



# Investing for positive social impact

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

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

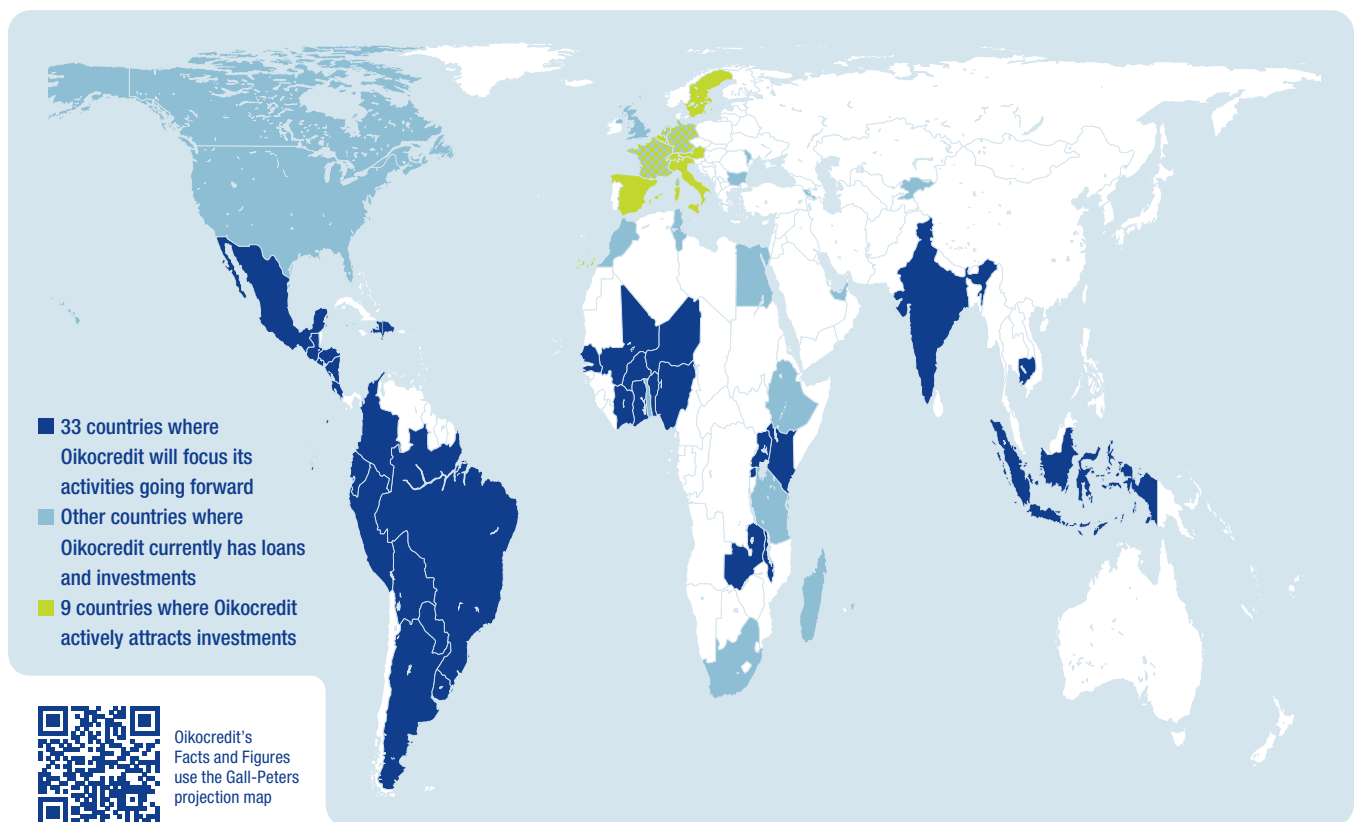
Oikocredit is financed by individuals and institutions who want to be part of a global movement for social change. Our investments prioritise social impact while safeguarding the environment and generating fair financial returns.

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

€ 1,084.7  
million capital outstanding

48,200  
investors

540  
partners



## Latin America Supporting coffee growers and their communities

Specialty coffee trader Caravela Coffee works with Latin American smallholder coffee farmers and their communities. An Oikocredit partner since 2019, Caravela sources high-quality coffee to sell to roasters in more than 25 countries. Besides international market access, it provides training and technical assistance, enabling growers to produce better-quality coffee and receive higher prices. Caravela runs local internships for young people, while its focus on women's participation and diversity ensures a respectful environment for all. Isabel Franco (pictured), a trained engineer with a background in the food industry, is Caravela's deputy manager for operations in Colombia and Ecuador.



# From the **Managing Director**

**F**or Oikocredit, 2023 was dynamic in many ways. From the start of the year, we set out to fully implement our new four-year community-focused strategy and roll out our new capital-raising model. We made commendable progress with both these major transitions, thanks to much hard work and dedication on the part of all concerned.

After a modest start, the community resilience-building projects we began to pilot in 2022 have multiplied. We see much potential in working with strategic partners and with carefully selected in-country organisations to finance and support access to education, water, sanitation, housing and community infrastructure that will sustain people in their communities in living better lives now and in the future.

Our new capital-raising model represents a historic shift. When Oikocredit began nearly five decades ago, individuals who wanted to invest directly in our cooperative's work were not able to. But now, with participations in place of member shares, this is possible. I hope this step-change will help take our capacity and impact to a new level while our support associations will provide the crucial link between our investors and ourselves and continue to act as ambassadors for Oikocredit's mission and vision.

We performed well – and not only in terms of change and risk management. In 2023 we took on more partners, grew our credit and equity portfolio, increased the number of capacity building engagements, and enlarged our social impact – reaching more women and rural communities, and expanding our support for off-grid renewable energy. Despite the economic headwinds and other challenges in the countries we operate in, we generated a modest positive financial result.

Organisationally, we invested in the development of staff, and we strengthened our cooperative mindset and culture by rewording our values and translating them into what we expect from ourselves in terms of day-to-day behaviour. We see this as essential to encourage, inspire and serve our partners, end-clients, members and investors even better.

Oikocredit continues to push the boundaries of impact investing and development financing. We continually seek innovative approaches and better ways to build on what we do well. This quest for constant improvement is part of Oikocredit's DNA and will, I hope, remain so for many years to come. The remarkable development of our Client Self-Perception Survey, whose third iteration we discuss in this year's Annual Report, is just one example of the way we lead in our sector.

At a time of so much hardship and turbulence worldwide – wars, unrest, coups and climate change – these are genuine achievements.

What will always continue is our commitment to people and communities with low incomes in Africa, Asia, and Latin America and the Caribbean. Communities such as the smallholder coffee growers and their families served by our partner Caravela Coffee in Colombia and Ecuador. Isabel Franco, featured

on this year's cover page and a trained engineer, is Caravela's deputy manager for operations. Caravela sources high-quality coffee to sell to roasters in more than 25 countries, providing technical support to help farmers produce better coffee for higher prices. Caravela's focus on women's participation and diversity helps create a respectful working environment, while its education programme and internships for young people benefit the wider community.

The need for sustainable impact and investment in lives, livelihoods and communities in emerging economies is still immense and growing. I believe we have the right strategy and capabilities to continue advancing our mission of responsible investing and helping people with low incomes build their resilience.

As always, we owe a huge debt to our members and investors, our strategic and donor partners, our credit and equity portfolio partners, our support associations and volunteers, our board members, and all our colleagues around the world. Their – your – commitment has made Oikocredit the unique organisation it is and can take our achievements even further.

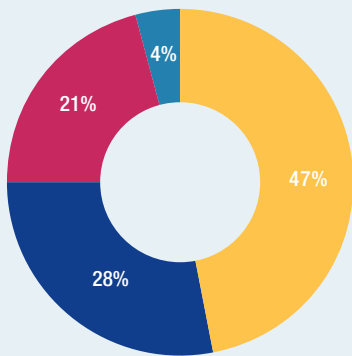


**Mirjam 't Lam**  
Managing Director

# Oikocredit at a glance

## Financing by region

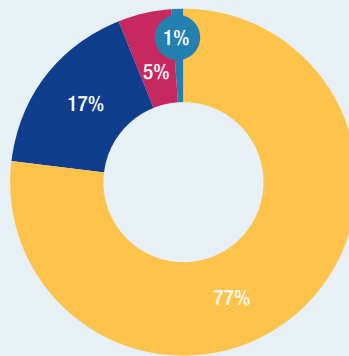
at 31 December 2023



■ Latin America and the Caribbean  
■ Asia  
■ Africa  
■ Other

## Financing by sector

at 31 December 2023

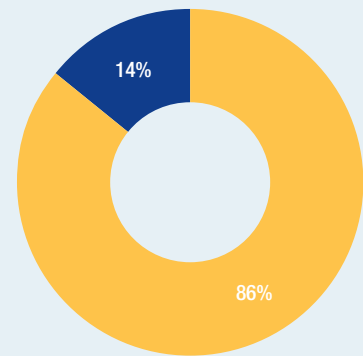


■ Financial inclusion\*  
■ Agriculture  
■ Renewable energy  
■ Other

\* including microfinance and SME finance

## Type of financing

at 31 December 2023



■ Loans  
■ Equity investments

## Key financial figures

at 31 December 2023

### Total assets

€ 1,156.9 million

### Total development financing outstanding

€ 1,084.7 million

### Net asset value per share

€ 214.03

### Member capital

€ 1,000.8 million

### Average outstanding financing per partner

€ 2.0 million

### Result (year-to-date)

€ 1.6 million



Learn more about the new way we calculate NAV! Click or scan the QR code for more details.

## Social and environmental performance

at 31 December 2022

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

### Clients reached by Oikocredit's financial inclusion partners

42.2 million

### Renewable energy

Households with access to clean energy

121,000

### % female clients

87%

CO<sub>2</sub> emissions avoided (in tonnes)

674,000

### % rural clients

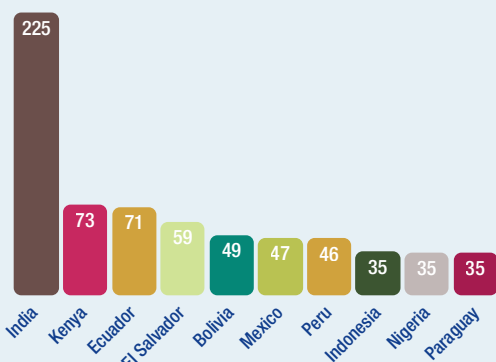
67%

### Farmers reached by Oikocredit's agriculture partners

2.59 million

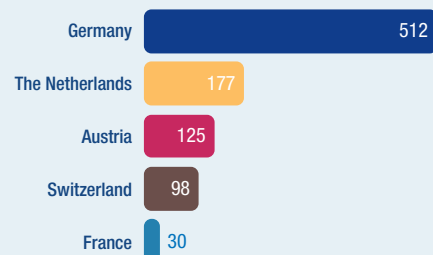
## Ten countries with highest capital outstanding

at 31 December 2023 – in € millions



## Five countries with highest member capital

at 31 December 2023 – in € millions



# Key ratios and figures

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

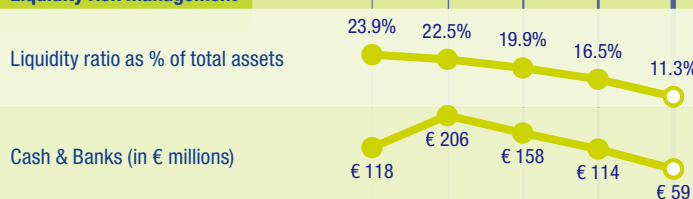
## Key quarterly ratios and figures

(year-to-date)

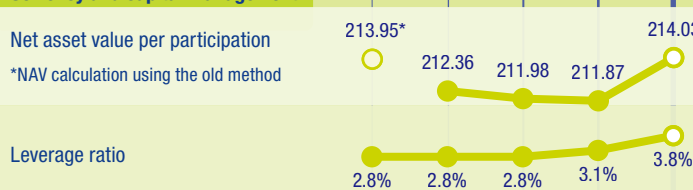
### Generating fair financial returns for investors



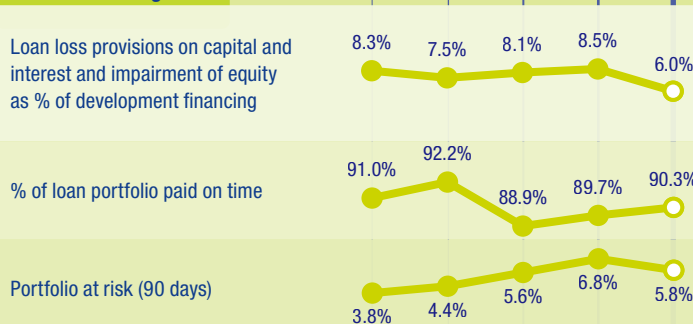
### Liquidity risk management



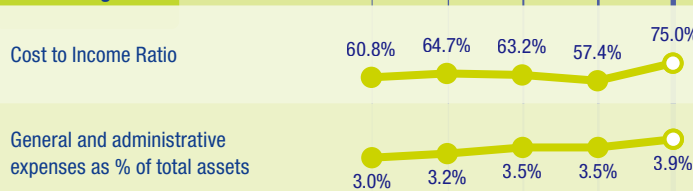
### Solvency and capital management



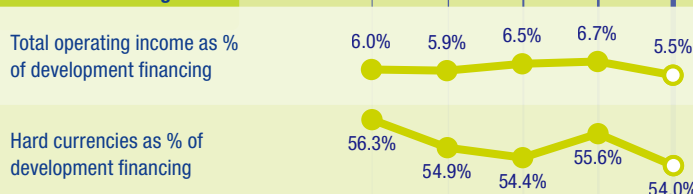
### Credit risk management



### Cost management



### Market risk management



### Commentary on key quarterly ratios and figures

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

**Generating fair financial returns for investors** In Q4 the return ratios on equity and assets both decreased compared to the previous quarter. This was mainly due to a reduction in income for the year. The Q4 2023 net result declined because of negative exchange rate differences, a rise in general and administrative expenses, additional loan loss provisioning and changes in our accounting.

**Liquidity risk management** The liquidity buffer continued the downward trend and reached 11.3% – still sufficient to support redemptions of participations and growth of the development financing portfolio. We renewed the € 70 million credit line and maintained adequate buffers. Cash & banks reduced to € 59 million (from € 114 million in Q3), mostly due to development financing portfolio growth (€ 47 million). Liquidity levels throughout the transition were sufficient to support the change to the new capital-raising model and portfolio growth.

**Solvency and capital management** Net asset value (NAV) per participation rose from € 211.87 in Q3 to € 214.03 in Q4 because of changes in the accounting methodology to increase transparency and consistency and comply with Dutch GAAP. The changes led to adjustments in our capital reserves and the composition of our equity and funds at group level, resulting in an increase of the NAV.

**Credit risk management** Total loan loss provisions (LLP) and equity impairments reduced in value to € 61.5 million (from € 88.4 million in Q3) and in relation to the total size of the development financing portfolio. This decrease was mainly the result of the changes in accounting methodology leading to a release of the country provisions. Equity impairments reduced by € 7.5 million following multiple equity exits and resulting in Q4 in a ratio for total LLP plus equity impairments to total portfolio of 6.0%. PAR 90 (portfolio at risk, measured as the percentage of outstanding partner loans with payments more than 90 days overdue) decreased to 5.8% from 6.8%, falling below the 6% threshold. The main causes were a PAR 90 decrease among Latin American and Caribbean partners and an increase of € 49 million in the loan portfolio across the regions. The percentage of the loan portfolio partners are repaying on time improved by 0.6% to 90.3%.

**Cost management** The costs-to-income ratio was under control, with a noteworthy one-off cost for the XOF (West African CFA franc) repatriation (€ 1.6 million) in the general and administrative expenses this quarter and negative exchange rate differences (€ 3.0 million in Q4). Operating income was penalised by the losses from equity investments and by yearly subsidiary hedge premiums paid for 2023 booked in December (an accounting change). Costs to assets increased to 3.9% for the same reason.

**Market risk management** Total operating income as a share of the development financing portfolio declined in Q4 from 6.7% to 5.4%, growing more slowly than the portfolio as whole.

# Five-year Oikocredit key figures

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

## Figures from the consolidated financial statements as at 31 December

	2023	2022	2021	2020	2019
Members	490	528	546	552	555
Investors (approximate number)	48,200	56,300	58,900	58,400	59,000
Outflow country and regional offices	10	13	14	14	15
Inflow offices	5	3	3	3	3
Support associations	20	22	22	22	24
National support offices and support associations	n/a	26	26	26	28
Staff members in full-time equivalents (FTE)	277	250	206	192	201
Partners in portfolio	540	519	517	563	674

## Keyfigures from the annual report in € millions

Total consolidated assets	1,156.9	1,252.5	1,258.1	1,241.7	1,310.4
Member and investor capital	1,000.8	1,110.7	1,129.0	1,104.1	1,129.8
Other funding	104.0	100.5	88.0	109.3	141.4
Total funds available for investing	1,104.8	1,211.2	1,217.0	1,213.4	1,271.2
Development financing activities					
New disbursements	530.5	408.5	474.1	243.5	404.5
De/Increase in disbursements (%)	29.9%	-13.8%	94.7%	-39.8%	-9.0%
Cumulative disbursements	5,856.2	5,325.7	4,917.2	4,443.1	4,199.6
Total cumulative payments (capital, interest and dividends) by partners	5,516.1	5,030.1	4,572.4	4,168.7	3,728.7
Total development financing outstanding	1,084.7	1,007.2	995.9	845.1	1,064.6
As % of total funds available for investing at 1 January	89.6%	82.8%	82.1%	66.5%	86.6%
Portfolio at risk 90 days	5.8%	3.8%	5.5%	5.8%	5.4%
Loan loss provisions on capital and interest and impairment of equity	64.6	69.5	96.7	109.9	97.3
Loan loss provisions on capital and interest and impairment of equity as % of development financing outstanding	6.0%	6.9%	9.7%	13.0%	9.1%
Write-offs of capital charged to loan loss provisions	11.1	28.2	12.8	12.9	5.7
As % of development financing outstanding loan portfolio	1.2%	3.3%	1.5%	1.9%	0.6%
Term investments	-	-	214.4	182.8	139.8
Total financial income	91.8	105.0	69.3	78.6	98.1
General and administrative expenses	44.6	36.8	29.5	29.1	31.5
As % of total assets	3.9%	3.0%	2.3%	2.3%	2.4%
General and administrative expenses excluding grant-based expenses	43.5	36.2	29.1	28.4	30.7
As % of total assets	3.8%	2.9%	2.3%	2.3%	2.3%
Impairments and additions to loss provisions	-10.8	-11.6	-1.8	33.0	23.1
As % of development financing outstanding	-1.1%	-1.2%	-0.2%	3.9%	2.2%
Net income available for distribution	1.2	6.8	15.3	(22.2)	14.3
Dividend	5.3	5.6	5.6	0	0

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