



**Growing in
challenging times**

Text and production

Oikocredit heads of departments and staff,
Stampa communications

Photographs

Antonio Suárez, Linde Janke (cover),
Oikocredit support associations and members,
project partners and Oikocredit staff

Design

Xplore Hoevelaken

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Cover photo

"We are hard-working and therefore we are not afraid that we cannot pay back the loans."

HOFOKAM provides group and individual loans to poor, rural microentrepreneurs in Kabarole District, Western Uganda. In December, the Nyamugoro Kyatwa Bakyara village bank received the first loan from HOFOKAM enabling Evelyn Businge, mother of five, to buy materials for her handicraft business. Evelyn sells only four baskets a day at the local markets. To make ends meet, she raises goats and chickens in her garden and cultivates one acre of banana plantation. Evelyn is the secretary of the village bank; a position she never imagined she would have, but makes her feel proud and useful for her community. HOFOKAM will use financing from Oikocredit to increase its portfolio in rural areas, reaching 48,000 clients not served by other MFIs.

LETTER

FROM THE PRESIDENT

Dear stakeholders,

In 2009, the effects of deteriorating demand for products and services were felt in almost all corners of the world. As a result, the clients of Oikocredit's partners, the ultimate beneficiaries, could have found themselves confronted with the risk of not being able to repay their debts and a return to poverty. However, it is encouraging to see that the vast majority of small businesses and individual entrepreneurs that rely on Oikocredit's loans or investments showed resilience. I am proud of the way they, our direct partners and staff, have weathered the financial crisis.



Meanwhile, measuring and proactively demonstrating social return on investment has become increasingly important. Oikocredit has allocated more staff and resources to this area, also known as social performance management. It will continue to be an important strategic focus of our work, because after all, our mission is ultimately a social one.

Also high on Oikocredit's agenda is women's empowerment because it is such an essential component in the fight against poverty. Our commitment to raising gender awareness and promoting equality was reflected in the 'Empowering Women' symposium held in the Netherlands, in June 2009.

The availability of microfinance for women not only contributes to increased economic stability and independence, but correlates with better health and nutrition for women and their families. We are actively supporting the development and implementation of gender policies in our partner microfinance organizations, helping ensure that women have equal rights and opportunities to access microfinance.

Before concluding, I would like to pay tribute to two dear and valuable colleagues we lost last year. The sudden and tragic death of Patrick Mabuela, our country manager in South Africa, deeply affected us all. Patrick had a heart for

the poor and worked to create a better South Africa, especially for the marginalized and disadvantaged. Our regional manager in India, Suvarna Rani Gandham, passed away after a long illness. Suvarna courageously continued working during her illness and the message came as a deep shock to us. We will remember Suvarna as a kind, warm and hardworking colleague who was committed to building a large microcredit portfolio in India and making Oikocredit visible across the country.

In closing, I'd like to thank everyone involved with Oikocredit for their ongoing dedication and hard work. Together we will continue in pursuit of the vision to invest in others and reach out to those yet unreached.

With God's blessings and warm regards,

Dr. Shobha Arole,
President of the board of directors

Report of the board of directors

We present the annual report and consolidated financial statements of the Society for 2009. This report highlights the most important developments during 2009.

OIKOCREDIT IN 2009: GROWTH IN A YEAR OF CRISIS

Oikocredit experienced a very intense year. We had to fulfil our mission in the midst of the financial crisis and were struck when two of our managers passed away. Despite these difficult circumstances, our staff remained very committed and our risk management systems proved effective. We even saw continued growth in the midst of these challenges. Capital inflow reached a record high, overall social and financial results were solid and our cash position – including term investments – improved considerably.



FIE, Bolivia:
Karina Cori (left) and
Juana Mayta Wanka

Development financing

The year 2009 was an extraordinary one that began with great uncertainty. During the first two quarters we purposely slowed down commitments to new loans because of strong signs that our capital inflow might slow down due to the global recession. A moderate decline in demand from our microfinance clients in the first and second quarters seemed to confirm that consolidation was the appropriate approach. In mid-2009, however, capital inflow started to increase significantly. We responded by removing restrictions on loan approvals and temporarily extended more premium loans (which are larger and better priced than regular loans) to large microfinance institutions (MFIs) with a clear focus on poverty alleviation.

Our strategy and response to changing circumstances led to healthy portfolio growth. Oikocredit's development financing portfolio expanded by 8% to € 394 million at year end.

€ 1 billion in loans and investments

In December 2009, Oikocredit reached the landmark of € 1 billion cumulative loans and investments since its operations began in 1975. Over the past 34 years tens of millions of people have moved out of poverty with help from capital provided by Oikocredit.

Approvals and disbursements

Our focus on consolidation and the deliberate reduction of new loan volume in the first quarters of 2009 resulted in lower levels of approvals and disbursements. We approved € 154 million in new loans (down 13% from 2008) and disbursed € 142 million (down 22% from 2008).

Quality of portfolio: repayment performance and monitoring

The quality of the outstanding portfolio (loans and equity investments) deteriorated less than could be expected in

a year of recession. The portfolio at risk ratio (PAR), which indicates the percentage of the portfolio with outstanding payments of more than 90 days late, increased to 6.2% by end 2009, up from 4.2% the previous year. Write-offs on capital were once again very low at 0.1% of the total development financing portfolio at year end.

Equity investments

Oikocredit's equity portfolio, consisting of direct investments in microfinance institutions and small and medium-sized companies, continued to grow in 2009. Our total equity investments (disbursed and committed) amounted to € 32 million at year end, up from € 28 million in 2008. In 2009, we set up the Oikocredit Seed Capital fund (OSCap), a vehicle that Oikocredit and other investors use to invest in projects that are exceptionally risky yet likely to make a significant social impact in developing countries. OSCap will begin investing in projects in 2010.

Focus countries

In line with the board's decision made in 2008, we closed our country offices in South Africa and Indonesia in 2009. Based on our firm commitment to support African countries, we plan to open offices in Nigeria and Mozambique in 2010.

Meso financing

Oikocredit aims to further develop its 'meso' financing. Meso financing consists of loans and investments of amounts slightly higher than those in the microfinance segment. It is typically provided to organizations such as agricultural cooperatives, dairy factories, coffee processing plants and fair trade organizations. Oikocredit already has a substantial portfolio of more than 245 such meso projects and intends to further strengthen this part of its portfolio.

Our strategy led to healthy portfolio growth

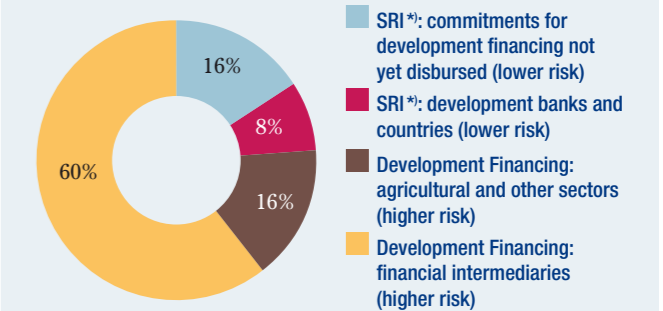
Term investments

For liquidity, risk management and diversification purposes, Oikocredit invests part of its assets in what we call 'term investments'. For the most part, these are fixed income investments such as bonds issued by development banks and developing countries or bonds issued by corporations that meet our criteria. As a result of the financial crisis, the yield of government and government-guaranteed bonds decreased to extremely low levels. This trend was offset by exceptionally high yields on corporate bonds. Interest rates declined in 2009, while the risk premium paid on corporate bonds also decreased significantly. Overall, these developments resulted in a significant increase of the value of our Term Investment Portfolio during 2009, by approximately € 7 million compared to the end of 2008. In 2009 we sold the remainder of our investments in equity funds, limiting our term investments to bonds only.

2009 in graphs

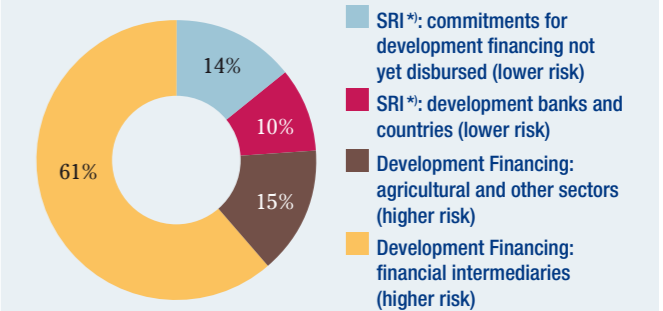
Investment mix Oikocredit Invested Funds 2009

As of 31 December 2009



Investment mix Oikocredit Invested Funds 2008

As of 31 December 2008



*) SRI = socially responsible investments

Portfolio at risk and write-offs

As % of total development financing
As of 31 December



The 4F-Fund which Oikocredit developed and manages, consisting mainly of our term investments, was once again among the top performers of 2009 compared to similar ethical bond funds. Measured over a 5-10 year period, the 4F-Fund showed the best performance among such funds.

Inflow of new capital

After a slowdown in 2008, capital inflow grew by 89% in 2009, reaching a record of € 62.9 million. This is the result of:

- our investors' continued trust in our organization as a result of Oikocredit's stable financial performance;
- the tremendous efforts of support associations to raise new capital;
- the investments made in capital mobilization activities.

Income statement 2009

Financial income

The growth of our development financing portfolio, offset somewhat by the effects of – on average – lower interest rates and exchange rates than in 2008, led to an increase in related income by 13%.

The total return (net interest as well as revaluations) on our term investment portfolio was approximately 10.5%, compared to 3.8% in 2008.

Financial expenses and addition to loss provisions

Hedging expenses and currency fluctuations were significantly higher than in 2008, mainly as a result of local currency hedging costs, as well as exchange rate differences on local currency loans. The differences between local currency hedging costs and exchange rate effects on local currency loans are either added or charged to our Local Currency Risk Fund.

Positive change in the lives of the working poor

Interest paid during 2009 was significantly lower than in 2008 due to our improved cash position and lower market interest rates.

In 2009, we added € 8.1 million to our loss provisions, the equivalent of 22.5% of our development financing income (2008: € 5.8 million, or 18% of our development financing income). This addition was higher than in 2008 due to the increase of the 'portfolio at risk 90 days ratio'.

Operational expenses

Expenses were up approximately 15%. As a percentage of total income, expenses were slightly higher than in 2008

(2009 approx. 37%; 2008 approx. 36%). Our direct development financing expenses and overhead were however somewhat lower as a percentage of development financing income, but total expense ratios were higher, as we invested quite significantly in capital mobilization.

Results of business units

The activities of Oikocredit are divided into three business segments:

- loans and investments (direct project financing);
- term investments (bonds and shares);
- non-banking activities (representing capacity building activities and 'model costs' that are covered by grants).

	Loans and investments	Term investments	Non-banking (results added to funds)
EUR million (€)			
2009	8.4	10.3	4.8
2008	11.1	1.8	1.2

The net result of our Loans & Investments department was € 8.4 million (2008: € 11.1 million), approximately 2.1% of the average outstanding portfolio. Net results were affected by higher additions to loss provisions and higher expenses charged to the department, especially for capital mobilization costs. Included in these results is a net income of € 1.3 million (2008: € 0.9 million) of our subsidiaries in India (Maanaveeya) and Ukraine, who increased their portfolio and efficiency.

The net result of our term investments increased to approximately € 10.3 million (2008: € 1.8 million) thanks to unrealized revaluations of the portfolio (also see section 'Term investments' in this report).

The results of non-banking activities are added to – or released from – designated grant funds within the Support Foundation.

Dividend and addition to reserves

The board of directors will propose a dividend of 2% at the annual general meeting in June 2010. We will propose to add the remaining € 12 million to the general reserve. A considerable part of this addition to our general reserve represents unrealized revaluations of term investments and unrealized exchange rate differences and will be designated for future unrealized revaluations of term investments and exchange rates.

Taxes

Our subsidiary in India has to pay taxes on its net income at the tax rate applicable for Indian companies. We filed final tax returns for our Chilean activities in previous years up to 2008. All remaining tax issues were resolved with the Chilean tax authorities during 2009. We do not pay any taxes on the remainder of our net income as it is subject to a tax ruling in

the Netherlands. During 2010 we will review our tax ruling with the Dutch tax authorities.

In 2009, a revised inheritance tax law took effect in the Netherlands. As a result, gifts and inheritances to the Oikocredit International Share Foundation will no longer be eligible for tax breaks as of 1 January 2010. We are still discussing the eligibility of gift and inheritance-related tax relief for the Oikocredit International Support Foundation with the tax authorities.

Empowering women in developing countries

Cash and currency management

Cash position

Investments in our development financing portfolio slowed down, while capital inflow grew considerably in 2009. As a result, Oikocredit had a healthy cash position by end 2009, allowing us to refrain from using our credit lines with financial institutions.

Financing of Maanaveeya (India) and Ukraine activities

In December 2007 the Oikocredit board agreed to invest an additional US\$ 45 million in equity and compulsory convertible bonds issued by Maanaveeya, our Indian subsidiary. We invested approximately US\$ 40 million by the end of 2009 and the remainder will be invested in early 2010. To finance further growth, Maanaveeya secured a new loan facility with ING Vysya Bank. Additional new loan facilities for 2010 are being discussed with Standard Chartered Bank and ING Vysya Bank. Our local subsidiary in Ukraine agreed on a loan facility granted by the JCS Erste Bank (Austria) for UAH 3 million (€ 0.3 million).

Local currency lending

Our local currency exposure did not increase as rapidly during 2009 as in previous years, mainly as a result of a slowdown in disbursements, and increasing repayments. We therefore have sufficient funds available in our Local Currency Risk Fund and with TCX (The Currency Exchange Fund N.V.) to hedge the expected increase in local currency.

Hedging of US dollar exposure

Oikocredit increased US dollar exposure hedges to around 90% of total exposure. We are currently reviewing our hedging instruments and systems with external experts.

Social performance management

Oikocredit changed its organizational structure in response to the expansion of our activities and portfolio over the past years and to accommodate our strong focus on social performance management. For Oikocredit and its

investors, it is essential to know that investments lead to positive change in the lives of the working poor. Over the past few years, we took several steps to assess the social performance of our more than 500 partners in microfinance, in addition to increasing data collection and analysis of the type of clients we finance. An example of this is the Progress out of Poverty Index™.

We also took the initiative to play an active role in preventing over-indebtedness among borrowers. Building on this, we sponsored Microfinance Transparency, an organization promoting transparency about the effective interest rates charged to clients by microfinance institutions. We also support the Campaign for Client Protection in Microfinance, an initiative to protect the interests of clients.

The French organization CERISE conducted a social audit on Oikocredit, the first of its kind worldwide. The outcome of the audit was positive, while indicating some points for improvement which will be analyzed and addressed in the near future.

Gender awareness

Oikocredit has always focused on empowering women in developing countries, and it is essential for us to know that our partners around the world share this vision. In 2009 we published an international study on, among other things, the role of microfinance on women's empowerment. The 'Women's Empowerment' report was presented in June to Princess Máxima of the Netherlands, UN Advocate for Inclusive Finance for Development. To further raise awareness about gender issues within Oikocredit, we approved a gender policy and started offering gender training to staff.

Other important developments

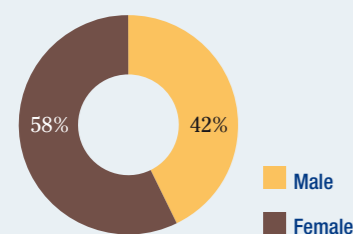
Human resource management (HRM)

In 2009 183 (2008: 191) people were directly or indirectly employed by Oikocredit (in full-time equivalents). The reason for decline in staff numbers relates to the close down of the South African and Indonesian offices as well as functions that were temporarily not filled. In order to increase the expertise of our staff, we decided to allocate 3.5% of our total staff budget per year for training purposes. We changed our organizational structure to support our strong focus on social performance management.

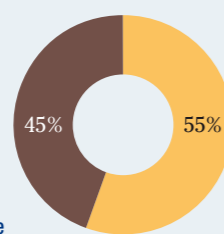
Oikocredit staff overview

As of 31 December 2009

Division of staff
by gender



Division of management
by gender



Oikocredit employs staff from more than 45 nationalities.

Audit committee

The Oikocredit audit committee met with the Oikocredit board and management twice in 2009. The key items reviewed were Oikocredit's financial statements, the effect of accounting policy changes, our subsidiaries, internal audit plans and reports and internal control structures. A review of the risk management process, key risk indicators, compliance and business continuity are recurring agenda items during these meetings.

ICT developments

The social and financial monitoring support system for the regions was implemented in our regional offices during the year, making the monitoring process more efficient. During 2009 we continued implementing the recommendations of the support associations to introduce a new common investment administration system. The system requirements inventory and the selection of a software developer were completed in 2009. The further development and implementation of the new system is ongoing in 2010.

Strengthening support associations

During 2009 we continued to strengthen and professionalize our support associations, focusing on governance, marketing, and planning.

Outlook 2010

Oikocredit strives to achieve 10% to 15% growth of its development financing portfolio in 2010. To meet this objective, we will invest in new offices, particularly in Africa and Asia, and conduct several market studies. We aim to increase our support for agricultural projects, as many of the poor live in rural areas. In developing our policy for the agricultural sector, we will also address environmental issues, including climate change.

We will continue to closely monitor our portfolio to ensure a swift and effective response should the portfolio at risk ratio increase further.

Oikocredit will restrict costs in almost all areas, but will invest more in our support associations and marketing in general, in order to further increase the growth of capital inflow.

Oikocredit will develop a new three-year strategy, to become effective 1 July 2010, when the previous three-year strategy expires. The new strategy plan, called FUTURA III, will be developed by a working group representing all major Oikocredit stakeholders and will be presented to the board and membership at the annual general meeting in June 2010.

Preventing over-indebtedness among borrowers

Support for social investment

We are proud that we achieved growth in a year of global economic difficulties. Despite the recession, large numbers of individuals and institutions invested in our mission to empower poor people. Oikocredit is the only international development finance institution that has a close-knit network of regional offices and experts who understand the local culture and know their customers. This allows us to work with partners who provide people in the poorest areas with loans, where both the risks and the social returns can be high. It is our mission to work in difficult areas often avoided by others.

Oikocredit is committed to upholding professional operational standards, encouraging the financial sustainability and social mission of its partners. We allocated more staff and resources to social performance management and investor relations, allowing us and our peers to improve, demonstrate and measure social return on investment.

We are confident we will continue to grow and reach more people, alleviating them from poverty. We thank our members, individual and institutional investors, staff, volunteers and other stakeholders for their support of Oikocredit and its mission.

India, February 2010

Shobha Arole
President of the
board of directors

The Netherlands, February 2010

Tor G. Gull
Managing Director

FIVE YEARS OIKOCREDIT CONSOLIDATED FIGURES

Figures represented in 2005 and 2006 are not amended to the changed accounting principles and therefore not fully comparable with 2007 to 2009.

	2009	2008	2007	2006	2005
Members	604	600	598	585	582
Regional offices	9	11	11	11	11
Country representation (outside regional offices)	24	25	23	18	17
Staff members in full-time equivalents ¹⁾	183	191	160	137	122
Projects in portfolio ²⁾	790	739	637	561	467
EUR million (€)					
Total consolidated assets	537.5	475.8	421.5	345.3	307.7
Euro member capital	377.5	326.0	293.9	262.1	227.5
Member capital in foreign currencies	28.8	24.6	24.8	14.2	14.3
Other lendable funds ³⁾	60.5	48.4	44.0	28.4	24.2
Total lendable funds	466.8	399.0	362.7	304.7	266.0
Project funding activities in the year					
New approvals in the year (at year end exchange rates)	153.6	181.8	159.5	116.7	90.3
Increase % approvals	(15.5%)	14.0%	36.7%	29.2%	98.5%
Cumulative approvals	1,003.5	849.9	668.1	508.6	391.9
New disbursements in the year (at year end exchange rates)	141.7	177.8	135.3	93.7	71.6
Increase % disbursements	(20.3%)	31.4%	44.4%	30.9%	118.3%
Cumulative disbursements	843.0	701.3	523.5	388.2	294.5
Repayments in capital in the year	108.0	77.5	60.6	38.8	31.5
Payment of interest and dividends in the year	34.7	29.0	38.6	12.1	10.1
Total cumulative payments by projects	579.4	436.7	330.2	231.0	180.1
Total development financing outstanding	393.8	365.1	274.0	207.8	162.6
As % lendable funds (beginning of year) at year end exchange rates	98.7%	100.7%	89.9%	78.1%	73.6%
Loss provisions As % of project funding outstanding (financed by own funds) ⁴⁾	12.1%	10.9%	13.3%	15.3%	18.4%
Portfolio at risk	6.2%	4.2%	8.0%	9.8%	14.8%
Risk coverage ratio	195.6%	260.0%	166.1%	155.6%	124.1%
Write-offs charged to loss provisions in € mln	0.9	2.0	1.3	1.9	1.2
As % of development financing outstanding	0.2%	0.5%	0.5%	0.9%	0.7%
Total income ⁵⁾	40.6	36.0	40.7	22.6	19.3
Expenses ⁶⁾	12.5	11.5	8.7	7.8	7.1
As % of Development Financing Income	34.7%	35.9%	25.4%	49.4%	55.9%
As % total assets	2.3%	2.4%	2.1%	2.3%	2.3%
Additions to loss provisions	8.1	5.8	7.1	5.6	5.6
As % of Development Financing income	22.5%	18.1%	20.8%	35.4%	44.1%
As % total assets	1.5%	1.2%	1.7%	1.6%	1.8%
Net income (available for distribution) ⁷⁾	19.3	11.4	13.1	8.5	6.2
Proposed dividend	7.4	6.6	5.8	5.1	4.3

¹⁾ Including staff employed by the regional offices and national support offices.

²⁾ Projects in portfolio include project financing outstanding as well as projects currently in the process of disbursement, and excludes repaid, written-off or cancelled projects.

³⁾ Other lendable funds are general reserves and non current liabilities (excluding hedge contracts and other liabilities).

⁴⁾ A part of our projects are financed by third parties. The write-offs include capital and interest.

⁵⁾ In 2007 the gain on shares sold in Banco del Desarrollo is included.

⁶⁾ Excluding Support Foundation expenses covered by grants.

⁷⁾ Refer to Society Income Statement.

Loans & Investments

Oikocredit's Loans & Investments department is responsible for our core activity: providing finance to empower the poor and underprivileged.

RESPONDING SWIFTLY TO CHANGING CIRCUMSTANCES FROM CONSOLIDATION TO GROWTH

Faced with difficult economic circumstances, Oikocredit and its partners demonstrated resilience and flexibility. We moved from a policy of consolidation in the first half of 2009 back to a strategy of growth in the latter half, responding effectively to changing circumstances and achieving healthy portfolio growth.

The Loans & Investments department adopted a consolidation strategy in early 2009, responding to slower capital inflow and diminishing demand from our project partners. In autumn 2008, we decided to prioritize loans to existing partners and reduce the cap on new loans to € 1 million. We also postponed the opening of Kyrgyzstan as a new focus country. This culminated in fewer projects being approved in the first half of 2009 and a slower accumulation of our pipeline of new project partners. The number of clients benefitting from investments by Oikocredit and its partners increased to 17.5 million from 15 million in 2008.

Revived capital inflow

In summer 2009, circumstances for most microfinance institutions and businesses stopped deteriorating. Simultaneously, our capital inflow picked up, allowing us to shift back to moderate growth. We lifted restrictions on loan approvals and as a result total approvals more than doubled in the second semester. The average loan amount was 4% lower at € 659,000 compared to € 683,000 in 2008. The pipeline of applications for

new loans and investments at our regional offices also started to fill up again. By end 2009 we were back on track and able to grow with our project partners where required.

During the year the quality of our portfolio remained solid given the difficult economic circumstances. Portfolio at risk ratio (PAR), increased from 4.2% end of 2008 to its highest point of 6.9% in August 2009, but then dropped again to 6.2% by the end of 2009. Under normal economic conditions the increase would be alarming, but we consider this figure acceptable in light of the serious impact of the financial crisis on many of our partners. We continue to prioritize diligent monitoring of loans and introducing corrective measures to help our partners overcome repayment difficulties.

Portfolio mix

One of Oikocredit's objectives is to expand its services beyond microfinance. We are exploring ways to intensify our role in the agricultural sector, for example by servicing farmer organizations and small enterprises processing crops. The majority of the poor in developing countries live in rural areas, and therefore agricultural investments can positively impact people's well-being. We developed concrete plans for further expansion in 2010. In 2009 the share of our non-financial sector activities increased slightly to 20.4% (2008: 20%). Agriculture, processing and other industrial activities grew by 19% to a total € 48 million. The continent with the highest share of portfolio in agriculture is Latin America, followed by Africa and the Eastern European region.

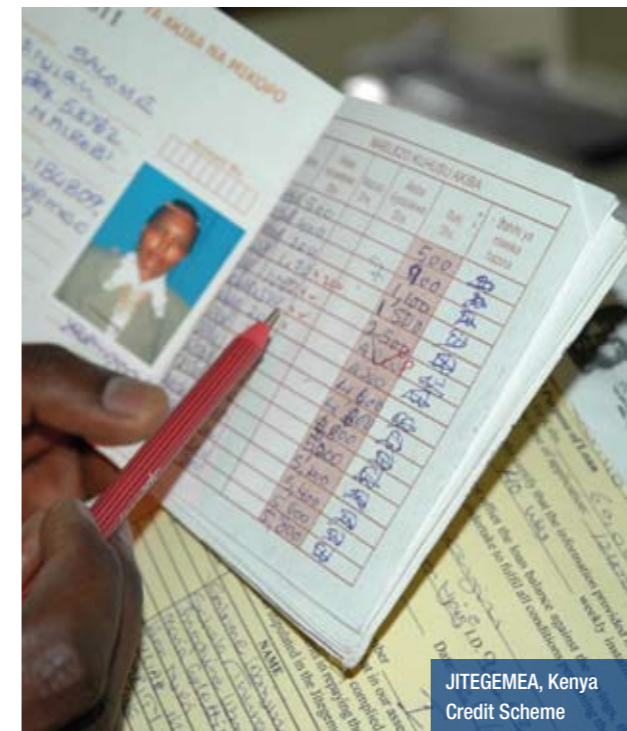
Oikocredit has also placed the environment higher on the agenda. We created an environment and climate change 'taskforce' that will identify opportunities to support projects focussing on renewable energy, energy reduction or sustainable production. We will also review our existing investments, to ensure they all meet environmental standards. In Latin America we are helping protect biodiversity through our support of Forescom, a community-based company specializing in sustainable forestry management in Guatemala.

Regional developments

Asia continues to have the fastest portfolio growth. Disbursements by our regional office in India totalled

Africa's share slightly increased by one percentage point to 15%. Oikocredit's strategy in Africa is to grow in our existing focus countries through continued participation in large and small MFIs and engagement in more agricultural projects. In addition to this, we intend to grow through geographic expansion to new focus countries such as Mozambique and Nigeria. As announced in last year's report we closed our office in South Africa due to below standard portfolio performance and low demand, and to free up resources for expansion to other African countries.

By end 2009 we were back on track and able to grow



JITEGEMEA, Kenya Credit Scheme

In line with our strategy to decentralize wherever feasible, we promoted the regional office for East Africa, which serves Kenya, Uganda and Tanzania, to regional development centre (RDC) effective 1 January 2010. The RDC status allows for in-country decision making, facilitating quicker and expanded approvals and disbursements. This will increase our outreach to the poor in the region.

Equity investments

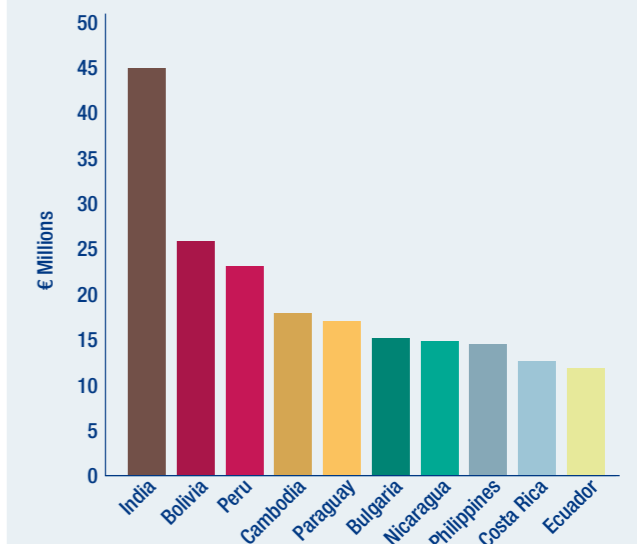
Oikocredit's equity investments unit shifted focus in 2009 from portfolio growth to portfolio consolidation. Equity investments consist of direct investments in microfinance institutions (MFIs) and small and medium-sized companies. The equity team assisted our partners in raising additional capital where needed and strengthening risk management. Additionally, two new funds were successfully launched - the Oikocredit Seed Capital Fund (OSCap) and the Barefoot Power Trade

€ 25 million, an increase of 75%, bringing Asia's representation in our global portfolio to 28%. Growth continued despite the closure of our Indonesian office, in line with a board decision made in 2008.

Latin America saw its share increase in 2009 by two percentage points to 42% after years of gradual decline. This is attributed to growth in South America, notably Paraguay and Peru.

In Europe and Central Asia, the gradual shift from EU accession countries to the East continued. Project partners in Romania, Bulgaria and the Balkans are gradually gaining access to commercial bank loans at affordable rates and are being replaced by new partners in Moldova, the Caucasus and Central Asia. The CEE portfolio represented 13.8% of our total portfolio.

10 countries with highest capital outstanding As of 31 December 2009



Finance Fund (BTF). OSCap is a € 5 million fund open to Oikocredit and other investors, with the objective to invest in small social enterprises that are high risk but have good prospects for exceptional social rewards. BTF was launched together with other investors to assist Barefoot Power, a distributor of solar power lamps to households in Africa and Asia.

The Loans & Investments department, formerly known as Credit Operations, was renamed in July 2009

Outlook 2010

Growing our African portfolio will remain a major priority in 2010. Oikocredit is also committed to further expanding its non-financial services, which consist of services to organizations other than microfinance institutions, such as agricultural cooperatives and small businesses. We are also reinforcing our capacity for equity investments and expect the first seed capital investments to come through in 2010. ■

Project criteria

Oikocredit extends loans, equity investments and other types of financing to:

- Projects and small and medium enterprises that create jobs and income for groups of disadvantaged people.
- Cooperative structures preferably because disadvantaged people can participate directly in the operation and management of the business.
- Projects where women are influential in management and / or implementation.
- Projects that pay attention to the environmental implications of their activities as well as animal welfare.
- Projects that are or can soon become financially sustainable and have suitable management in place.
- Projects with 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.



BAREFOOT POWER,
Uganda
Harriet Kalimera

CRISIS HITS CONTINENT LATIN AMERICA



“This loan made the difference”

JOPOI, Paraguay
Daniela Martinez

Macroeconomic activity in Latin America contracted in the fourth quarter of 2008 and the beginning of 2009. Microfinance client households were hit hard by the crisis due to high food prices, severe economic contraction in the construction and manufacturing sectors, massive job losses and lower remittances.

Demand for Oikocredit loans stalled in the first half of 2009 across the continent due to the economic slowdown. In the third quarter however demand for microfinancing increased significantly, allowing our regional offices to achieve most of their goals for 2009. The South American southern region expanded by 24%, while its northern counterpart increased 12%. The region of Mexico, Central America and the Caribbean grew by a moderate 5%. The Latin American share of the total Oikocredit portfolio grew to 42% from 40% in 2008.

Hardship

Oikocredit's microfinance partners in Peru and Colombia imposed moratoriums on portfolio growth after the risk indicator of their portfolios (PAR) increased rapidly. In Nicaragua, MFIs were confronted by protests, as borrowers claimed interest rates were too high. The protests were violent at times and apparently politically driven, subsiding in early 2010 after political backing dissolved.

Supporting women in Latin America

One of the highlights of microfinance sector activities in Latin America in 2009 was the implementation of GALS (Gender Action Learning System). GALS is a methodology that helps women reflect on their lives and gender differences, encouraging them to improve their situation. FINCA Peru and Movimiento Manuela Ramos, two Oikocredit partners, organized an international GALS workshop in Colombia, attended by 35 staff members of 24 Latin American MFIs.

Another project partner with a special focus on empowering women in rural areas is JOPOI in Paraguay. JOPOI's target group is composed of 1340 micro-businesses, primarily run by female entrepreneurs who work in trade, small manufacturing, craftwork and services. JOPOI services women owned micro-businesses that lack access to other sources of credit.

Regional prospects

In the coming years Oikocredit plans to become increasingly involved in community-based agriculture, food processing and renewable energy projects, particularly in Latin America. There is a need for modern businesses that are transparent, create jobs, add local value and embrace the triple goals of economic, social and environmental development. Oikocredit is committed to supporting these businesses. ■



Empowering African women

Thanks to small loans from PAWDEP, one of Oikocredit's microfinance partners in East Africa, women can cultivate food crops, producing enough for their own consumption while selling the surplus at nearby markets. In addition to making loans to its 50,000 clients, PAWDEP provides professional business training for farmers and is committed to women's empowerment and education. Its staff attended Oikocredit's 'Empowering Women' seminar and several of our summer training programmes in 2009. One of PAWDEP's latest beneficiaries was Miriam Ng'ang'a, who needed capital when making the transition from beekeeping to dairy farming. She used a loan of 400,000 Kenyan Shillings (about € 3,900) to expand her milk processing into yoghurt production. She markets her products herself, and now makes four times as much money as she would have made selling through a dairy factory.

Upgrading East African office

Our upgrading of the East Africa regional office, which serves Kenya, Uganda and Tanzania, to regional development centre (RDC) was based on its excellent management, administrative processes and performance. The office achieved a 14% average portfolio growth per year over the past five years. As RDC the office can independently approve loans of up to € 500,000 in its first two years, optimizing the loan approvals and disbursements process. After two years, loans of up to € 2 million can be approved locally.

Outlook

Growing our operations in Africa continues to be a major priority. Oikocredit wants to expand its activities in agriculture and in new focus countries such as Nigeria, Mozambique and, possibly, Rwanda. We plan to do more agricultural projects in rural Uganda, with the support of a consortium of Dutch development organizations united in Agri-ProFocus.

In West Africa, we will introduce the social performance management concept and will also work with Grameen Foundation to develop the Progress out of Poverty Index™ for Mali and Senegal. In Côte d'Ivoire we also see opportunities, particularly in cultivation and trade of crops such as coffee and cocoa, and in fair trade. ■

RESILIENT RESPONSE TO CRISIS ASIA

The international crisis did not hit Asia as hard as other regions. Countries such as India, Cambodia, Vietnam and Laos showed relatively strong economic growth. The Asian portfolio of Oikocredit grew 21% to € 110.5 million, representing 28% of our overall portfolio (2008: 25%). Nevertheless, our Asian partners were not immune to the downturn. The MFI portfolio at risk ratio (PAR) increased and clients engaged in export were particularly affected.

India

Our Indian subsidiary Maanaveeya suffered a tragic loss when Managing Director Suvarna Rani Gandham passed away on 2 July 2009. The Indian office withstood the shock and even managed to increase its activities in tribute to Suvarna. Our Indian portfolio almost doubled to € 45 million by end 2009 from € 24 million in 2008. An important development in this huge country was the appointment of area managers, which will enable expansion of our activities, particularly into the less serviced eastern and northern parts of India.

Southeast Asia

The Philippines was hit by powerful typhoons and floods, claiming nearly 1,000 lives and causing enormous material damage. Our partner MFIs conducted relief operations, providing their clients with emergency support. Our office in the Philippines, which celebrated its 20th anniversary, stuck to its plans for further growth in the Philippines, Cambodia and the pilot areas of Vietnam and Laos. The first project in Laos, 'Fonds Coopératif' was approved by end 2009. Fonds Coopératif is a regulated MFI and the second largest cooperative in Vientiane, the capital of Laos. It provides loans to 11 credit cooperatives that support small enterprises engaged in activities such as rice, tea and vegetable farming, hog raising, mushroom production, handicrafts, and the marketing and distribution of fair trade products.

The cooperatives also run small enterprises serving the community, such as watch repair, motorcycle repair and barber shops.

Social performance management

We strengthened our social performance management in the region. Staff in our Philippine and Cambodian offices were trained in this strategy. In cooperation with Grameen Foundation and the Microfinance Council of the Philippines, Oikocredit created the social performance management Peer Learning Community, a multi-sectoral initiative to promote the exchange of expertise and experience in social performance management. Already 11 MFIs in Asia have committed to developing a common social performance management strategy.

Prospects

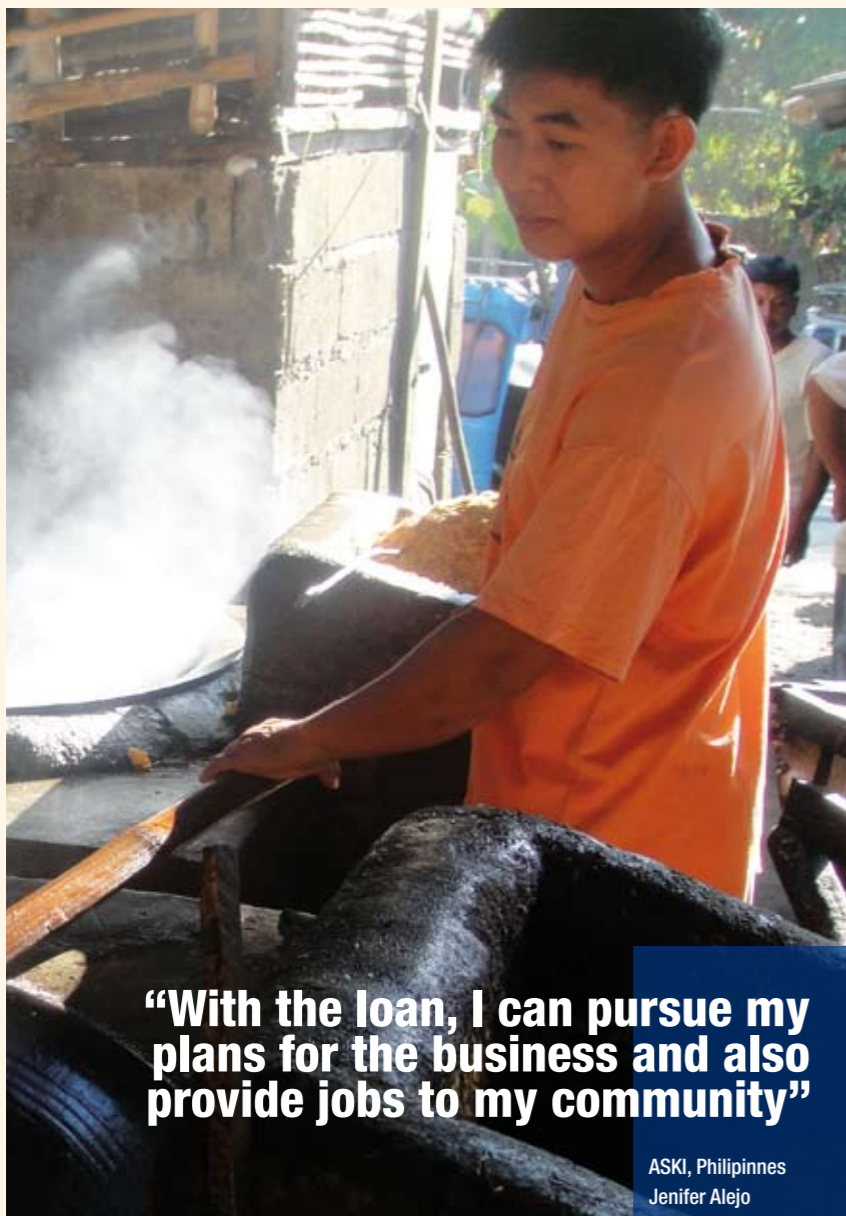
Oikocredit aims to further increase its Asian portfolio in 2010. We will focus on expanding our fair trade investments and expect significant growth of our activities in the Philippines, Cambodia and India, as well as in Vietnam and Laos, where we are planning to launch more pilot projects. ■

DOING MORE AND BETTER AFRICA

Oikocredit continued to expand its outreach to the African poor. In West Africa, we aspire to be the lender of choice for microfinance institutions. In East Africa, we are working towards increased presence and scale in all focus countries. Africa holds the promise of better times ahead and Oikocredit supports the African people's struggle to overcome poverty.

The tragic death of Patrick Mabuela, our country manager in South Africa, deeply affected our staff in Africa and beyond. The global recession also had its bearing on the continent in particular because of the collapse in African exports, tight financing conditions imposed by international banks and dwindling development aid. The GDP growth rate dropped to around 1.5% in most countries, down from the average of more than 5% realized over the last years.

The French speaking West African region is the largest in Oikocredit's African portfolio, with € 19 million outstanding, 29% of which is in direct loans to agricultural producers and construction projects. Our East African portfolio totals € 16.5 million, 22% of which is in direct loans, particularly real estate projects initiated by church-related institutions. Demand for microfinance is growing in Tanzania, particularly from savings and credit cooperatives and community banks.



“With the loan, I can pursue my plans for the business and also provide jobs to my community”

ASKI, Philippines
Jennifer Alejo

Focussing on social performance in Luzon

ASKI (Alalay sa Kaunlaran, or ‘Support towards progress’), is an organization operating on the Philippine island of Luzon, providing credit to small entrepreneurs such as farmers, tricycle drivers, vendors and fisher folks. ASKI has been an Oikocredit project partner for six years and is strongly committed to social performance management. ASKI recently developed a management system including social and environmental criteria and conducted a survey to assess its client’s poverty levels. Through the use of the Progress out of Poverty Index™ tool, ASKI aims to reach out even more to the poorest households.

Adjusting plans

MFIs in the region responded quickly and implemented adjusted action plans, such as more frequent monitoring of existing clients and thorough screening of new clients. In some cases MFIs shifted back to group loans instead of individual loans. As a result of declining portfolios and increasingly risk-adverse borrowing and lending, many MFIs in the region reached a state of excess liquidity, prompting early payment negotiations with international lenders, especially on hard currency loans.

Sokol Cooperative voted best cooperative

Sokol, one of Oikocredit’s oldest Bulgarian project partners, has been named ‘Best agricultural cooperative of 2009’ at the National Agricultural Fair in Dobrich, Bulgaria in August. Sokol is a cooperative of 660 members, mostly small land owners, growing grain crops, sunflower, maize, coriander and beans. The organization was rewarded for its positive social impact on its members and the local community. The cooperative gives special attention to elderly people, particularly women living alone. In 2009, Sokol financed reconstruction work at a local church and a mosque and organized volunteer clean-up efforts in the town of Sokol.

Outlook

In July and August 2009 there were signs of economic stabilization. However, the general consensus in Central and Eastern Europe is that restoring confidence and stability will be a slow process. Economic recovery is not expected before the second half of 2010.

We will see our activities shift further from Central European countries such as Slovakia, Romania and Bosnia to Eastern countries such as Ukraine, Russia and Moldova. We will also expand activities in Central Asia, in particular Kyrgyzstan and Tajikistan. Direct loans to agricultural cooperatives will remain an Oikocredit specialization, in addition to loans and investments in MFIs. ■



“The major goal for us is to cover the domestic market needs of herbal medicines and strengthen our position”

KOMPANION, Kyrgyzstan
Kosmosbek Cholponbaev

COPING WITH ECONOMIC SLOWDOWN CENTRAL AND EASTERN EUROPE

The financial and economic crisis severely affected Central and Eastern Europe (CEE) in 2009. Economic activity and trade contracted. Our partners responded by adjusting their strategies and reducing risk exposure.

The portfolio share of Central and Eastern Europe decreased in 2009 to 13.8% from 18.9%. The abrupt economic slowdown in the region led to decreasing demand for microcredit. The vast majority of our MFI partners also experienced a deterioration of their key performance indicators. This was particularly apparent for MFIs that provide relatively large loans to medium-sized companies. MFIs serving the micro-enterprise sector were less affected.

The portfolio at risk ratio (PAR) increased from 1-2% in 2008 to as high as 5-6 % in the less affected areas, such as Azerbaijan, 9-11% in most other countries, and 15-17% in the areas most affected by the crisis, such as Ukraine and Russia.

Strengthening communities through small business

Since it began in 2004, Kompanion has aimed to bring accessible financial services to Kyrgyzstan. Today, it serves almost 34,000 customers in every province and region of Kyrgyzstan, with the average individual loan at US\$ 6,563. Kompanion’s primary objectives are to foster micro and small business entrepreneurs, promote good management and sustainable development practices, bring accessible financial services to underserved individuals, and help build healthy, stable communities. The organization has been an Oikocredit partner since 2006 and has received five loans totalling approximately US\$ 2,45 million (€ 1,7 million). Kompanion’s mission is to be the leading community development financial institution in the country.

Social Performance & Financial Analysis is a new department providing expertise to realize both social and financial returns.

Social Performance & Financial Analysis

BRINGING SOCIAL PERFORMANCE MANAGEMENT FURTHER SAFEGUARDING SOCIAL IMPACT

Oikocredit has been a leader in social performance management for many years. The establishment of the Social Performance & Financial Analysis department in 2009 further strengthened our capacity to ensure both social and financial returns.

Social audit

In 2009, Oikocredit was the first microfinance investor to undergo a full social audit by the French organization CERISE, a knowledge exchange network for microfinance practitioners. Previously, microfinance institutions (MFIs) underwent audits, but not their investors. The social audit revealed that Oikocredit has a strong social mission and that our staff is committed to social performance management. CERISE also noted that some challenges lie ahead. The main challenge is to help our partners shift from collection and assessment of data to actually using these data to fine tune their social performance management. Based on the outcome of the audit, Oikocredit will further update its own social performance procedures and develop its outreach strategy, products and services.

Applying SPM tools: some examples

Oikocredit's regional office for Mexico, Central America and the Caribbean applied CERISE's social performance management tool to 52 microfinance institutions to identify how MFIs could improve their social performance. A total of 21 institutions participated in follow-up sessions organized

by Oikocredit. Several improvement plans were adopted based on these sessions. The Nicaraguan MFI Prestanic, for instance, conducted a client satisfaction survey which produced insights that are helping it to better tailor its services to borrowers' needs.

Oikocredit progressed in implementing the Progress out of Poverty Index™ (PPI) in 2009. The PPI concept was developed by Grameen Foundation, which works closely with Oikocredit



CARD, Philippines
Laila Saron

to introduce the tool to MFIs across the world. The PPI allows an MFI to assess the 'poverty level' of its clients and measures the extent to which poverty is reduced over time. Our partners in Peru, Ecuador and the Philippines have applied the PPI score card. For one of our partners in Peru, using the score card led to the important revelation that 60% of its beneficiaries were not among the population's poorest. Thanks to the PPI tool, the MFI was able to make adjustments to reach deeper into the poorest layers of society. Partners in Cambodia, Mali and Senegal are poised to apply the PPI score card in 2010.

Promoting transparency, fighting over-indebtedness

Oikocredit actively sponsored the set up of MFTransparency and is one of its staunch supporters. Among other things, MFTransparency collects data on actual and effective interest rates and operational fees of microfinance institutions to give their clients better insights into the costs of their loans.

Recent developments point at MFIs in some countries entering the market with a focus on profit maximization rather than social return. As a result, over-indebtedness of clients and even abusive collection practices have become recurring problems in some regions. In December 2009, Oikocredit's board and staff adopted an action plan to address the danger of poor borrowers taking on too much debt. Oikocredit field staff in 33 offices around the world initiated discussions with microfinance partners to find ways to prevent over-indebtedness. In countries where this risk seems particularly high, Oikocredit staff contacted leading national and international networks to address the problem together. One option for preventing over-indebtedness is setting up national credit bureaus to monitor the number and volume of loans taken on by individual borrowers.

Outlook

Oikocredit will continue focussing on social return. We will further integrate social performance management in our own operations and help our microfinance partners build their SPM capacity. We face many challenges but feel confident that social performance will be recognized as at least as important as financial return. We are convinced that, with our insights and expertise, we will be able to achieve our social objectives, alongside our financial objectives, in an effective and efficient way. ■

Capacity building in agriculture



GITHUNGURI, Kenya
Mary Muchai

Oikocredit and Rotary Club support Kenyan dairy farms

Oikocredit and a Dutch chapter of the Rotary Club joined forces to support small farmers in Kenya. The Githunguri cooperative produces and sells milk and other dairy products, supporting about 12,000 small farmers and their families. Oikocredit financed Githunguri from 2003 till 2009. Rotary joined and provided funding to set up model farms, where farmers from the region learn how to improve their business operations and management. With Oikocredit's help, Rotary also set up a fund to give farmers the opportunity to upgrade their farms. The project aimed to increase the farmers' income and contribute to the economic development of people in the region.

Bulgarian cooperatives adopt social performance management tools

Working closely with CERISE and the Swiss Agency for Development and Cooperation (SDC), Oikocredit organized a workshop in autumn 2009 to familiarize Bulgarian cooperatives with the Social Performance Indicators (SPI), a tool developed by CERISE to help microfinance institutions enhance their social performance. After this training five cooperatives decided to undergo a social audit, an important first step representing a breakthrough of social performance management in the Bulgarian cooperative movement.

Strengthening social performance management at five levels

Building on existing experience, identified challenges and opportunities, the Social Performance & Financial Analysis department has developed a comprehensive social performance and capacity building strategy directed at five levels:

Beneficiaries

The clients of our partners, the beneficiaries, are ultimately the people we aim to support. To protect their interests Oikocredit

partners to better understand their strengths and weaknesses in delivering social impact and will offer follow-up support based on the outcome of these 'snapshots'. We also provide

committed to proactively inform investors about the value of social performance as well as the challenges we face.

Oikocredit's operations

Oikocredit will refine and strengthen its internal social performance management, ensuring social performance management gets the attention it deserves at all levels of the organization: board, management, staff and project partners. We will ensure our staff is well-informed about developments in the dynamic field of social performance management and will further develop tools to systematically measure and monitor social performance, and make these tools available to all our offices to ensure a consistent approach to assessing and measuring social performance.

The microfinance industry

Oikocredit is committed to cooperating with other organizations to further develop and promote social performance management. We continue to address issues that may negatively affect beneficiaries, such as lack of transparency and over-indebtedness. At the same time, we play an active role in initiating industry efforts to enhance social returns as this is the key objective of Oikocredit's investors.

capacity building support to our partners in areas other than social performance management, such as risk management, marketing, and management information systems.

promotes transparency about interest rates and monitoring borrowers' credit positions to prevent over-indebtedness. We will continue helping our partners assess whether their loans actually reach the poor.

Project partners

We will dedicate even more resources towards increasing awareness of social performance issues among our project partners. To this end, we will offer capacity building programmes to help partners increase the social impact of their activities. In the coming years, we will jointly implement social audits with our

Investors

Oikocredit believes investors must be well-informed about issues relating to social performance. Are we reaching the poor? Are interest rates fair? How can we ensure loans alleviate poverty rather than creating unrealistic debt? Oikocredit is convinced it is in the long-term interest of both investors and beneficiaries to raise investors' awareness of these issues. We are



MICROCRED,
Madagascar
Raharison Fanoelle

Investor Relations

The Investor Relations department is responsible for attracting and servicing investors and raising the capital Oikocredit needs to fulfil its mission.

INVESTORS ARE LOYAL ENCOURAGING INFLOW OF CAPITAL

Oikocredit's investors remained loyal to our mission, despite the financial crisis and recession in 2009. Net capital inflow reached a record high of € 62.9 million. Oikocredit continued working on initiatives to attract more investors.

led by Ylse van der Schoot, who is also a member of the Management Team. Oikocredit plans to enhance its customer focus with the new department. One of our goals for the coming years is to listen even more closely to what motivates our investors and what they expect from Oikocredit.

During the first months of 2009, several investors expressed concern about the impact of the global financial crisis. However, despite economic uncertainties, very few investors withdrew their money from our funds. Instead, contributions from both existing and new investors added an unprecedented amount to our capital. The record high net capital inflow is a sign of our investors' continued trust in our organization. Oikocredit has a strong position, based on its stable financial performance and solid risk management through the years. Diminishing trust in the commercial financial sector, prompted by the global financial crisis, also played a role in attracting additional investments to Oikocredit. The tremendous efforts of the support associations and national support offices to raise new capital combined with our decision to invest more in capital mobilization activities were other contributing factors.

Marketing and branding strategy

Our marketing plans for attracting capital progressed well during 2009. Helpful insights were gained by interviewing focus groups consisting of Oikocredit members, investors and potential investors, resulting in relevant feedback that can be used for future strategies. Search engine marketing and advertising were tested, leading to clear recommendations for improvements to Oikocredit's websites. We are preparing three-year marketing plans per country, in line with our goal to decentralize and adjust our marketing strategy to the requirements and characteristics of national markets. Oikocredit's branding strategy to better position itself has been finalized and shared with our network. A new Oikocredit logo and house style will be introduced during 2010.

New department enhances customer focus

Oikocredit's Investor Relations department is new, formed by the merger of the Membership & Investment department and the Corporate Communication department. It is responsible for attracting and servicing investors through effective communications and marketing and for supporting our network of five national support offices, 31 support associations and hundreds of volunteers. The merger was implemented gradually in 2009. Investor Relations has been a fully operational department since 1 January 2010 and is

Our expertise in social performance management helps us demonstrate the positive social impact of our activities. It also puts us in a good position to share knowledge with investors and other stakeholders about the challenges our industry is facing, such as over-indebtedness and lack of transparency. We will also highlight the value of our international network of regional and local offices. Oikocredit is one of the very few internationally operating microfinance investment vehicles with a global network of experts who are familiar with the local market and culture. Being close to our clients and knowing their markets is at the foundation of our effective risk management system.

Oikocredit's support associations across the world were once again very successful in raising capital. Among others, a very successful initiative in 2009 was launched by the Austrian support association. Building on the expertise of its staff and board, the association successfully utilized its extensive support network and volunteers to generate media attention for Oikocredit's mission. The Austrian support association significantly increased the inflow of capital. The Austrian example confirms we are on the right path to further professionalizing our support associations.

Investor mix

Individual investors continued to be our largest investor group. The support associations were particularly successful in attracting and maintaining substantial numbers of individual investors and were instrumental in organizing an abundance of events to promote Oikocredit. In the Netherlands, the support association organized a series of debates on the relationship between development aid and microfinance which generated media attention. In Germany, which is our biggest market, support associations have been active for decades and several celebrated their anniversary with a wide range of activities in 2009.

Churches are an important investor base for Oikocredit. In 2009, we continued our dialogue on how they could increase their social investments. Once again, many church organizations supported our mission by informing their constituencies about Oikocredit's activities. Oikocredit highly appreciates this support which enhances our promotional and capital raising efforts. Church-based institutional investors are working closely with our five national support offices in the USA, UK & Ireland, France, Germany and Sweden.

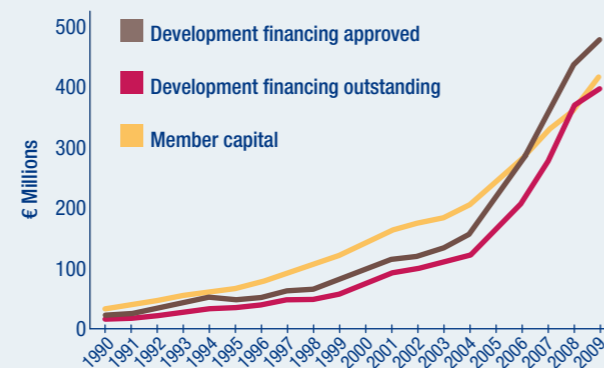
Outlook

Oikocredit plans to increase its brand awareness through ongoing marketing efforts in 2010. We will particularly explore opportunities to reach our constituency through new media. Brand awareness will be measured at regular intervals, allowing Oikocredit to assess the impact of our investment in marketing and branding, which will take effect in 2010. To safeguard a balanced investor mix, Oikocredit will especially encourage more institutional investors to support our mission through significant investments.

Oikocredit sees good opportunities for growth in existing markets and will focus on attracting more investors in countries where we have been present for a considerable time and where a strong infrastructure exists. ■

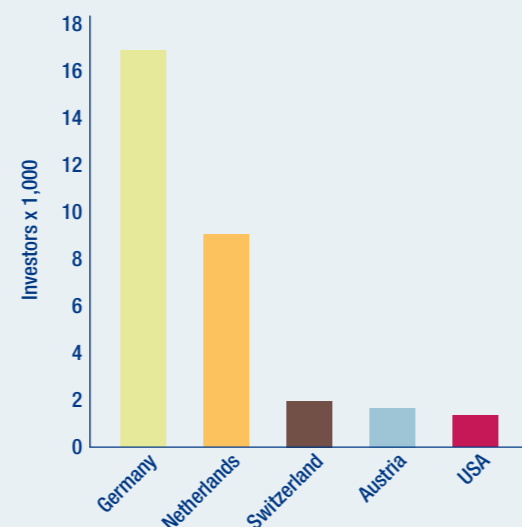
Member capital and development financing

As of 31 December 2009



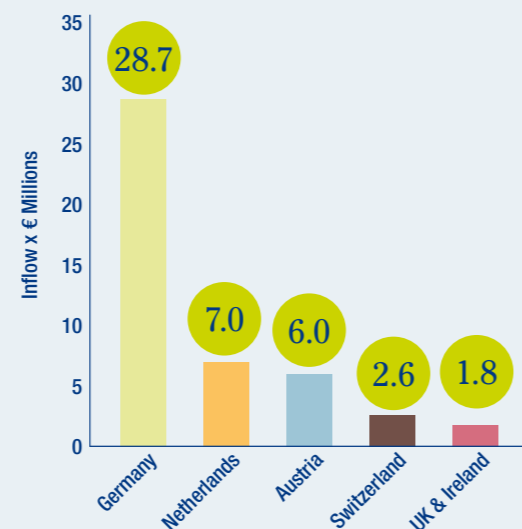
Number of investors

Top 5 countries as of 31 December 2009



Net inflow 2009

Top 5 countries

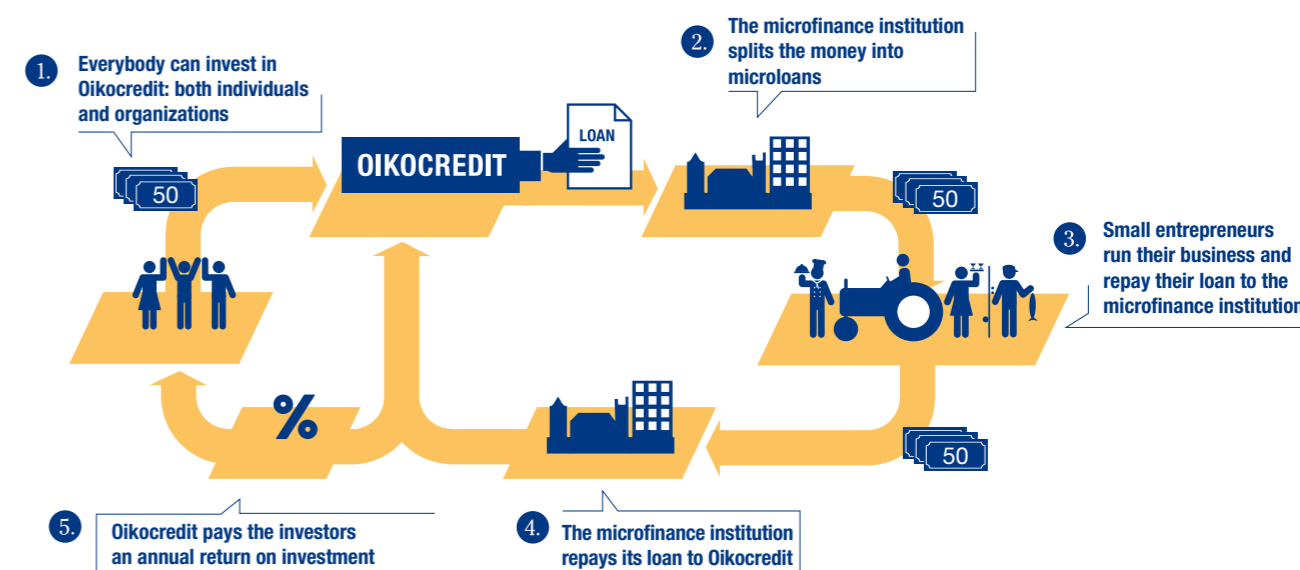


Financial statements

Starting in 2009, Oikocredit is presenting the consolidated financial statements first, followed by the Society financial statements.

OIKOCREDIT MICROFINANCE CYCLE

Oikocredit invests around 80% of its portfolio in microfinance and 20% directly in other sectors including agriculture, manufacturing and education.



CONSOLIDATED BALANCE SHEET

(before appropriation of net income)

Notes	31/12/09 € ,000	31/12/08 € ,000
NON-CURRENT ASSETS		
Financial assets		
5 Development financing		
Project funding:		
Approved	474,486	433,249
Less: - not yet disbursed	(80,684)	(68,138)
Outstanding project financing	393,802	365,111
Less: - loss provision	(39,932)	(34,378)
	353,870	330,733
6 Term investments	121,749	114,244
7 Other	6,699	3,220
	482,318	448,197
8 Tangible assets	582	533
Total non-current assets	482,900	448,730
CURRENT ASSETS		
9 Receivables and other current assets	17,221	16,260
10 Cash and banks	37,352	10,818
Total current assets	54,573	27,078
TOTAL	537,473	475,808

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

CONSOLIDATED BALANCE SHEET

(before appropriation of net income)

Notes	31/12/09 € ,000	31/12/08 € ,000
GROUP EQUITY AND FUNDS		
11/12 Member capital in euros ¹⁾	377,458	326,097
11 General reserves	30,881	24,604
11 Restricted Exchange fluctuation reserve	(1,544)	(1,745)
13 Local currency risk funds	17,918	13,428
14 Funds for non-banking expenses and activities	7,181	7,149
Undistributed net income for the year	18,308	12,553
	450,202	382,086
15 Third party interest	4,478	1,441
Total group equity and funds	454,680	383,527
NON-CURRENT LIABILITIES		
Member capital in foreign currencies ¹⁾	28,768	24,567
Other non-current liabilities	33,249	29,365
16 Total non-current liabilities	62,017	53,932
17 CURRENT LIABILITIES	20,776	38,349
TOTAL	537,473	475,808

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

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

CONSOLIDATED INCOME STATEMENT

Notes	2009	2008	
	€ ,000	€ ,000	
INCOME			
Financial income			
19	Development financing income	36,049	31,987
19	Term investment income	4,516	3,996
19	Total financial income	40,565	35,983
Financial expenses			
20	Additions to loss provisions	(8,123)	(5,788)
6	Revaluation term investments	7,073	(1,013)
21	Other financial expenses	(4,969)	(5,837)
	Total financial expenses	(6,019)	(12,638)
	TOTAL FINANCIAL INCOME LESS EXPENSES	34,546	23,345
22	GRANT INCOME	4,338	4,035
GENERAL AND ADMINISTRATIVE EXPENSES			
23	Personnel	(9,296)	(8,325)
	Travel	(649)	(752)
24	General and other expenses	(5,113)	(3,973)
	TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(15,058)	(13,050)
	INCOME BEFORE TAXATION	23,826	14,330
26	Less: - taxes	(616)	(482)
	INCOME AFTER TAXATION	23,210	13,848
15	Less: - third party interests	(111)	(53)
27	Less: - addition to and releases from funds	(4,791)	(1,242)
	INCOME FOR THE YEAR AFTER ADDITION TO FUNDS	18,308	12,553

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

CONSOLIDATED CASH FLOW STATEMENT

Notes	2009	2008	
	€ ,000	€ ,000	
CASH FLOW FROM OPERATIONS			
	Development financing	34,675	28,953
	Term investments	3,829	4,912
	Grants	4,338	4,035
	Operating expenses	(18,366)	(14,012)
	Taxes	(1,017)	(5,272)
	Interest	(3,249)	(1,850)
	Total cash from operations	20,210	16,766
CASH FLOW USED FOR INVESTING ACTIVITIES			
	Project funding (net additions)		
	Disbursements	(141,326)	(174,551)
	Less: - repayments of principal	108,067	77,504
		(33,259)	(97,047)
	Group companies: (net investments)	-	(100)
	Tangible fixed assets: (net investments)	(207)	(214)
	Term investments: (net investments) disposals	(3,299)	16,995
	Total cash used for investing activities	(36,765)	(80,366)
CASH FLOW FROM FINANCING ACTIVITIES			
	Issue of member capital	54,148	36,498
	Redemption of member capital	(3,133)	(892)
	Funds: net investments third parties	4,283	498
	Gross dividends paid	(6,639)	(5,834)
	Stock dividends (added to member capital)	3,422	2,871
	Net dividends paid	(3,217)	(2,963)
	Term loans	(10,273)	18,316
	Total cash from financing activities	41,808	51,457
	Exchange rate differences during the year	1,281	(827)
	CHANGES IN CASH AND BANKS	26,534	(12,970)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year-end 31 December 2009

These financial statements are expressed in euros (€). As of 31 December 2009, US\$ 1 dollar equalled € 0.698275 (31 December 2008: US\$ 1 equalled € 0.715768).

1 General information

Description of the organization

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

The entities belonging to the Oikocredit-group (Oikocredit) are: Oikocredit Ecumenical Development Cooperative Society U.A. (The Society) situated in Amersfoort, the Netherlands, Oikocredit International Support Foundation (Support Foundation), Oikocredit International Share Foundation (Share Foundation) in Amersfoort, the Netherlands; Maanaveeya Holdings and Investments Private Limited in Hyderabad, India; Financial Company Oikocredit Ukraine in Lviv, Ukraine, the 4F-USD and 4F-Euro Funds (Fund for Fair Future) investment funds, the Oikocredit Seed Capital Fund (OSCap) and the Barefoot Trade Finance Fund (BTF) all based in Amersfoort, the Netherlands, and managed by Oikocredit U.A.

The main objective of Oikocredit is to mobilize 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 developing countries.

Oikocredit has its international support office in Amersfoort, the Netherlands, and has regional offices in the following locations: Abidjan, Côte d'Ivoire; Accra, Ghana; 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, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Kyrgyzstan, Mali, Mexico, Moldova, Nicaragua, Romania, Russian Federation, Paraguay, Senegal, Slovakia, Tanzania, Uganda and Ukraine.

Oikocredit has national support offices for assisting Oikocredit support associations in Germany, France, Sweden, the United Kingdom and the USA.

The offices in Costa Rica, Ghana, Kenya, the Philippines, Tanzania, Ukraine, Uruguay and the USA are incorporated as legal entities and are subsidiaries. Due to the limited size of the assets of these subsidiaries, it has been decided to regard these assets as if they were owned by branch offices.

The 4F-Fund

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.

Based on its mission and investment experience, Oikocredit wants to enable a select group of investors (churches and church-related organizations) to participate in its term investments (alongside Oikocredit itself) and thus enable these organizations to invest in a socially responsible way with a special focus on development. Under legislation in the Netherlands governing investment funds, effective as of 1 September 2005, Oikocredit is not required to apply for a fund license with the Netherlands Authority for the Financial Markets as those who participate in the Fund are offered participations with a nominal value per participation of at least € 50,000. Therefore, Oikocredit established the 4F-Fund (Fund for Fair Future) in 2006. The Fund is created as a restricted, tax transparent investment fund (beleggingsfonds) with an open-end for members / shareholders and future members / shareholders of Oikocredit. The Fund is not an incorporated legal entity, but an unincorporated contract of its own nature. The Fund and the participations will not be listed on any stock exchange.

OSCap and BTF

Oikocredit has developed OSCap, which invests in exceptionally risky projects with a big social impact in developing countries, and BTF for a specific project. These Funds have been created as restricted, tax transparent investment funds (beleggingsfonds) 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.

Other related parties

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

- The Oikocredit International Share Foundation (Share Foundation) was established on 10 March 1995, in Amersfoort, the Netherlands, according to the laws of the Kingdom of the Netherlands. The duration of the Share Foundation is unlimited. The main purpose of the Share Foundation is to provide investment opportunities in Oikocredit for non-church bodies, such as banks and development organizations and for individuals in countries where no support association exists or are not allowed to sell financial products themselves.
- The Oikocredit International Support Foundation (Support Foundation) was established on 10 March 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 mobilize grant funds to support various non-banking activities such as technical assistance and 'model costs' of Oikocredit. 'Model costs' are costs no financial institution of this size would incur, but which are an integral part of the Oikocredit cooperative model. The board of the Support Foundation has decided to allocate some of these costs to their account (category A) and to endeavour to raise funds to subsidize part of the remaining costs (category B).

Category A costs are:

- 100% of external technical assistance to project partners;
- 100% of consultants hired for regional offices;
- 30% of investor relation costs; from 1 January 2009 onwards, 30 % of technical and organizational assistance to Support associations;
- 100% of members' travel costs for the annual general meeting (subject to certain conditions).

Category B costs are:

- the 'development' activities of the regional offices: target is to raise 20% for the total costs of the offices;
- investor relation costs: besides the 30% directly charged to the Support Foundation, the target is to raise subsidies and grants for another 30% of these costs; from 1 January 2009 onwards, 30 % of technical and organizational assistance to support associations;
- costs related to annual general meetings and board meetings: target is to raise subsidies for 50% of these costs;
- costs related to general, finance and administration expenses: target is to raise subsidies for 5% of these costs;
- incidental costs: to be decided on a case by case basis.

The Support Foundation also manages local currency risk funds. The funds are available to offset the risk of currency losses on Oikocredit loans disbursed in local currencies.

Changes in accounting policies

The Society has changed the accounting policy with respect to pensions following changes in the financial reporting requirements in the Netherlands. The comparing figures have been adjusted accordingly.

In previous years the pension provision disclosed in the balance sheet corresponds with the present value of pension benefit obligations under the defined benefit plan net of the fair value of plan assets, against which unrecognized actuarial gains or losses and unrecognized past service costs are offset.

With effect from 2009, the Society did make use of the new Guideline 271 on personnel benefits. The Guideline no longer makes a distinction between a defined benefit plan and a defined contribution plan. Only obligations that lead to a probable outflow of assets, the size of which can be estimated reliably, are accounted for in the provision. Since the Society does not have any obligations to pay further contributions other than those already included in the balance sheet as liabilities, the pension provision is no longer needed.

Effects of changes in accounting policies on equity and profit

The changes in accounting policies were directly recognized through equity as at 1 January 2009. The effects of the changes on equity have been broken down in the following equity reconciliation statements for the figures as of 31 December 2008 and 1 January 2009.

	Consolidated member capital and reserves
	€ ,000
At 31 December 2008	381,570
Changes accounting policies and accounting treatment: Provision for pensions	516
At 1 January 2009	382,086

The effects of the changes in accounting policies on the income statement have been broken down in the following income statement reconciliation for 2008 and 2009:

	€ ,000
Results based on the 2008 accounting policies	12,550
Changes to accounting policies and accounting treatment: Provision for pensions	3
Results based on the 2009 accounting policies	12,553

Basis of consolidation

The consolidated financial statements include the financial information of 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 has the power to govern. Potential voting rights that can be directly exercised at the balance sheet date are also taken into account. Minority interests in group equity and group profit are disclosed separately.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated. Unrealized losses on intercompany transactions are eliminated as well, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

Group companies and other entities in which Oikocredit exercises control or whose central management it conducts are consolidated in full. Minority interests in group equity and group net income are disclosed separately.

The consolidated companies (consolidated for 100%) are listed below:

- Oikocredit Ecumenical Development Cooperative Society U.A., Amersfoort, the Netherlands;
- Oikocredit International Support Foundation, Amersfoort, the Netherlands;
- Oikocredit International Share Foundation, Amersfoort, the Netherlands;
- Maanaveeya Holdings and Investments Private Limited, Hyderabad, India;
- Financial Company Oikocredit Ukraine, Lviv, Ukraine;
- Fund for the Fair Future Euro Fund, Amersfoort, the Netherlands;
- Fund for the Fair Future USD Fund, Amersfoort, the Netherlands;
- Oikocredit Seed Capital Fund, Amersfoort, the Netherlands;
- Barefoot Trade Finance Fund, Amersfoort, the Netherlands.

Since the income statement for 2009 of Oikocredit is included in the consolidated financial statements, an abridged income statement has been disclosed in the society financial statements in accordance with Section 402, Book 2, of the Netherlands Civil Code.

Related parties

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

Intercompany transactions are eliminated in the consolidation.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal

market conditions. The nature, extent and other information is disclosed if this is required to provide the true and fair view.

Cash flow statement

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

Estimates

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

2 Accounting policies for the balance sheet

General information

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

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

Prior year comparison

The accounting policies have been consistently applied to all the years presented with the exception of the changes in accounting policies set forth in the previous paragraph.

Foreign currencies

The financial statements are presented in euros, which is the functional and presentation currency of the Society.

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses

resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

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

Assets and liabilities of consolidated foreign associates denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate. Any resulting exchange differences are taken directly to the statutory reserve for translation differences within equity.

Development financing / project funding

Receivables disclosed under development financing / project funding is valued at amortized cost. Project equity investments are valued at the lower of cost or market value.

Provision for possible losses on project funding

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

- a provision for 'country risks' calculated per country in which the project is based;
- a specific provision per project, based on the aging of payments overdue – only applied if this risk is higher than the provision for country risk in which that project is based;
- a specific provision for non-performing projects and projects that are not overdue – only applied if higher than the provision for country risk in which that project is based. This provision is calculated based on management's risk assessment of, and experience with, these kinds of projects.

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

Term investments

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

Term investments (only equity investments) which are not listed are stated at (amortized) cost, which equals face value. Premiums and/or discounts are amortized through the effective interest rate.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Expenditure for additions, renewals and improvements are capitalized. Upon retirement or disposal, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included under expenses. Depreciation is computed using the straight line method for financial reporting purposes over the estimated useful life of the respective assets.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities up to three years.

Equity

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

Provision for pensions

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

This provision includes:

- the obligation of the Society to provide additional payments or recovery premiums due to a low coverage of the pension fund;
- unconditional indexation that is not yet funded;
- disadvantages of individual value transfers at the expense of the Society.

In addition, the Society records an asset for:

- surplus interest or profit sharing which is made available to the Society under the conditions of an insurance contract;
- advantages of individual value transfers in favour of the Society.

The pension provision is valued at its best estimate. The obligation includes the present value of the expenditures that are probably required to settle. The present value factor is the market rate of interest of high-quality corporate debentures. If the obligation is due within a year, the obligation is not discounted. Additions and withdrawals from the pension provision are taken into the profit and loss account.

As of 31 December 2009 no provisions were necessary.

Non-current liabilities

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

Financial instruments

Securities (part of the term investments) included in financial and current assets are stated at fair value. All other financial instruments are carried at (amortized) cost, which usually equals face value, unless stated otherwise.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using: recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same discounted cash flow analysis and option pricing models, making allowance for entity-specific inputs.

Derivative financial instruments are stated at costs or lower market value. As of 1 January 2009, the company has applied cost price hedge accounting. The Society has documented the relationship between hedging instruments and hedged items. The Company also tests its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item, which has the following implications:

- if the hedged item is recognized at cost in the balance sheet, the derivative instrument is also stated at cost;
- if the hedged item qualifies as a monetary item denominated in a foreign currency, the derivative instrument, where it has currency elements, is also stated at the spot rate at the balance sheet date. If the derivative instrument has currency elements, the difference between the spot rate on the date the derivative instrument is contracted and the forward rate at which it will be settled is spread over the maturity of the derivative instrument.

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

The Society applies cost price hedge accounting to hedging fixed and floating interest rate risk on development financing / project funding. The gain or loss relating to the ineffective portion is recognized in the income statement within finance costs.

The lower market value existing at balance sheet date for derivatives for which no hedge accounting was applied in previous year and for which hedge accounting is applied in current year is amortized over the remaining maturity of the derivative.

3 Accounting policies for the income statement

Income and expense recognition

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

Finance income and expenses

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

Grant contributions

Designated grants are included as income in the year in which such grants are received.

Exchange rate differences

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

Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, when it is due to employees.

Pensions

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

Taxes

The tax authorities in the Netherlands have exempted the Society from corporate income tax provided that the Society complies with certain conditions, all of which were complied with in 2009. No tax will have to be withheld on dividends distributed by the Society to its members.

4 Risk management

In its operating environment and daily activities Oikocredit encounters risks. Therefore in 2005 Oikocredit introduced a risk management project (the whole risk management project has been repeated during 2009) to identify the most important risks that may threaten our operations and continuity. The 'risk universe' document provides an overview of all relevant major risks, grouped into themes such as price risk (currency risk, equity risk, interest rate risk), liquidity risk and credit risk.

A risk card was prepared for each theme. The risk card has two main objectives.

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

After the initial project was finalized, a systematic risk management system was embedded and implemented within Oikocredit. Identified risks are evaluated and re-assessed every year during our Management-By-Objectives (MBO) cycle by:

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

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

The following financial risks have been identified by Oikocredit:

Credit risk – the risk that a change in the credit quality of a 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 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.

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

Credit risk: 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 based on a benchmark of external rating agencies and other 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 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, management-, financial-, legal-, as well as a social performance analysis takes 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, Director Loans & Investments and his Deputy, Director Finance, the Manager Social Performance as well as the General Counsel, 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 euro 2 million, and a maximum of euro 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 overdue more than 90 days, or rescheduled loans, have been either fully or partially 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.

Credit risk: Term investments

The term investments in bonds are all rated 'investment grade', by Moody's Investor Services, whereof 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. The share portfolio is protected by a portfolio protection strategy.

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 in other currencies 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 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 dollar, Canadian dollar, British pound 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 dividend 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 reprised semiannually. Therefore market interest rate developments hardly influence the value of our loan portfolio stated in domestic currencies.

The main focus of the society by concluding derivatives is currency hedging.

Interest rate risk: Term investments

The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates. The Society aims for a duration of its bond portfolio of

approximately five years and is 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

The fair values of the equity investments are difficult to assess when market data are lacking or when the market is illiquid.

A separate equity unit has been established. 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 staff has a board seat.

Liquidity risk

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.

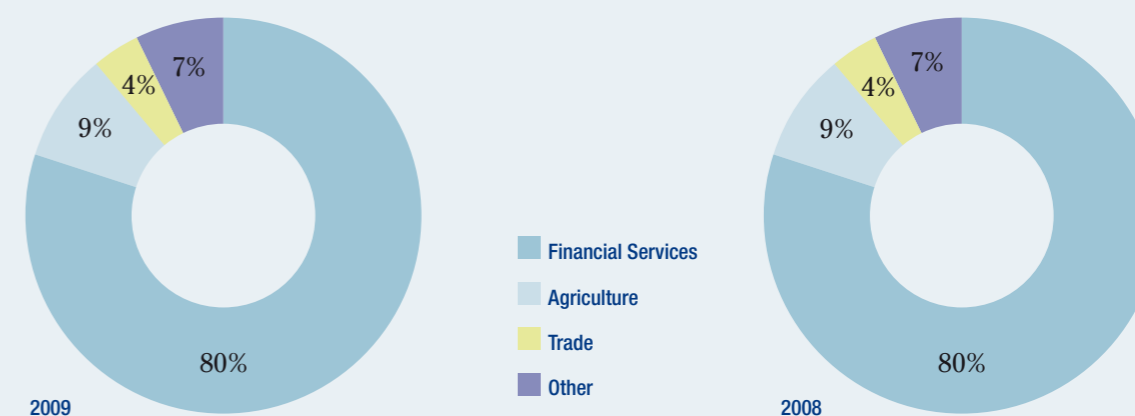
Furthermore, the Society is primarily funded by member capital. The articles of association include provisions that shares shall be redeemed, if a member has ceased to be a member of the Society, no later than five years after the cessation of membership. If a member has ceased to be a member of the 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 for redemptions of its member capital.

5 Development financing

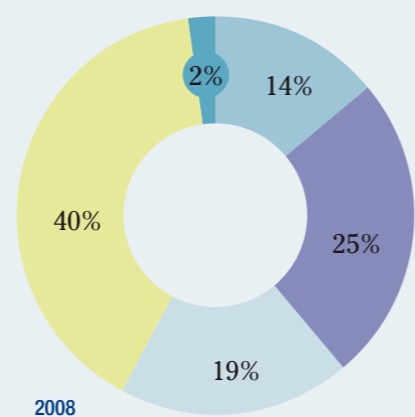
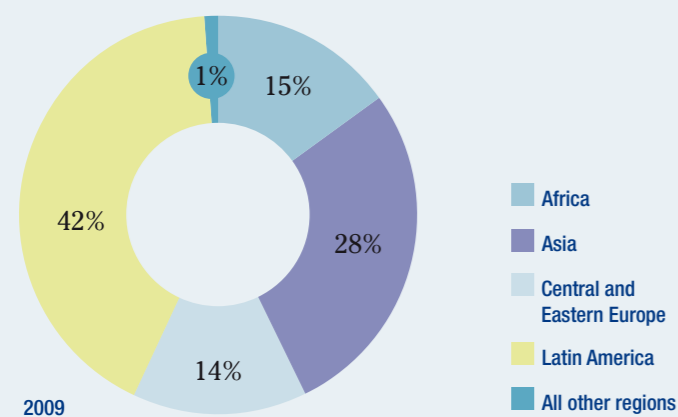
Changes in outstanding project funding		
<i>Can be specified as follows:</i>		
	2009	2008
	€ ,000	€ ,000
Outstanding as of 1 January	365,111	273,954
Disbursements	141,718	177,809
Capitalized interest and dividends	2	245
Less: - repayments	(108,004)	(83,253)
- write-offs	(438)	(1,397)
Exchange adjustments	(4,587)	(2,247)
Outstanding as of 31 December	393,802	365,111
Approved in the year	153,622	181,770
Less: - commitments cancelled	(1,192)	(10,696)
Not yet disbursed 1 January	68,138	74,441
Less: - disbursements	(141,718)	(177,809)
Exchange adjustments	1,834	432
Approved as of 31 December	474,486	433,249
Project funding committed not yet disbursed		
<i>Can be specified as follows:</i>		
	31/12/09	31/12/08
	€ ,000	€ ,000
Equity investments in process of finalization	6,160	7,762
Committed on credit lines, not yet taken up by partners	17,658	7,427
Loans committed < 6 months	45,538	27,869
Loans committed > 6 months	11,328	25,080
TOTAL	80,684	68,138

Breakdown of outstanding project funding

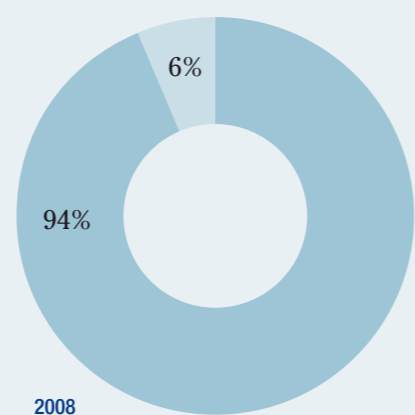
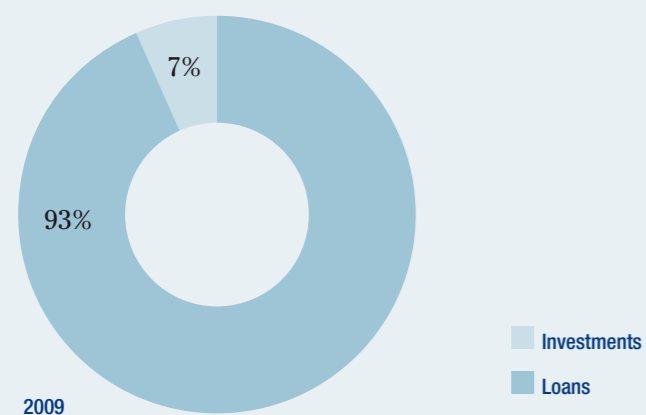
Project funding outstanding by sector as of 31 December 2009



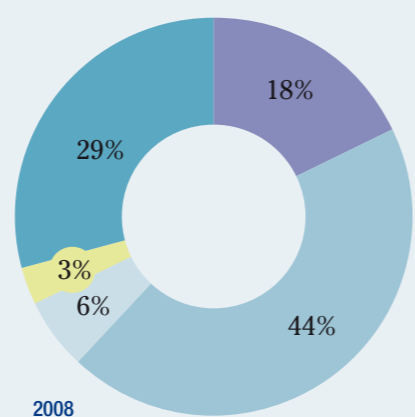
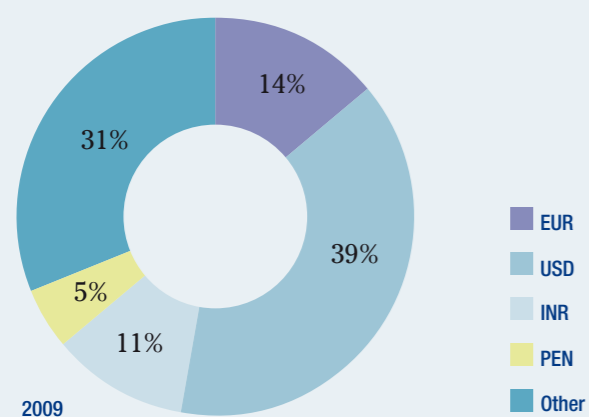
Project funding outstanding by region as of 31 December 2009



Project funding outstanding by type of financing (loans, guarantees and equity investments) as of 31 December 2009



Project funding outstanding by type of currency as of 31 December 2009



Maturity of outstanding project funding

Can be specified as follows:	31/12/09 € ,000	31/12/08 € ,000
Repayments < 5 years	352,852	324,508
Repayments > 5 years	14,843	17,853
Equity investments	26,107	22,750
	393,802	365,111

Equity investments included in project funding

Cost of equity investments as of 31 December 2009 ¹⁾	31/12/09 € ,000	31/12/08 € ,000
Vision Banco, Paraguay	2,471	
Banrural, Guatemala	1,746	
Africinvest, Mauritius	1,738	
Confianza, Peru	1,456	
Balkan Equity Fund, Switzerland	1,316	
FIE, Centro de Fomento Iniciativas Económicas, Bolivia	1,306	
Opportunity International Savings and Loans Limited, Ghana	1,219	
Fondo de la Comunidad, Bolivia	1,116	
Wizzit Payments (Pty) Ltd., South Africa	1,037	
AMRET Co. Ltd., Cambodia	967	
Microinvest, Moldova	905	
Banco Solidario, Ecuador	896	
Divine, United Kingdom	743	
Société de Financement de la Petite Entreprise S.A., Burkina Faso	733	
Prasac, Cambodia	717	
Hatha Kaksekar Limited, Cambodia	708	
Divine, United States of America	684	
People Tree Ltd., United Kingdom	673	
Fonkoze, Haïti	666	
Fidelity Equity Fund II, Ghana	642	
Opportunity Banka A.D., Serbia	600	
OMRO, Romania	496	
COFAC, Uruguay	485	
Uganda Finance Trust, Uganda	475	
Proempresa, Peru	394	
Banco Oportunidade, Mozambique	389	
Russian Women's Microfinance Network NDCO, Russia	329	
Horizon Equity Fund, South Africa	328	
INDLU Finance Company (Pty) Ltd., South Africa	270	
Rqubed Consultants (Pty) Ltd., South Africa	259	
Barefoot Power Pty Ltd., Australia	227	
Inversiones para el Desarrollo, Chile	100	
Other	16	
	26,107	22,750

¹⁾ Excluding provisions for lower market value included in loss provisions. Some of the partners in which we have equity investments also received a loan. These loans are not included in the abovementioned overview.

Equity investments above 20% participation			
<i>Of the equity investments, stated in note 5, the share participation of the following investments as at 31 December 2009 is 20% or more</i>	Participation	Net equity (latest available)	Result (latest available)
	%	€ ,000	€ ,000
Fonkoze, Haiti (no information available due to earthquake)	33.10%	n/a	n/a
OMRO, Romania	31.19%	1,059	(1,782)
Divine, United States of America	26.90%	542	(5)
Uganda Finance Trust, Uganda	26.45%	2,724	458
Fondo de la Comunidad, Bolivia	24.49%	3,504	107
Hatha Kaksekar Limited, Cambodia	20.02%	5,660	652
People Tree Ltd., United Kingdom	20.00%	(784)	(374)
RWMN, Russia	20.00%	1,100	(314)

Provision for possible losses on project funding		
<i>Changes can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	34,378	31,353
Additions	6,421	4,547
Exchange adjustments	(466)	(49)
	40,333	35,851
Less: - write-offs	(401)	(1,473)
Balance as of 31 December	39,932	34,378

Fair value of development financing

The development financing portfolio consists of local currency loans as well as hard currency loans with usually semi-annual or annual instalments that have to be repaid equally over the loan period. The development portfolio also includes equity investments.

- The interest rates on local currency loans are in majority re-priced quarterly or semi-annually with the movements in the local base rates (usually local interbank rates). These rates together with a margin for risk and costs are used in determining the interest rates for local currency loans.
- Interest rates for hard currency loans are usually fixed interest rates for the full loan period. The interest rates for hard currency loans are determined using the Euribor / Libor or Euro/USD swap rates for the applicable maturity of the loan plus a margin for risks and costs.
- Equity investments are valued at cost or, if lower, market value.
- A provision for possible losses on the development financing portfolio is formed.

Considering the abovementioned, the fair value of the development financing portfolio at least equals the book-value.

6 Term investments

<i>Summary of term investments:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
Term investments in bonds issued by development banks and developing countries and by companies active in - and with particular beneficial impact in - developing countries	75,554	65,333
Other term investments	46,195	48,911
Balance as of 31 December	121,749	114,244
<i>Changes in term investments can be specified as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	114,244	132,859
Investments during the year at cost	23,606	4,791
Disinvestments / redemptions during the year	(23,338)	(22,719)
Revaluation to market value as of 31 December	7,073	(1,013)
Exchange adjustments	164	326
Balance as of 31 December	121,749	114,244

	31/12/09	31/12/08
	€ ,000	€ ,000
Bonds issued by development banks, developing countries and by companies active in - and with particular beneficial impact in - developing countries ¹⁾		
<i>Bonds issued by development banks:</i>		
Inter American Development Bank ^{*2)}	16,511	
European Bank for Reconstruction and Development	7,938	
Kreditanstalt fuer Wiederaufbau ^{*1)}	3,848	
Dutch Government Investment Bank	3,427	
Asian Development Bank ^{*2)}	1,816	
Council of Europe ^{**1)}	1,055	
African Development Bank ^{*2)}	209	
<i>Bond issued by development countries:</i>		
Republic of Hungary	4,463	
Banque Centrale de Tunisie	2,106	
Republic of Chile ^{*2)}	195	
Malaysia Government ^{*2)}	189	
<i>Bonds issued by companies active in - and with particular beneficial impact in - developing countries:</i>		
Australia & New Zealand Banking Group Ltd, Australia	6,120	
Telenor ASA, Norway	6,021	
Veolia Environnement SA, France	5,699	
Bayerische Hypo-Vereinsbank, Germany (Unicredit)	4,583	
Electricidade de Portugal SA / Energias de Portugal	3,089	
Telefonica Emision Sau, Spain	2,455	
Olivetti Finance (Telecom Italia), Italia	2,032	
<i>Subtotal bonds</i>	71,756	61,552

<i>Other term investments with development impact:</i>		
TCX, The Currency Exchange Fund N.V., the Netherlands	5,255	5,368
TCX, The Currency Exchange Fund N.V., the Netherlands (held for Triple Jump)	(1,708)	(1,789)
Other	251	202
<i>Subtotal other term investments with development impact</i>	<i>3,798</i>	<i>3,781</i>
Subtotal bonds and other term investments with development impact	75,554	65,333
Other term investments		
<i>Sovereign bonds</i>		
Republic of Slovakia	5,308	
<i>Corporate bonds ¹⁾</i>		
Nederlandse Waterschapsbank NV, the Netherlands	13,003	
France Telecom SA, France	4,390	
Telia Sonera, Sweden	3,973	
ING Group NV, the Netherlands	3,603	
Air Products & Chemicals, United States of America	3,003	
Elsevier, the Netherlands	2,318	
EVN Energie- Versorgung, Austria	2,205	
Telstra, Australia	2,067	
Deutsche Telekom, Germany	2,039	
British Telecommunications, United Kingdom	2,022	
Bank of America, United States of America	843	
Rabobank members certificates, The Netherlands	360	
<i>Subtotal bonds</i>	<i>45,134</i>	<i>45,325</i>
<i>Shares</i>		
ASN Share Fund, the Netherlands	-	2,022
DZ Bank EKK Global Ethik Zertifikate, Germany	-	484
<i>Subtotal shares</i>	<i>-</i>	<i>2,506</i>
<i>Other loans</i>		
Oikocredit USA, United States of America	761	780
GLS Bank, Germany	300	300
<i>Subtotal other loans</i>	<i>1,061</i>	<i>1,080</i>
Subtotal other term investments	46,195	48,911
Total	121,749	114,244

¹⁾ All investments in bonds comply with the following Ethibel labels and sub labels

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

²⁾ Term investments are Euro denominated except for bonds marked with * which are (partly) US dollar denominated and ** which are (partly) GBP denominated.

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

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

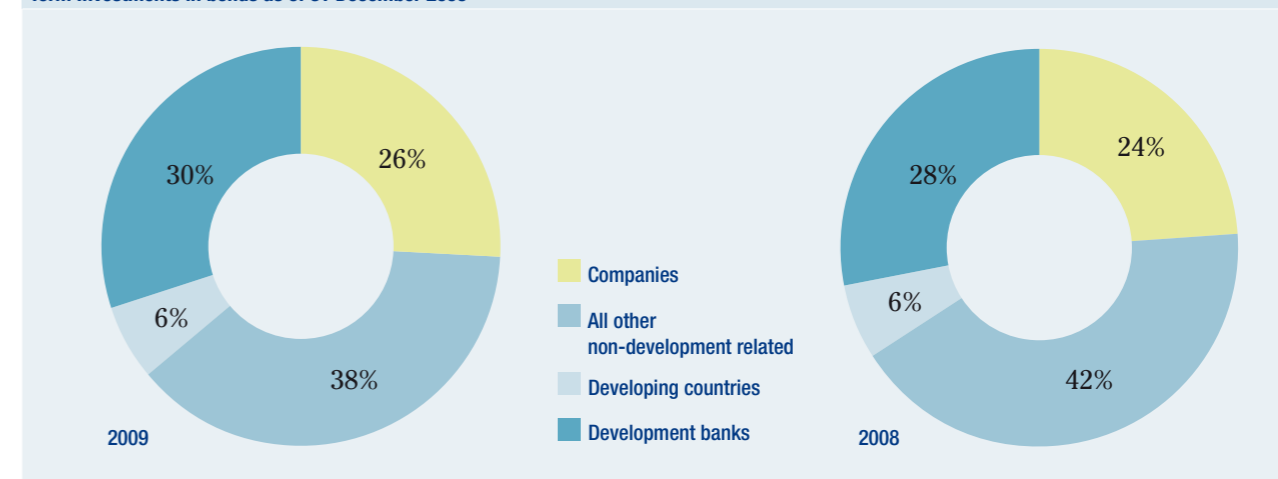
The interest received on the US dollar bonds, is sufficient to cover interest due on certain US Notes loans (\$ 389,000).

Maturity of term investments

<i>Can be specified as follows:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
Maturity 1-5 years	65,703	47,982
Maturity > 5 years	55,776	66,262
Total	121,749	114,244

The average duration of the portfolio as at 31 December 2009 for 4F Euro was 4.01 (31 December 2008: 4.57) and for 4F USD was 4.12 (31 December 2008: 4.38). Our term investments are selected from Ethibel universes, which comply with our own ethical criteria. Our term investments in bonds are all investment grade bonds according to Moody's rating agency. The majority of term investments are listed securities.

Term Investments in bonds as of 31 December 2009



7 Other financial fixed assets

Summary of other financial fixed assets:	31/12/09	31/12/08
	€ ,000	€ ,000
Hedge contracts financial institutions (note 28, Consolidated financial statements)	6,699	3,220

Changes in hedge contracts financial institutions are specified as follows:	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	3,220	3,346
Additions	3,479	(126)
Balance as of 31 December	6,699	3,220

The fair values of these hedge contracts and other details are disclosed in note 28.

8 Tangible fixed assets

Changes in tangible fixed assets in 2009 and in the cost of acquisition and accumulated depreciation as of 31 December 2009 are specified as follows:	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	533	448
Additions	204	216
Less: - depreciation over the year	(155)	(131)
Balance as of 31 December	582	533
Of which: - at original cost	1,581	1,384
- less: accumulated depreciation	(999)	(851)
Of which: - buildings	82	86
- other tangible fixed assets (mainly computer equipment and office furniture)	500	447

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

9 Receivables and other current assets

The receivables can be broken down as follows:	31/12/09	31/12/08
	€ ,000	€ ,000
Accrued interest on project funding net of allowance	7,723	8,265
Accrued interest on term investments	2,718	2,816
Interest receivable	1,841	1,590
- face value	8,252	6,739
- less: allowance for uncollectability	(6,411)	(5,149)
Hedging contracts (note 28, Consolidated financial statements)	1,920	1,782
Staff loans ¹⁾	645	571
Value added tax	65	56
Advances to regional offices for expenses 2010 (2009)	1,459	850
Sundry receivables	850	330
Balance as of 31 December	17,221	16,260
Changes in the allowance for uncollectability are specified as follows:	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	5,149	4,588
Additions charged to income	1,702	1,251
Write-offs from allowance	(519)	(637)
Exchange adjustment	79	(53)
Balance as of 31 December	6,411	5,149

¹⁾ All housing loans to staff are covered by mortgages. Market interest rates are charged on staff loans. The majority of the staff loans have maturities over one year.

10 Cash and banks

Cash and banks can be broken down as follows:	31/12/09	31/12/08
	€ ,000	€ ,000
Cash and banks including time deposits maturing within one year	37,314	10,818
Time deposits maturing > one year ²⁾	38	-
Balance as of 31 December	37,352	10,818

²⁾ These deposits serve as a collateral for a credit facility with a bank.

The group maintains its funds in banking institutions in Europe, Asia, Latin America, Africa and in the United States of America. The group has credit facility agreements with Dutch banks amounting to € 20.75 million and a guarantee of € 16 million given to a Dutch bank. These facilities are subject to the following conditions:

- audited financial statements should be provided within six months after year-end;
- the solvency ratio should be at least 70%;
- Oikocredit should keep its bond portfolio and liquidities free of any encumbrances for 125 % of the amounts of the credit line and guarantees given;
- without written permission of the credit institution: sell or securitize fixed assets or establish mortgages or other encumbrances on fixed assets (except for transactions taking place in the normal course of business); issue guarantees for liabilities of third parties.

11 Group equity

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

12 Member capital and general reserve

The Society issues shares in euros, British pounds, Canadian dollar, Swedish kronor and US dollar shares.

The 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 and is as such a liability (puttable shares). 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. If the net asset value per share is lower than the nominal value, in the most recent audited (interim) balance sheet preceding the redemption by the Society, the amount payable upon redemption of the shares shall not exceed the sum corresponding to the value of the shares according to that balance sheet (article 12 of the articles of association).

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

Member capital in foreign currency, translated at year-end exchange rates, amounts to € 28.8 million (31 December 2008: € 24.6 million). Reference is made to note 40.

General reserve		
<i>The changes in the general reserve can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 31 December 2008, resp. 2007	24,604	15,176
Effect of change in accounting policies	-	513
Balance as of 1 January	24,604	15,689
Appropriation of the results according to new accounting policies	4,861	7,230
Exchange rate effects and dividends on shares in foreign currency previous years	937	1,382
Dividends on shares in foreign currency current year	479	303
Balance as of 31 December	30,881	24,604

13 Local currency risk funds

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

	Indonesia	General	Local currency risk fund Africa	Local currency risk fund South East Asia	Local currency loans cumulative exchange rate differences ¹⁾	TOTAL
	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
Balance as of 1 January 2009	145	149	9,710	2,990	3,735	13,428
Correction result 2008	-	-	91	-	-	91
Addition to / released from fund	81	(37)	2,332	(150)	208	4,399
Balance as of 31 December 2009	226	112	12,133	2,840	3,943	17,918

¹⁾ Local currency loans cumulative exchange rate differences account

This amount is included as a separate item in the local currency risk fund as long as local currency loans did not mature yet. The difference in interest rates agreed with our partners for these local currency loans and interest rates in euro (if these loans would have been granted in euro) are added or charged to this account. Exchange rate differences on local currency loans when translated to euro are charged or added to this account as well. If losses or profits are realized when the loans in local currency matured, the cumulative profits or losses will be taken out of this cumulative exchange rate difference account and charged or added to the specified local currency risk funds mentioned above.

14 Funds for non-banking expenses and activities

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

Funds for non-banking expenses and activities		
<i>Can be specified as follows:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
Funds for non-banking expenses	2,851	3,474
Other Funds	4,330	3,675
Balance as of 31 December	7,181	7,149

Funds for non-banking expenses				
	Members' travel fund ¹⁾	Donated investments ²⁾	Funds for non-banking and model costs ³⁾	TOTAL
	€ ,000	€ ,000	€ ,000	€ ,000
Balance as of 1 January 2009	12	40	3,422	3,474
Addition to / released from fund	(7)	53	(669)	(623)
Balance as of 31 December 2009	5	93	2,753	2,851

¹⁾ This fund was established to assist members of Oikocredit in attending the organization's annual general meeting.

²⁾ This fund was established to account for donated shares.

³⁾ This fund was set up during 1999 to cover the non-banking and model costs of Oikocredit.

Other Funds							
	Capacity building Africa ¹⁾	Capacity building South and East Asia ²⁾	Technical Assistance funds ³⁾	General guarantee funds ⁴⁾	Guarantee Fund for Africa ⁴⁾	Schokland capacity building ⁵⁾	TOTAL
	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
Balance as of 1 January 2009	271	498	720	1,139	1,047	-	3,675
Transfer to Schokland fund capacity building	-	-	-	(199)	-	199	-
Addition to / released from fund	(261)	(90)	360	468	58	120	655
Balance as of 31 December 2009	10	408	1,080	1,408	1,105	319	4,330

¹⁾ This fund originates from the Church of Sweden Aid and was set up during 2004 for capacity building of existing and potential project partners and feasibility studies of potential project partners in Africa.

²⁾ This fund originates from the Church of Sweden Aid and was set up during 2004 for capacity building of existing and potential project partners and feasibility studies of potential project partners in South and East Asia.

³⁾ This fund was set up for capacity building of existing and potential project partners and feasibility studies of potential project partners.

⁴⁾ The two guarantee funds were established to enable institutional donors and individuals to participate in a fund that insures part of the credit risk (equity or loan and accumulated interest) of projects to be financed by Oikocredit. For the addition to these funds we refer to note 27.

⁵⁾ The Schokland capacity building fund was set up for capacity building of existing and potential project partners and feasibility studies of potential project partners in Central America and Dominican Republic.

15 Third party interests

Consists of minority interests of participants in the 4F-USD and Euro Fund (Fund for Fair Future), the Barefoot Trade Finance Fund, the Oikocredit Seed Capital Fund and the Stichting Oikocredit Provident Fund. (As from 01/01/2009, the assets and liabilities related to the provident fund for Oikocredit staff were transferred to a newly founded Oikocredit Provident Fund managed by a separate board chosen by the employees of Oikocredit.)

Movements can be broken down as follows:		
	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	1,441	999
Net additions to third party participation	3,148	495
Results	(111)	(53)
Balance as of 31 December	4,478	1,441

16 Non-current liabilities

Can be specified as follows:				
	31/12/09	Remaining term	Remaining term	31/12/08
	€ ,000	> 1 year	> 5 years	€ ,000
Member capital in foreign currencies (refer note 12)	28,768	-	28,768	24,567
Bank loans ¹⁾	11,728	11,728	-	9,606
Funds under Management ²⁾	12,060	12,060	-	3,447
US Note loans ³⁾	6,445	6,445	-	10,574
Hedge contracts (note 28)	1,533	1,533	-	1,426
First Oikocredit Canada ⁴⁾	885	885	-	222
Loans Shared Interest	-	-	-	1,022
Loan Basel Pension Kasse	-	-	-	716
Other liabilities	598	598	-	2,352
Total other non-current liabilities	33,249	33,249	-	29,365
Repayment obligations falling due within 12 months of the end of the financial year, as set out above, are included in current liabilities.				

¹⁾ Consists of five loans with a total principal amount of Rupee 0.8 billion from two financial institutions in India. The loans have terms up to five years and should be repaid in half yearly instalments. A loan of Rupee 250 million carries an interest rate of 11.75% and the other loans carry an interest rate equal to base rates used by the financial institution less a margin agreed upon. Oikocredit has issued a guarantee of € 16 million to a financial institution for three of the loans amounting to 800 million Rupees to one of the institutions.

²⁾ Funds managed by Oikocredit on behalf of funders which have been invested in Oikocredit's project funding. Oikocredit receives its funds under contract from various co-financing donors or development agencies, pension funds and social ethical funds. The funds are managed by Oikocredit for the risk and account of these donor agencies and funds. Breakdown per donor agency as of year-end:

• Pension Fund Protestant Churches (5 year term expiring 31/03/2014)	€ 8,000,000
• ASN-Novib Fund	€ 55,000
• Oxfam Novib	€ 813,000
• ICCO	€ 373,000
• Kerk in Actie	€ 849,000
• Cordaid	€ 677,000
• Woord en Daad	€ 111,000
• Swiss Agency	€ 1,106,000
• Rabobank Foundation	€ 76,000

³⁾ Loans taken from Oikocredit USA against their US Notes issue. The average interest rate of the loans over 2009 was 1.7% (2008: 1.9%). Expenses related to the US Notes issues have been taken up under prepaid expenses. The loans mature from 2010 until 2015.

⁴⁾ Loans taken from First Oikocredit Canada against their Canadian Notes issue repayable from 2010 until 2014. The average interest rate of the loans over 2009 was 1.75% (2008: 1.75%).

Fair value of long term liabilities

- The interest rates of the US note and First Oikocredit Canada loans are in line with the applicable market interest-rates for similar loans.
- Funds under management have been invested into the Oikocredit development financing portfolio for risk and account of the funders.
- The majority of the bank loans are against variable interest rates.

For that reason the fair value of the current liabilities approximates the book-value.

17 Current liabilities

<i>All current liabilities mature within one year and can be specified as follows:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
Long term loans expired or expiring within one year	9,514	4,406
Rabobank International, Utrecht the Netherlands, Repo loans ¹⁾	-	19,126
Short term loans from members ²⁾	5,000	6,827
Accrued expenses, sundry liabilities	3,420	3,255
Hedge contracts (note 28, Consolidated financial statements)	1,374	3,018
Funds under Management	945	1,186
Pension premiums payable	355	-
Taxes and social securities payable	168	-
Taxes payable (mainly on sale of shares equity participation)	-	531
Balance as of 31 December	20,776	38,349

1) Expired in January 2009.

2) This loan is secured by a negative pledge of Oikocredit that represents a part of the Oikocredit Development Portfolio amounting to at least 150% of the value of this loan (7.5 mln euros), which should not be sold or given as collateral for any purpose.

Fair value of current liabilities

The interest rates of the current liabilities are in accordance with applicable market interest-rates. For that reason the fair value of the current liabilities approximates the book-value.

18 Commitments not included in the balance sheet

During 2006, the Dutch Ministry of Development Cooperation awarded a subsidy for Oikocredit's non-banking costs to the International Support Foundation, amounting to € 14.8 million for the period 2007 to 2010. The amounts will be paid out based on reports submitted to the Dutch government on our non-banking activities and are recognized as income when granted. Granted amounts not yet used are added to the Oikocredit funds for non banking and local currency risks. The Dutch Government did not yet approve whether the part of the subsidies (awarded for local currency risks and guarantees) still available after the completion of the subsidy period, can be used again in the future for similar purposes.

The Society agreed with the Oikocredit Nederland Fonds (ONF) in Utrecht, the Netherlands – as one of the conditions for ONF to qualify as a socially responsible investment opportunity for Dutch tax purposes – to earmark part of microfinance project funding for fiscal purposes. (A certain percentage of total ONF member capital is allocated to Oikocredit U.A.). Furthermore, microfinance project funding is earmarked for fiscal purposes to ASN-Novib fund in The Hague, the Netherlands, and to ING Bank NV in Amsterdam.

The Society has entered into a rental agreement for seven years starting at 01/07/2007. The total yearly rent payments amount to € 266,000 per year and are indexed.

19 Financial income

<i>Can be specified as follows:</i>	2009	2008
	€ ,000	€ ,000
Development financing		
Project funding:		
- Interest	35,279	31,401
- Dividends	687	536
Management fees	83	50
Total development financing	36,049	31,987
Term investment income		
- Interest	4,138	4,686
- Realized results	318	(806)
- Dividends	60	116
Total term investment income	4,516	3,996
Total financial income	40,565	35,983

20 Additions to loss provision

<i>The breakdown of the additions to the project funding loss provisions can be specified as follows:</i>	2009	2008
	€ ,000	€ ,000
Additions to provisions against losses		
- on principal projects	6,421	4,537
- on interest	1,702	1,251
Total	8,123	5,788

21 Other financial expenses

<i>Can be specified as follows:</i>	2009	2008
	€ ,000	€ ,000
Interest payable on long term loans, current accounts and other short term liabilities	(3,166)	(3,172)
Interest allocated from term investments	259	210
Less interest expenses on:		
- US Notes loans	(259)	(210)
Exchange rate differences	122	(701)
Hedging premiums including revaluation of derivatives	(1,925)	(1,964)
Total	(4,969)	(5,837)

22 Grant income

Grants	2009	2008
	€ ,000	€ ,000
Grants received from Dutch government through cooperation with ICCO	3,660	3,800
Other grants received	678	235
Total grants	4,338	4,035

23 Personnel

The number of employees who were directly or indirectly employed by the Society and group companies at the end of 2009 on the basis of full-time equivalents (fte) amounted to 183 (2008: 191). This number includes staff employed by the regional, country and national support offices. Of the total fte's (183), 58% is female and 42% is male. Of the total management fte's (59), 45% is female and 55% is male. The decrease in full-time equivalents is a result of the closure of the offices in South Africa and Indonesia and open positions temporarily not filled.

Personnel expenses	2009	2008
	€ ,000	€ ,000
Salaries	6,407	5,990
Pension charges and social securities	1,818	1,432
All other personnel costs	1,071	900
Total personnel expenses	9,296	8,325
<i>Breakdown personnel expenses of staff based in the Netherlands:</i>		
Salaries for staff based in the Netherlands	3,140	2,816
Pension charges for staff based in the Netherlands	533	440
Social securities charges for staff based in the Netherlands	440	342

24 General and other expenses

	2009	2008
	€ ,000	€ ,000
Office expenses	1,498	1,397
Capacity building and technical assistance expenses	1,018	1,053
Contribution to support associations	943	520
Marketing expenses	717	423
All other general expenses	937	580
Total general and other expenses	5,113	3,973

25 Audit fees

The following audit fees were expensed in the income statement in the reporting period:	2009	2008
	€ ,000	€ ,000
Audit of Financial Statements	69	71
Audit of Financial Statements additional for 2008	94	-
Other audit procedures	4	59
Tax services	8	7
Other non-audit services	75	71
Total audit fees	250	208

26 Taxes

	2009	2008
	€ ,000	€ ,000
Taxes Maanaveeya Holdings & Investments Private limited	606	482
Taxes regional and country offices	10	-
Total taxes	616	482

The tax authorities in the Netherlands have exempted the Society from corporation tax provided that the Society complies with certain conditions, all of which were complied with in 2009.

The net-income derived from the activities through Maanaveeya Holdings & Investments Private limited in India is subject to a local income tax. In some countries where we operate the local income is taxed on a cost-plus basis.

27 Additions to and releases from funds

	2009	2008
	€ ,000	€ ,000
Local currency risk fund Philippines		
Exchange rate differences on invested funds	-	3
Exchange rate differences local currency loans repaid	72	(14)
Interest added	9	5
Released from / addition to fund	81	(6)
Local currency risk fund Indonesia		
Grants received	-	50
Exchange rate differences on invested funds	-	2
Exchange rate differences local currency loans repaid	(44)	(10)
Interest added	7	4
Released from / addition to fund	(37)	46
Local currency risk fund general		
Grants received	2,230	2,277
Exchange rate differences on invested funds	10	127
Exchange rate differences local currency loans repaid	(495)	(207)
Interest added	587	272
Released from / addition to fund	2,332	2,469
Local currency risk fund Africa		
Exchange rate differences on invested funds	3	45
Exchange rate differences local currency loans repaid	(304)	279
Interest added	151	89
Released from / addition to fund	(150)	413
Local currency risk fund South East Asia		
Exchange rate differences on invested funds	4	62
Interest added	204	117
Released from / addition to fund	208	179
Local currency risk fund unrealized exchange rate differences		
Addition exchange rate differences local currency loans repaid	771	(48)
Addition exchange rate differences	1,194	(1,565)
Released from / addition to fund	1,965	(1,613)
Members' travel fund		
Grants received	0	9
Other costs	(7)	(7)
Released from / addition to fund	(7)	2
Donated investments		
Grants received	53	40
Released from / addition to fund	53	40
Non-banking and model costs		
Grants received	197	453
Interest received allocated to fund	172	128
Category A costs ¹⁾	(488)	(1,049)
Other costs; office expenses	(550)	(323)
Released from / addition to fund	(669)	(791)

Capacity building Africa		
Interest added	8	13
Other costs	(269)	(253)
Released from / addition to fund	(261)	(240)
Capacity building South East Asia		
Interest added	24	18
Other costs	(114)	(155)
Released from / addition to fund	(90)	(137)
Technical assistance funds		
Grants received	927	804
Interest added	46	16
Other costs	(613)	(405)
Released from / addition to fund	360	415
Guarantee funds general		
Grants received	400	403
Interest added	68	29
Released from / addition to fund	468	432
Guarantee fund Africa		
Interest added	58	33
Released from / addition to fund	58	33
Schokland capacity building fund		
Grants received	120	-
Released from / addition to fund	120	-
Schokland Central America and Dominican Republic Fund		
Funds received	359	-
Released from / addition to fund	359	-
TOTAL ADDITION TO FUNDS		
	4,791	1,242

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

28 Use of financial instruments

Balance sheet item	Product	31/12/09 Notional	31/12/09 Carrying amount	31/12/09 Fair value	31/12/08 Carrying amount	31/12/08 Fair value
		€	€ ,000	€ ,000	€ ,000	€ ,000
<i>Oikocredit has entered into the following derivatives to cover its exposure:</i>						
Fixed assets						
FX derivatives	Under hedge accounting	-	-	-	-	-
	Not under hedge accounting	36,359,600	3,540	-	662	-
Interest derivatives	Under hedge accounting	22,706,708	1,859	1,159	-	-
	Not under hedge accounting	23,559,079	1,300	1,269	2,558	3,857
	Total		6,699		3,220	
Current assets						
FX derivatives	Under hedge accounting	7,088,849	141	183	-	-
	Not under hedge accounting	-	-	-	438	438
Interest derivatives	Under hedge accounting	18,741,821	1,779	1,641	-	-
	Not under hedge accounting	-	-	-	1,344	1,385
	Total		1,920		1,782	
Non-current liabilities						
FX derivatives	Under hedge accounting	(8,292,172)	(819)	(792)	-	-
	Under hedge accounting	-	-	-	(1,307)	(1,176)
Interest derivatives	Under hedge accounting	8,835,966	(260)	(379)	-	-
	Not under hedge accounting	2,947,010	(454)	(133)	(119)	234
	Total		(1,533)		(1,426)	
Current liabilities						
FX derivatives	Under hedge accounting	17,225,388	(930)	(819)	-	-
	Not under hedge accounting	(70,972)	(5)	(5)	(2,802)	(2,786)
Interest derivatives	Under hedge accounting	-	-	-	-	-
	Not under hedge accounting	-	(439)	-	(216)	(215)
	Total		(1,374)		(3,018)	

Oikocredit has entered into long term currency option contracts (included in the abovementioned overview) of US\$ 17 million and US\$ 30 million to cover part of its currency risks. These options contracts expire in 2017 and 2019. Annual option premiums of € 254,200 and € 280,335 are payable up to expiration date.

29 Overview total result

	2009 € ,000	2008 € ,000
<i>The changes in the equity and funds as part of the group equity and funds can be summarized as follows:</i>		
Equity and funds as at 1 January	382,086	343,644
Consolidated net income after addition to funds	18,308	12,553
Exchange rate differences on investments in group companies	201	(1,955)
Addition to funds	4,791	1,242
Total direct changes in equity and funds	4,992	(713)
Total result group excluding third party interest	23,300	11,840
Net addition member capital (new shares minus redemptions)	51,361	32,155
Dividends paid to members	(6,545)	(5,553)
	44,816	26,602
Equity and funds as at 31 December	450,202	382,086

30 Remuneration policies

Remuneration of the board of directors

In general, no remuneration is paid to the board of directors. However, board members receive compensation in case of loss of income when attending Oikocredit board meetings. The total remuneration for loss of income paid in 2009 amounted to € 8,700 (2008: € 2,000).

Remuneration of management team

	2009 € ,000	2008 € ,000
<i>The breakdown of the remuneration is as follows:</i>		
Managing director gross salary	119	117
Managing director performance reward ¹⁾	24	16
Managing director expense allowances ²⁾	61	58
Other management team members' gross salary ³⁾	332	281
Other management team members' performance reward ¹⁾	32	37
Other management team members' expense allowances	8	7
Total (2009: 5 members; 2008: 4 members)	576	516

¹⁾ Awarded in Oikocredit shares.

²⁾ Including 30 % allowance.

³⁾ The other Management team members consists of 4 people from 01/07/2009 (2008: 3 people).

Staff based in the Netherlands

The remuneration policy of staff living in the Netherlands is in principle based on similar employment conditions formulated by a Dutch development organization.

Staff based outside the Netherlands

National staff – based outside the Netherlands – are being remunerated according to standards applicable to employees with similar responsibilities in their home countries. In principle, national staff is paid in the currencies of the countries in which they reside and work. A savings / provident fund scheme is available for staff outside the Netherlands to which the employer and employees each contribute a fixed percentage of the staff member's gross remuneration.

Performance reward

A performance reward for 2008 as well as 2009 (as an acknowledgement for good results) was paid to all staff members with a permanent contract and working for the organization longer than one year.

Pensions

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

31 Information on role of board of directors and committees of Oikocredit

Board of directors of Oikocredit

Oikocredit has appointed an international board of directors which has the widest powers in regard to the management of the Society. It has the authority to decide on all matters which are not specifically attributed and reserved to the general meeting of the Society: the board of directors has the power to delegate (a part of) its powers to the Managing Director who is responsible for the day to day management of the Society under the specific instructions of the board of directors on financial, economic and social policies. Further details can be found in article 30 to article 32 in the articles of association of the Society. The board had three meetings during 2009.

The following people are members of the board of directors as of 31 December

- Dr. Rev. Shobha Arole – President (India)
- Mr. Harry Derkx – Vice President (the Netherlands)
- Dr. Aris Alip (The Philippines)
- Ms. Judith Castañeda (Guatemala)
- Mr. Matt Christensen (United States of America)
- Dr. Nune Darbinyan (Republic of Armenia)
- Ms. Kristina Hengren (Sweden)
- Rev. Dr. Fidon R. Mwombeki (Tanzania)
- Ms. Salome Sengani (South Africa)
- Mr. Sérgio Roschel (Brazil)
- Mr. Heinrich Wiemer (Germany)

Secretary to the board: Mr. Tor G. Gull (Finland)

The Managing Director has established a management team consisting of the following five staff members

- Mr. Tor G. Gull – Managing Director (Finland)
- Mr. Ben Simmes – Director Social Performance & Financial Analysis and Deputy Managing Director (the Netherlands)
- Mr. Erik Heinen – Director Loans & Investments (the Netherlands)
- Mr. Albert Hofsink – Director Finance & Administration (the Netherlands)
- Ms. Ylse van der Schoot – Director Investor Relations (the Netherlands) as from 01/07/2009

Audit committee

The annual general meeting has set terms of reference for the audit committee, which consists of three people elected by the annual general meeting for a three-year term. The audit committee had two meetings during 2009, reviewing items such as the financial statements, internal control structures, the risk management project, as well as legal and compliance issues.

Members of the audit committee

- Mr. Hans Hekkenberg (the Netherlands)
- Ms. Jo Jamieson (Canada)
- Mr. Andreas Neukirch (Germany)

Investment advisory committee

The management of Oikocredit has institutionalized an investment advisory committee consisting of three people to advise on Oikocredit's long term investment policies. The objectives of the investment advisory committee are:

- review and develop the investment policy of Oikocredit;
- monitor conflicts of interest related to the investment portfolio;
- evaluate the transactions and evaluate and monitor the performance of the Oikocredit investment portfolio for the period under review;
- review extraordinary transactions in the period under review;
- advise on the investment portfolio and policy.

Members of the investment advisory committee

- Mr. Paul van Loon, former Finance Manager of Oikocredit, the Netherlands
- Mrs. Muriel Freriksen, Advisor Capital Management, Acquisition & Divestment Finance ING, the Netherlands
- Mr. Heinrich Wiemer, Independent Financial Consultant, Germany
- Prof. Dr. Theo Dijkstra, Head of Research and Development at SNS Bank Asset Management, Den Bosch, the Netherlands, professor of econometrics with a special assignment for SRI at the University of Groningen, the Netherlands.

Nomination committee

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

Members of the nomination committee

- Ms. Ulrike Chini (Germany)
- Mr. V. Kasturi (India)
- Mr. Nils-Gunnar Smith (Sweden)
- Ms. Judith Castañeda (Guatemala) – member board of directors
- Mr. Tor G. Gull – Managing Director (Finland)

SOCIETY BALANCE SHEET

(before appropriation of net income)

Notes	31/12/09 € ,000	31/12/08 € ,000
NON-CURRENT ASSETS		
Financial assets		
33 Development financing		
Project funding		
Approved	423,994	410,803
Less: - not yet disbursed	(74,556)	(68,138)
Outstanding project financing	349,438	342,665
Less: - loss provision	(38,857)	(34,140)
	310,581	308,525
34 Investments in group companies	133,690	109,264
35 Term investments	1,578	4,085
36 Other financial assets	8,035	6,521
Total financial assets	453,884	428,395
37 Tangible assets	570	524
Total non-current assets	454,454	428,919
CURRENT ASSETS		
38 Receivables and other current assets	14,668	12,412
39 Cash and banks	34,121	7,128
Total current assets	48,789	19,540
TOTAL	503,243	448,459

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

SOCIETY BALANCE SHEET

(before appropriation of net income)

Notes	31/12/09 € ,000	31/12/08 € ,000
MEMBER CAPITAL AND RESERVES		
40 Member capital	413,008	358,016
41 General reserves	23,020	18,178
41 Restricted exchange fluctuation reserve	(1,544)	(1,745)
Undistributed net income for the year	19,348	11,420
	453,832	385,869
43 NON-CURRENT LIABILITIES	21,162	19,759
44 CURRENT LIABILITIES	28,249	42,831
TOTAL	503,243	448,459

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

SOCIETY **INCOME STATEMENT**

Notes	2009 € ,000	2008 € ,000
RESULTS		
34 Results participation in group companies after taxes	1,262	896
Other results	18,086	10,524
NET INCOME	19,348	11,420

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

NOTES TO THE **SOCIETY** **FINANCIAL STATEMENTS**

32 General

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

The accounting policies of the Society financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value in accordance with the accounting policies for the consolidated financial statements. In addition to the changes of the accounting policies of the consolidated financial statements, the Society included the 4F-Funds at net equity value, included in investments in group companies. In previous financial statements the underlying assets and liabilities of these funds were included separately in the term investments. This change has reduced the term investments by EUR 93,989,000 and increased the investments in group companies by the same amount. The change did not have any impact on equity and the results. Although the 4F-Funds are not incorporated legal entities but restricted, tax transparent investment funds (beleggingsfondsen) with an open-end for members / shareholders and future members / shareholders of Oikocredit, and are managed and accounted separately, the Society decided to account the participation in these Funds as investments in group companies rather than term investments, thus reflecting the factual situation. For information on the investments in bonds by the 4F-Funds we refer to note 6 of the consolidated financial statements.

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

33 Development financing

Changes in outstanding project funding	2009 € ,000	2008 € ,000
<i>Can be specified as follows:</i>		
Outstanding as of 1 January	342,665	256,851
Disbursements	116,039	163,447
Capitalized interest and dividends	2	245
Less: - repayments	(103,728)	(76,790)
- write-offs	(438)	(1,397)
Exchange adjustments	(5,102)	309
Outstanding as of 31 December	349,438	342,665
Approved in the year	153,516	181,770
Less: - commitments cancelled	(1,192)	(10,696)
Not yet disbursed 1 January	68,138	74,441
Less: - disbursements	(116,039)	(163,447)
- disbursements through subsidiary Maanaveeya Holdings	(24,975)	(14,280)
- disbursements through subsidiary Oikocredit Ukraine	(598)	(82)
Exchange adjustments	(4,294)	432
Approved as of 31 December	423,994	410,803

Provision for possible losses on project funding		
<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	34,140	31,068
Additions	5,585	4,510
Exchange adjustments	(467)	(41)
	39,258	35,537
Less: - write-offs	(401)	(1,397)
Balance as of 31 December	38,857	34,140

We refer to note 5 of the consolidated financial statements for further detailed information on consolidated project funding and development financing.

34 Group companies

Net asset value investments in group companies		
	31/12/09	31/12/08
	€ ,000	€ ,000
Oikocredit 4F-Euro Fund ³⁾	100,362	91,829
Maanaveeya Holdings & Investments Private Ltd., Hyderabad, India ¹⁾	32,150	15,109
Financial Company Oikocredit Ukraine, Lviv, Ukraine ²⁾	689	166
Oikocredit 4F-USD Fund ³⁾	337	2,160
Oikocredit Seed Capital Fund ⁴⁾	(15)	-
Barefoot Trade Finance Fund ⁴⁾	167	-
Balance as of 31 December	133,690	109,264

¹⁾ The investment in Maanaveeya Holdings & Investments Private Ltd., Hyderabad, India, consists of 100% of the compulsory convertible bonds amounting to Indian rupees 113,287,000 and 100% of the ordinary shares amounting to Indian rupees 929,779,441. The compulsory convertible debentures should be converted within 10 years after issuing the debentures ultimately during 2018. The debentures carry an interest rate of 9% for the year up to 31 December 2009. Thereafter the interest rate is the advance rate of the State bank of India less 3.25%. In an extraordinary meeting of shareholders held during December 2007, the shareholders decided to increase the authorized ordinary share capital by US\$ 50 million and to restructure the capital. The board of directors of Oikocredit approved the increase in capital in Maanaveeya Holdings and Investments Ltd.

²⁾ The investment in Financial Company Oikocredit Ukraine in Lviv, Ukraine, consists of 100% of the ordinary shares amounting to UAH 1,8 million.

³⁾ This amount represents the Society's participation in Oikocredit 4F-EUR Fund (86.1%) / Oikocredit 4F-USD Fund (7.7%). These Funds are created as restricted, tax transparent investment funds with an open-end for members / shareholders. The Funds are not incorporated legal entities, but unincorporated contracts of its own nature.

⁴⁾ This amount represents the Society's participation in Oikocredit Seed Capital Fund (63%) and Barefoot Trade Finance Fund (25%). These Funds are created as restricted, tax transparent investment funds with an open-end for members / shareholders. The Funds are not incorporated legal entities, but unincorporated contracts of its own nature.

Maanaveeya Holdings & Investments Private Ltd.		
<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	15,109	4,303
Investments	14,927	11,770
Net result for the year	1,361	895
Exchange adjustments	753	(1,859)
Balance as of 31 December	32,150	15,109

Financial Company Oikocredit Ukraine		
<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	166	-
Investments	659	250
Net result for the year	(98)	1
Exchange adjustments	(38)	(85)
Balance as of 31 December	689	166

Oikocredit 4F-Euro Fund		
<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	91,829	103,619
Investments / disinvestments	2,280	(15,137)
Realized results on disinvestments	718	(99)
Revaluation to market value as of 31 December	5,535	3,446
Balance as of 31 December	100,362	91,829

Oikocredit 4F-USD Fund		
<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	2,160	1,849
Disinvestments	(1,648)	-
Realized results on disinvestments	(6)	-
Revaluation to market value as of 31 December	(169)	311
Balance as of 31 December	337	2,160

Oikocredit Seed Capital Fund		
<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	-	-
Investments	50	-
Results for the year	(65)	-
Balance as of 31 December	(15)	-

Barefoot Trade Finance Fund		
<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	-	-
Investments	170	-
Results for the year	(8)	-
Revaluation to market value as of 31 December	5	-
Balance as of 31 December	167	-

<i>The Society has direct interests in the following entities:</i>	Share in equity
	31/12/09 (%)
Fully consolidated	
Maanaveeya Holdings & Investments Private Ltd., Hyderabad, India	100.00
Financial Company Oikocredit Ukraine, Lviv, Ukraine	100.00
Oikocredit 4F-Euro Fund	86.00
Oikocredit 4F-USD Fund	8.00
Oikocredit Seed Capital Fund	63.00
Barefoot Trade Finance Fund	25.00

35 Term investments

<i>Can be summarized as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	4,085	12,397
Investments during the year at cost	50	114
Disinvestments / redemptions during the year	(2,906)	(6,326)
Revaluation to market value as of 31 December	368	(2,133)
Exchange adjustments	(19)	33
Balance as of 31 December	1,578	4,085

The majority of term investments are listed securities. For a breakdown of the individual titles in the fund we refer to note 6 of the consolidated financial statements.

<i>Summary of term investments:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
<i>Corporate bonds ¹⁾</i>		
Rabobank members certificates, the Netherlands	360	336
Subtotal bonds	360	336
<i>Shares</i>		
ASN Share Fund, the Netherlands	-	2,022
DZ Bank EKK Global Ethik Zertifikate, Germany	-	484
Subtotal shares	-	2,506
<i>Other loans</i>		
Oikocredit USA, United States of America	761	780
GLS Bank, Germany	300	300
Subtotal other loans	1,061	1,080
Other	157	163
Balance as of 31 December	1,578	4,085

¹⁾ All investments in bonds comply with the following Ethibel labels and sub labels:

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

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

36 Other financial assets

<i>Summary of other financial assets:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
Related parties (Oikocredit International Support Foundation)	1,336	3,301
Hedge contracts financial institutions (note 28, Consolidated financial statements)	6,699	3,220
Balance as of 31 December	8,035	6,521

<i>Changes in related parties (Oikocredit International Support Foundation) are specified as follows: ¹⁾</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	3,301	1,688
Additions	(1,965)	1,613
Balance as of 31 December	1,336	3,301

¹⁾ To cover the risks related to Oikocredit's exposure to local currency, the Oikocredit International Support Foundation has established local currency risk funds. Accumulated losses or profits on the difference between the value of local currency loans – including interest – (should these domestic currency loans have been granted in euros) and the actual value of domestic currency repayments and interest received by Oikocredit as exchanged in euros, will be reimbursed by the Oikocredit International Support Foundation at the moment the loans are repaid.

37 Tangible fixed assets

<i>Changes in tangible fixed assets in 2009 and in the cost of acquisition and accumulated depreciation as of 31 December 2009 are specified as follows:</i>	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	524	445
Additions	200	206
Less: - depreciation over the year	(154)	(127)
Balance as of 31 December	570	524
Of which: - at original cost	1,550	1,368
- less: accumulated depreciation	(980)	(844)
Of which: - buildings	82	86
- other tangible fixed assets (mainly computer equipment and office furniture)	488	438
The useful life of the equipment is estimated at five years on average. Information Technology (IT) equipment is depreciated in three years. Buildings are depreciated in 25 years.		

38 Receivables and other current assets

<i>The receivables maturing within one year can be broken down as follows:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
Accrued interest on project funding net of allowance	6,492	6,716
Interest receivable:	1,761	1,590
- face value	8,171	6,739
- less: allowance for uncollectability	(6,410)	(5,149)
Hedge contracts (note 28, Consolidated financial statements)	1,920	1,782
Staff loans ¹⁾	645	571
Receivables on group companies (note 46)	1,409	533
Value added tax	65	56
Funds regional offices for expenses payable	1,459	850
Sundry receivables	917	314
Balance as of 31 December	14,668	12,412

¹⁾ All housing loans to staff are covered by mortgages. Market interest rates are charged on staff loans. The majority of the staff loans have maturities over one year.

39 Cash and banks

The Society maintains its funds in banking institutions in Europe, Asia, Latin America, Africa and in the United States of America. The time deposits included in cash and banks as of 31 December 2009 all mature in 2010.

The Society has credit facility agreements with Dutch banks amounting to € 20.75 million and a guarantee of € 16 million given to a Dutch bank (we refer to note 10 of the consolidated financial statements).

These facilities are subject to the following conditions:

- audited financial statements should be provided within six months after year-end;
- the solvency ratio should be at least 70%;
- Oikocredit should keep its bond portfolio and liquidities free of any encumbrances for 125 % of the amounts of the credit line and guarantees given.

Without written permission of the credit institution: sell or securitize fixed assets or establish mortgages or other encumbrances on fixed assets (except for transactions taking place in the normal course of business); issue guarantees for liabilities of third parties.

40 Member capital

<i>Movement in the membership capital is specified as follows:</i>	2009	2008
	€ ,000	€ ,000
Issued capital		
Balance as of 1 January	358,016	324,706
New shares issued	58,125	34,202
Redemption of shares	(3,133)	(892)
Balance as of 31 December	413,008	358,016
Of which - euro shares	377,458	326,097
- shares in other currencies (at original exchange rate)	35,550	31,919

The Society issues euro shares of € 200 each, British pound shares of GBP 150 each, Canadian dollar shares of CAD 200 each, Swedish kronor shares of SEK 2,000 each and US dollar denominated shares of US\$ 200 each. The number of authorized shares of capital stock is unlimited.

The member capital 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 and is as such a liability (puttable shares). 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. If the net asset value per share is lower than the nominal value, in the most recent audited (interim) balance sheet preceding the redemption by the Society, the amount payable upon redemption of the shares shall not exceed the sum corresponding to the value of the shares according to that balance sheet (article 12 of the articles of association).

41 General and other reserves

General reserves ¹⁾	2009	2008
	€ ,000	€ ,000
Balance as of 31 December 2008 resp 2007	18,178	10,428
Change in accounting policies	-	513
Balance as of 1 January 2008	18,178	10,941
Appropriation of the result	4,842	7,237
Balance as of 31 December	23,020	18,178

¹⁾ Oikocredit Board allocated a part of the general reserve for specific purposes:

An amount for local currency loans (€ 2,932,000) will be used for exchange rate differences, resulting from local currency loans, insofar as these exchange rate differences cannot be covered by the local currency risk funds in the Oikocredit International Support Foundation.

Restricted Exchange Fluctuation reserve ¹⁾	2009	2008
	€ ,000	€ ,000
Balance as of 1 January	(1,745)	210
Exchange rate differences	201	(1,955)
Balance as of 31 December	(1,544)	(1,745)

¹⁾ The restricted exchange fluctuation reserve represents the accumulation of gains and losses on investments in group companies.

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

Movements in the difference between the Society and consolidated equity and profit / loss in the financial year were as follows:	31/12/09	31/12/08
	€ ,000	€ ,000
Equity according to society financial statements	453,832	385,869
Reclassification of Members capital to Non Current Liabilities	(28,768)	(24,566)
Reserves Oikocredit International Support Foundation	3	209
Reserves Oikocredit International Share Foundation	27	(3)
Net result Oikocredit International Share Foundation	9	
Local currency risk funds Support foundation	17,918	13,428
Funds for non banking expenses and activities Support Foundation	7,181	7,149
Group Equity and Funds according to consolidated financial statements	450,202	382,086

Difference in net income	2009	2008
	€ ,000	€ ,000
Net income according to the society financial statements	19,348	11,420
Net result Oikocredit International Share Foundation	9	(9)
Exchange rate differences on Members Capital in foreign currency	(570)	1,240
Dividends paid on Members Capital in foreign currency	(479)	(303)
Effect of change in accounting policies term investments	-	205
Net income according to consolidated financial statements	18,308	12,553

43 Non-current liabilities

Can be specified as follows:	31/12/09	Remaining term > 1year < 5 years	31/12/08
	€ ,000	€ ,000	€ ,000
Funds under Management ¹⁾	12,060	12,060	3,447
US Note loans ²⁾	6,445	6,445	10,574
Hedge contracts (note 28, Consolidated financial statements)	1,533	1,533	1,426
First Oikocredit Canada ³⁾	885	885	222
Loans Shared Interest	-	-	1,022
Loan Basel Pension Kasse	-	-	716
Other liabilities	239	239	2,352
Total non-current liabilities	21,162	21,162	19,759

Repayment obligations falling due within 12 months of the end of the financial year, as set out above, are included in current liabilities.

¹⁾ Funds managed by Oikocredit on behalf of funders which have been invested in Oikocredit's project funding or term investments. Oikocredit receives its funds under contract from various co-financing donor or development agencies and social ethical funds. The funds are managed by Oikocredit for the risk and account of these donor agencies and funds. Breakdown per donor agency as of year-end:

• Pension Fund Protestant Churches (5 year term expiring 31/03/2014)	€ 8,000,000
• ASN-Novib Fund	€ 55,000
• Oxfam Novib	€ 813,000
• ICCO	€ 373,000
• Kerk in Actie	€ 849,000
• Cordaid	€ 677,000
• Woord en Daad	€ 111,000
• Swiss Agency	€ 1,106,000
• Rabobank Foundation	€ 76,000

²⁾ Loans taken from Oikocredit USA against their US Notes issue. The average interest rate of the loans over 2009 was 1.7% (2008: 1.9%). Expenses related to the US notes issues have been taken up under prepaid expenses. The loans mature from 2010 until 2015.

³⁾ Loans taken from First Oikocredit Canada against their Canadian Notes issue repayable from 2010 until 2014. The average interest rate of the loans over 2009 was 1.75% (2008: 1.75%).

Fair value of long term liabilities

- The interest rates of the US note and First Oikocredit Canada loans are in line with the applicable market interest-rates for similar loans.
- Funds under management have been invested into the Oikocredit development financing portfolio for risk and account of the funders.
- The majority of the bank loans are against variable interest rates.

For that reason the fair value of the current liabilities approximates the book-value.

44 Current liabilities

<i>All current liabilities mature within one year and can be specified as follows:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
Long term loans expired or expiring within one year	9,514	4,406
Group companies (note 46)	7,726	5,457
Rabobank International, Utrecht the Netherlands, Repo loans	-	19,126
Short term loans from members	5,000	6,827
Accrued expenses, sundry liabilities	1,714	2,280
Hedge contracts (note 28, Consolidated financial statements)	1,374	3,018
Taxes and social securities payable	168	-
Taxes payable	-	531
Other current liabilities	2,753	1,186
Balance as of 31 December	28,249	42,831

Fair value of current liabilities

The interest rates of the current liabilities are in accordance with applicable market interest rates. For that reason the fair value of the current liabilities approximates the book-value.

45 Commitments not included in the balance sheet

The Society has to keep US\$ 2.2 million of investment grade bonds free of liens, pledges or any other encumbrance to secure a negative pledge to an American organization until 31 December 2010, in case Oikocredit USA defaults on its US note obligations of US\$ 6 million.

The Society agreed with the *Oikocredit Nederland Fonds* (ONF) in Utrecht, the Netherlands – as one of the conditions for ONF to qualify as a socially responsible investment opportunity for Dutch tax purposes – to earmark part of microfinance project funding for fiscal purposes. (A certain percentage of total ONF member capital is allocated to Oikocredit U.A.). Furthermore, microfinance project funding is earmarked for fiscal purposes to ASN-Novib fund in The Hague, the Netherlands, and to ING Bank NV in Amsterdam.

The Society has entered into a rental agreement for seven years starting at 01/07/2007. The total rent payments amount to € 266,000 per year and are indexed.

46 Related party transactions

Transactions with Oikocredit Foundations during the year

Material transactions with the Oikocredit International Support Foundation: during 2009, € 488,000 of category A¹⁾ costs were directly charged to the Oikocredit International Support Foundation (2008: € 1,049,000).

Oikocredit charged costs related to non banking activities and ‘model costs’ (category B costs¹⁾) to the foundations’ funds for non-banking expenses amounting to € 302,500 (2008: € 350,000).

Oikocredit charged cumulated exchange rate differences on local currency loans to the foundations local currency risk fund amounting to € 1.9 million (2008: € 1.6 million).

Transactions with the Oikocredit International Share Foundation

There were no material transactions with the International Share Foundation during 2009 or 2008.

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

Amounts owed by and to Oikocredit foundations and other group companies ¹⁾

<i>Market interest rates are charged on these amounts:</i>	31/12/09	31/12/08
	€ ,000	€ ,000
<i>Amounts owed to group companies</i>		
Oikocredit International Support Foundation	6,969	5,457
OSCap Fund	195	-
Barefoot Power Fund	562	-
	7,726	5,457
<i>Amounts owed by group companies</i>		
Oikocredit International Support Foundation recharged cumulated exchange rate differences (note 36)	1,336	3,301
<i>Amounts owed by other group companies</i>		
Maanaveeya Holdings & Investments Private Ltd., Hyderabad	657	100
Oikocredit International Share Foundation	591	297
4F-Fund, Fund for Fair Future, Amersfoort	161	154
	1,409	533

Funds available within the Oikocredit Support Foundation

Total funds available within the International Support Foundation to cover future category A and B costs – as well as guarantees and capacity building of Oikocredit – amount to approximately € 7.1 million at year-end.

At year-end the available local currency risk funds within the Support Foundation – to cover future currency losses on local currency loans – amount to approximately € 17.9 million.

47 Other information

Proposal for allocation of net income

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

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

In respect to allocation of net income, the Society's articles of association determine the following (article 35): 'The net profits shall be allocated by the annual general meeting after receiving the proposals of the board of directors.' The board of directors will make the following proposal to the annual general meeting 2010 as to the 2009 net income:

- to pay a dividend of 2% on all outstanding shares as of 31 December 2009, which were also outstanding as of 31 December 2008, and to pay a dividend of 1% on all outstanding shares as of 31 December 2009, which were also outstanding as of 30 June 2009, but not yet outstanding as of 31 December 2008 and to pay a dividend of 0.5% on all outstanding shares as of 31 December 2009, which were not yet outstanding as of 30 June 2009;
- to pay 1% on all sold shares that were outstanding between 30 June 2009 and 31 December 2009 and also outstanding as of 31 December 2008. Dividend to be paid in shares or in cash at the members' option;
- to add € 12.0 million to the general reserve.

Allocation of net income

The board of directors proposes to appropriate the net income as follows:

	2009	2008
	€ ,000	€ ,000
Dividend distribution	7,352	6,579
General reserve		
Unrealized revaluation of term investments	6,193	-
Unrealized exchange differences	1,280	-
Other	4,523	4,841
	11,996	4,841
Net income	19,348	11,420

Information on cumulative unrealized results in general reserve

The breakdown of the balance of the cumulative amounts of the unrealized results included in the general reserve is as follows:

	2009	2008
	€ ,000	€ ,000
Cumulative amount of unrealized revaluation of term investments	6,193	-
Cumulative amount of unrealized exchange differences in results	1,280	-
Total unrealized results included in general reserve	7,473	-

From 01/01/2009 onwards, unrealized term investments as well as unrealized exchange rate differences included in the results of the society are separated within the general reserves and are designated for losses in future years. The Oikocredit board decided not to pay any dividends from this part of the results included in the general reserve.



To: the Board of Directors of Oikocredit Ecumenical Development Co-operative Society U.A.

PricewaterhouseCoopers Accountants N.V.
Prinses Margrietplantsoen 46
2595 BR The Hague
P.O. Box 30715
2500 GS The Hague
The Netherlands
Telephone +31 (0) 70 342 61 11
Facsimile +31 (0) 70 342 64 00
www.pwc.com/nl

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of Oikocredit Ecumenical Development Co-operative Society U.A., Amersfoort, the Netherlands as set out on pages 24 to 72, which comprise the consolidated and company balance sheet as at 31 December 2009, the consolidated and company profit and loss account for the year then ended and the notes.

Management's responsibility

Management of the foundation is responsible for the preparation and fair presentation of the financial statements and for the preparation of the Report of the Board of Directors, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

PricewaterhouseCoopers is the trade name of among others the following companies: PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287) and PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289). The services rendered by these companies are governed by General Terms & Conditions, which include provisions regarding our liability. These General Terms & Conditions are filed with the Amsterdam Chamber of Commerce and can also be viewed at www.pwc.com/nl.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Oikocredit Ecumenical Development Co-operative Society U.A. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Den Haag, 24 February 2010
PricewaterhouseCoopers Accountants N.V.



H.A. Wink RA

HAW-161685a/ae/30127844/ivo

ADDRESS INFORMATION

International office

Management team

- Mr Tor G. Gull
Managing Director
- Mr Ben Simmes
Director Social Performance & Financial Analysis and Deputy Managing Director
- Mr Erik Heinen
Director Loans & Investments
- Mr Albert Hofsink
Director Finance & Administration
- Ms Ylse van der Schoot
Director Investor Relations

Regional offices

East Africa

- Ms Judy Ngarachu
office.ke@oikocredit.org
Offices Kenya, Tanzania, Uganda

English-speaking West Africa

- Ms Muriel Edusei
office.gh@oikocredit.org
Office Ghana

French-speaking West Africa

- Ms Mariam Dao
office.ci@oikocredit.org
Offices Benin, Côte d'Ivoire, Mali, Senegal

India

- Mr Sundara Rao
office.in@oikocredit.org

Southeast Asia

- Ms Ma. Theresa Pilapil
office.ph@oikocredit.org
Offices Cambodia, the Philippines

Eastern Europe and Central Asia

- Mr Guillermo Salcedo
office.eu@oikocredit.org
Offices Bulgaria, Kyrgyzstan, Moldova, Romania, Russian Federation, Slovakia, Ukraine

Mexico, Central America and the Caribbean

- Ms Teresita Murillo
office.rdcr@oikocredit.org
Offices Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua

South America northern region

- Mr Frank Rubio
office.pe@oikocredit.org
Offices Ecuador, Peru

South America southern region

- Mr Leonel Roland
office.sasr@oikocredit.org
Offices Argentina, Bolivia, Brazil, Paraguay, Uruguay

OIKOCREDIT TERMINOLOGY

Capacity building

In addition to providing financial services, Oikocredit offers its partners capacity building programmes to help them develop expertise and management skills in areas such as finance, gender issues and social performance.

Country office

Oikocredit's more than 30 country offices work directly with partners and beneficiaries in national or regional markets.

Focus country

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

International support office

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

National support office

Oikocredit's offices that coordinate and support efforts to attract investors, working closely with local support associations.

Non-banking activities

Services such as capacity building support Oikocredit provides to clients in addition to its core business of providing financial services.

Non-financial sector

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

Oikocredit International Share Foundation

The Share Foundation facilitates investments in Oikocredit for banks, development organizations and individuals in countries where no support associations nor national support offices exist.

Oikocredit International Support Foundation

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

PAR (90)

Percentage of our portfolio with a delay in payment of 90 days or more.

Regional office

Oikocredit's office coordinating our microfinance and related activities in a particular region.

Support association

Local organizations engaged in promoting Oikocredit.

Term investments

Oikocredit's investments in bonds.

SUPPORT ASSOCIATIONS

Austria

- Vienna
oesterreich.fk@oikocredit.org
+43 1 15 05 48 55

Belgium

- Antwerp
oikocredit-be@oikocredit.org
+32 478 50 04 38

France

- Grenoble (Centre Alpes Rhône)
car.as@oikocredit.org
+33 476 24 17 23
- Marseille (Méditerranée)
mediterranee.as@oikocredit.org
+33 491 75 13 53
- Ostheim (France Est)
francest.as@oikocredit.org
+33 389 49 00 92
- Paris (Ile de France & Ouest)
iledefrance-ouest.as@oikocredit.org
+33 648 02 75 91
- Valentigney (Franche-Comté)
franche-comte.as@oikocredit.org
+33 381 34 78 74

Germany

- Berlin (Nordost)
nordost.fk@oikocredit.org
+49 30 680 57 150
- Bonn (Westdeutschland)
westdeutsch.fk@oikocredit.org
+49 228 6880 280
- Braunschweig (Niedersachsen-Bremen)
niedersachsen-bremen.fk@oikocredit.org
+49 531 26 15 586
- Frankfurt / M (Hessen-Pfalz)
hessen-pfalz.fk@oikocredit.org
+49 69 74 22 18 01

- Hamburg (Norddeutschland)
fk.norddeutschland@oikocredit.org
+49 40 306 201 460
- Magdeburg (Ostdeutschland)
ostdt.fk@oikocredit.org
+49 391 537 12 40
- Nürnberg (Bayern)
bayern.fk@oikocredit.org
+49 911 37 69 000
- Stuttgart (Baden-Württemberg)
baden-wuerttemberg@oikocredit.org
+49 711 12 00 05 0

Italy

- Kaltern / BZ (Südtirol)
suedtirol@oikocredit.org
+39 047 196 27 31

The Netherlands

- Utrecht
nederland@oikocredit.org
+31 30 234 10 69

Spain

- Barcelona (Catalunya)
catalunya@oikocredit.org
+34 93 441 63 06
- Bilbao (Euskadi)
euskadi@oikocredit.org
+34 94 416 68 56
- Sevilla
sevilla@oikocredit.org
+34 646 36 00 38

Switzerland

- Genève (Suisse Romande)
suisse.as@oikocredit.org
+41 22 328 46 70
- Niederwangen (Deutsche Schweiz)
swiss.sa@oikocredit.org
+41 31 772 00 42

Canada

- Dartmouth (Nova Scotia)
atlantic_ca.sa@oikocredit.org
+1 902 466 40 48
- Mississauga (Ontario)
canada.sa@oikocredit.org
+1 905 808 21 60
- Victoria (British Columbia)
BritishColumbia.sa@oikocredit.org
+1 250 385 15 38

Mexico

- Mexico City
mexico.sa@oikocredit.org
+52 555 658 04 05

USA

- Pittsburgh (Pennsylvania)
westernpa@oikocredit.org
+1 412 731 40 84
- Seattle (Northwest)
northwest.usa@oikocredit.org
+1 206 784 60 78

Japan

- Osaka
japan.sa@oikocredit.org
+81 6 63 39 39 83

South Korea

- Seoul
korea.sa@oikocredit.org
+82 2 20 75 60 91

Philippines

- Quezon City
philippines.sa@oikocredit.org
+63 2 929 32 29 / 32 35

NATIONAL SUPPORT OFFICES

France

- Ms Juliette Aubert
france@oikocredit.org
+33 142 34 70 53

Germany

- Mr Florian Grohs
deutschland@oikocredit.org
+49 613 132 93 222

Sweden

- Ms Cecilia Näsman
sweden@oikocredit.org
+46 76 80 00 809

United Kingdom & Ireland

- Mr Patrick Hynes
uk@oikocredit.org
+44 19 95 60 28 06

United States of America

- Mr Terry Provance
usa@oikocredit.org
+1 202 265 06 07

STRATEGIC PARTNERS



www.icco.nl



www.cerise-microfinance.org

Terrafina
Microfinance



www.terrafina.nl



www.grameenfoundation.org

ECLOF

www.eclof.org

Church of Sweden

www.svenskakyrkan.se

RELEVANT NETWORKS



www.avcanet.com



www.agri-profocus.nl



www.3iGnet.org



www.eurosif.org



www.ica.coop

ICCO Alliance



www.socialmicrofinance.org



www.sptf.info



www.bidnetwork.org



www.cmf.com



www.e-mfp.eu



www.inaise.org



www.microfinance.nl

mftransparency.org

www.mftransparency.org



www.smartcampaign.org



www.wfto.com



www.mixmarket.org

THE OIKOCREDIT TEAM OVER 45 NATIONALITIES



WWW.OIKOCREDIT.ORG

Oikocredit is a worldwide cooperative society. It promotes global justice by challenging people, churches and others to share their resources through socially responsible investments and by empowering disadvantaged people with credit.



Oikocredit International
T +31 33 422 40 40
F +31 33 465 03 36
E info@oikocredit.org

Berkenweg 7
3818 LA Amersfoort
The Netherlands

PO Box 2136
3800 CC Amersfoort
The Netherlands