles of Incorporation, individuals are in practice excluded from becoming or being a Member. Therefore we will refrain from describing the tax aspects for such a person of owning Shares.

#### *Non-Dutch residents*

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

In general, Dutch corporate income taxation will only arise in case the Shareholder holds a substantial interest in Oikocredit with the main purpose to evade individual income tax or dividend withholding tax at the level of another person and this interest is not attributable to a trade or business. A substantial interest will be present if a Shareholder has an interest of at least 5% in the annual profit or the liquidation proceeds of Oikocredit. The tax due may be mitigated if a tax treaty is in place between the Netherlands and the resident country of the Shareholder.

Furthermore, Dutch corporate income taxation will arise in case the Shareholder is engaged in or participates in a trade or business carried out through a permanent establishment or a permanent representative in the Netherlands to which the Shares are attributable, unless the participation exemption applies to the profits from the shares.

## Appendix 1

### Development Financing criteria

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

## First supplement regarding the offering to subscribe for shares issued by Oikocredit Ecumenical Development Cooperative Society U.A.

Dated 28 June 2012

This Supplement is to add the changes and additional information to the Board Members of Oikocredit after the election held on the Annual General Meeting of Oikocredit on June 15, 2012.

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This document is a supplement ("Supplement") to the prospectus prepared by Oikocredit Ecumenical Development Cooperative Society U.A. (hereafter "Oikocredit") dated June 15, 2012 ("Prospectus") which has been approved and registered by the Dutch Authority for the Financial Markets ("AFM") on June 15, 2012 in connection with the offering to subscribe for shares issued by Oikocredit. The prospectus was made public on [www.oikocredit.org](http://www.oikocredit.org).

This Supplement has been approved by the AFM on 28 June 2012. Such approval does not mean that the AFM guarantees the accuracy and completeness of the factual information in the Supplement. Solely Oikocredit is responsible for the content of this Supplement. Oikocredit declares that it has taken all reasonable care to ensure that the information contained in the Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its importance.

This Supplement shall be read together with the Prospectus in all respects, and definitions implemented in the Prospectus shall apply to the Supplement. The Supplement will be made public on [www.oikocredit.org](http://www.oikocredit.org).

Investors that have already agreed to purchase or subscribe for the shares or made an offer to conclude a contract regarding the purchase or acquisition of the shares prior to this Supplement being published, shall have the right to cancel the contract or withdraw the offer within two working days after the publication of this Supplement.

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### *Composition of the Board*

The following persons are a member of the Board as of June 15, 2012.

Dr. **Aris Alip PhD**, Board Member since 2008; Resignation in 2014.  
20 M.L. Quezon St., City Subdivision, San Pablo City 4000, Philippines.

### *Current position*

Managing Director Centre for Agricultural and Rural Development (CARD) mutually reinforcing institutions, Chairman of CARD bank, President of Card NGO, CARD MBA (Insurance) and Card Training Institute, Philippines

### *Organisations/supervisory bodies or partnerships*

- President of CMDI, Philippines
- Chairman Emeritus of RIMANSI, Philippines
- Board Member of CARD BDSFI, Philippines
- Member of Board of Trustee Southeast Asia Interdisciplinary Development Institute (SAIDI), Philippines
- Member of Board of Directors of Microventures, Inc. (MVI), Philippines
- Member of Board of Trustees of Microventures Foundation, Philippines
- Member of Board Trustees of APRACA CENTRAB, Philippines

- Vice-Chairman of International Cooperative and Mutual Insurance Federation (ICMIF), Philippines
- Member of Board of Trustees of Social Microfinance Foundation, Philippines
- Board member of MIDAS Inc., Philippines
- Former Board Member of SAMIC Microfinance Limited (former CHC MFI Ltd.), Cambodia
- Former Board member of Seilanithih Microfinance Limited, Cambodia
- Former member of Campaign for Client Protection in Microfinance, Philippines

*Specific areas of expertise and experience*

Microfinance practitioner/Rural Banker holding a doctor in Philosophy in Organisational Development South East Asia Interdisciplinary Development Institute, Antipolo Metro Manila Philippines and a master in professional studies in agricultural marketing from University of the Philippines in Los Banos Philippines

Mr **Matt Christensen (Vice President as from 15 June 2012)**, Board Member since 2008; Resignation in 2014.  
8 rue Jules Vallès, 75011 Paris, France.

*Current position*

Global Head of Responsible Investment at AXA Investment Managers, France

*Organisations/supervisory bodies or partnerships*

- Non-executive Director of Ludgate Environmental Technology Fund listed on AIM
- Non-executive Director of Munro Fundamental Tracker Fund, privately held
- Board member of AlphaMundi Promotheus, Switzerland

*Specific areas of expertise and experience*

Investments and Fundraising. He holds a MBA from the Wharton School/University of Pennsylvania, USA

Dr. **Nune Darbinyan**, Board Member since 2007; Resignation in 2013.  
Heratsistreet 18, apt 3, 0025 Yerevan, Republic of Armenia.

*Current position*

President NGO Eco-Globe; General Director Ecoglobe LLC. She holds a MS in Agronomy and Phytopathology from the Armenian Agricultural Academy Yerevan, Armenia and is a doctor of Agriculture, the Yerevan State University, Institute of plant protection Yerevan

*Organisations/supervisory bodies or partnerships*

- Member of International Association of Impact Assessment (IAIA USA)
- Member of Executive Board of International Association of Agricultural Medicine and Rural Health (IAAM RH)
- Founder and member of Board of Trustees of Armenia Organic Agricultural Foundation
- Member of Board of Directors of Association of Organic Producers and Consumers
- Member of Board of Directors of Regional Environmental Center of Caucasus
- Member and honoured ambassador of IHPA

*Specific areas of expertise and experience*

Management, economic development projects

Ms **Jacinta Hamann De Vivero**, Board Member since 15 June 2012; Resignation in 2015; eligible for re-election up to 2018.  
Av. Velasco Astete 1484, Int. 402 Urb. Chacarilla, Santiago de Surco, Lima, Peru.

*Current position*

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

*Organisations/supervisory bodies or partnerships*

Former board member of Promujer Peru

*Specific areas of expertise and experience*

Risk management, financial management, credit management, investment fund management and design of enterprise development programs in financial, fund management and administration trusts. She holds a masters in economics from the Pontificia Universidad Católica del Perú

Mrs **Kristina Hengren**, Board Member since 2007; Resignation in 2013.  
Fastingsgatan 71, 129 38 Hagersten, Sweden.

*Current position*

Director/ project leader of the Freja Foundation; She holds a MSc in Business Administration and Economics, French and English. Studies in Macroeconomics and marketing at the Concordia University Canada and Ecole Supérieure de Commerce Reims

*Organisations/supervisory bodies or partnerships*

- Member of the board of Ottoboni Group, Sweden
- Former member of the Board of the development fund of the Swedish Churches

*Specific areas of expertise and experience*

Management, development concepts, marketing and capital mobilisation

Mr **Richard Librock**, Board Member since 2011; Resignation in 2014; eligible for re-election up to 2017.

Co-operation Canada-Mozambique (COCAMO)

360 Bloor Street West, Suite 409, Toronto, Ontario M5S 1X1, Canada.

*Current Position*

Executive Director Co-operation Canada-Mozambique (COCAMO), Toronto, Canada.

*Organisations/supervisory bodies or partnerships*

None

*Specified areas of experience and expertise*

Experience in program management and organizational development, fundraising and microfinance.

Successfully expanded COCAMO's reserve fund more than ten times the size it was hired

Mr **Amulike Ngeliama**, Board member since 15 June 2012; Resignation in 2015; eligible for re-election up to 2018.

P.O. Box 10943, Dar es Salaam, Tanzania.

*Current position*

Managing Director and Chairman of MLUC SACCOS LTD, Tanzania

*Organisations/supervisory bodies or partnerships*

None

*Specific areas of expertise and experience*

Management, economic development projects, training and consultancy. BA Economics from the University of Dar es Salaam, Tanzania

Mr **Sergio Roschel**, Board Member since 2007; resignation in 2013.

Rue dos Cajueiros 86, Sao Bernardo do Campo- Sao Paulo, Brazil 09820-550.

*Current position*

Finance & Supply Director, Chief of the Presidents office and controller of the Methodist University of Sao Paulo, Brazil.

He holds a MSc in Business Administration of the Methodist University of Sao Paulo

*Organisations/supervisory bodies or partnerships*

None

*Specific areas of experience and expertise*

Experience in management, economic development projects, microfinance and financial management

Mrs **Salome Sengani (President as from 15 June 2012)**, Board Member since 2008; resignation in 2014.

PO Box 392, Douglasdale, Fourways 2165, Johannesburg, Republic of South Africa.

*Current position*

Business transformation programme of broadening affordable housing finance to poorer section of the Society

*Organisations/supervisory bodies or partnerships*

- Former Board member of Johannesburg Development Agency
- Chairperson of the Board of Thubelisha Homes (a not for profit agency owned by the Republic of South Africa)
- Board Member of Wizzit Bank, Republic of South Africa
- Board Member of National Sustainable Housing facility Drafting Group, Republic of South Africa

*Specific areas of experience and expertise*

Corporate strategy, Banker, holding a MBA degree from the university of Pretoria South Africa; professional nurse



Ms **Martina Straub**, Board Member since 2010; resignation in 2013; eligible for re-election up to 2016.  
Brunngasse 4, 8400 Winterthur, Switzerland.

*Current position*

Manager, Consultant and Coach at Changels GmbH, a small coaching and consulting enterprise for individuals leaders, teams or companies developing inspiring leadership or corporate culture. Manager at KaosPilots Switzerland

Ms Straub is holding a Masters degree of Arts in Marketing, Services and Communication Management from the University of St. Gallen. BA Business Administration Bachelor Program from the University of Applied Sciences and Arts of Lucerne

*Organisations/supervisory bodies or partnerships*

Board member of Oikocredit deutsche Schweiz

Retired in 2011 from project QlockS

*Specific areas of experience and expertise*

Investor relations and organisational development

Mr **Heinrich Wiemer**, Board Member since 2007; Resignation in 2013.

Avenida de Mayo 1480, 1085 Capital Federal, Argentina.

*Current position*

Founder of Capital Market Strategies GmbH, independent Strategy Consultant with focus on corporate development and capital market communication; He holds a MSc of the London School of Economics and a diplôme d' Etudes Supérieures Européennes de Management & Diplomkaufman (FH) of European Partnership of Business Schools and a Chartered European Financial Analyst, a diploma of the CSFB

*Organisations/supervisory bodies or partnerships*

Board member of World Microfinance Forum Geneva

*Specific areas of expertise and experience*

Finance and Accounting and investor relations

*Organisations/supervisory bodies or partnerships*

- Board member of World Microfinance Forum Geneva, Switzerland

*Specific areas of expertise and experience*

Investments and Fundraising. He holds a MBA from the Wharton School/University of Pennsylvania, USA

Information about potential conflicts of interest of the members of the Board between their respective duties to Oikocredit and their private interests and other duties is mentioned in the next paragraph. None of the members of the Board have received loans or guarantees from Oikocredit.

No members of the Board or management team members are entitled to invest directly in Oikocredit shares. However it is possible for the members of the Board to obtain and hold indirectly a limited number of depository receipts via the Oikocredit International Share Foundation, which invests in the Shares in Oikocredit U.A. or Oikocredit Netherland Fund or another Support Association. Through this indirect shareholding no Board member holds more than 0.1% of the outstanding Shares, as they are not eligible of becoming a direct member of Oikocredit. A Board Member can only acquire certificates of shares or depository receipts through Support Associations, or the International Share Foundation. There are therefore no voting rights in respects of these shares.

*Potential conflicts of interest of Board Members*

There are no potential conflicts of interest of the members of the Board between their respective duties to Oikocredit and their private interests and other duties. None of the Members of the Board have been convicted in relation to fraudulent offences for the previous five years. None of the Members of the Board have been associated, as members of the administrative, management or supervisory bodies or as senior manager, to bankruptcies, receiverships or liquidations for the previous five years. None of the Members of the Board have been involved in official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) for the previous five years. None of the Members of the Board have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the previous five years.

There are no family relationships between any of the Members of the Board and any of the members of the Management Team.

There are no service contracts providing for benefits upon termination of employment of the Members of the Board.