



# Investing for positive social impact

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

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

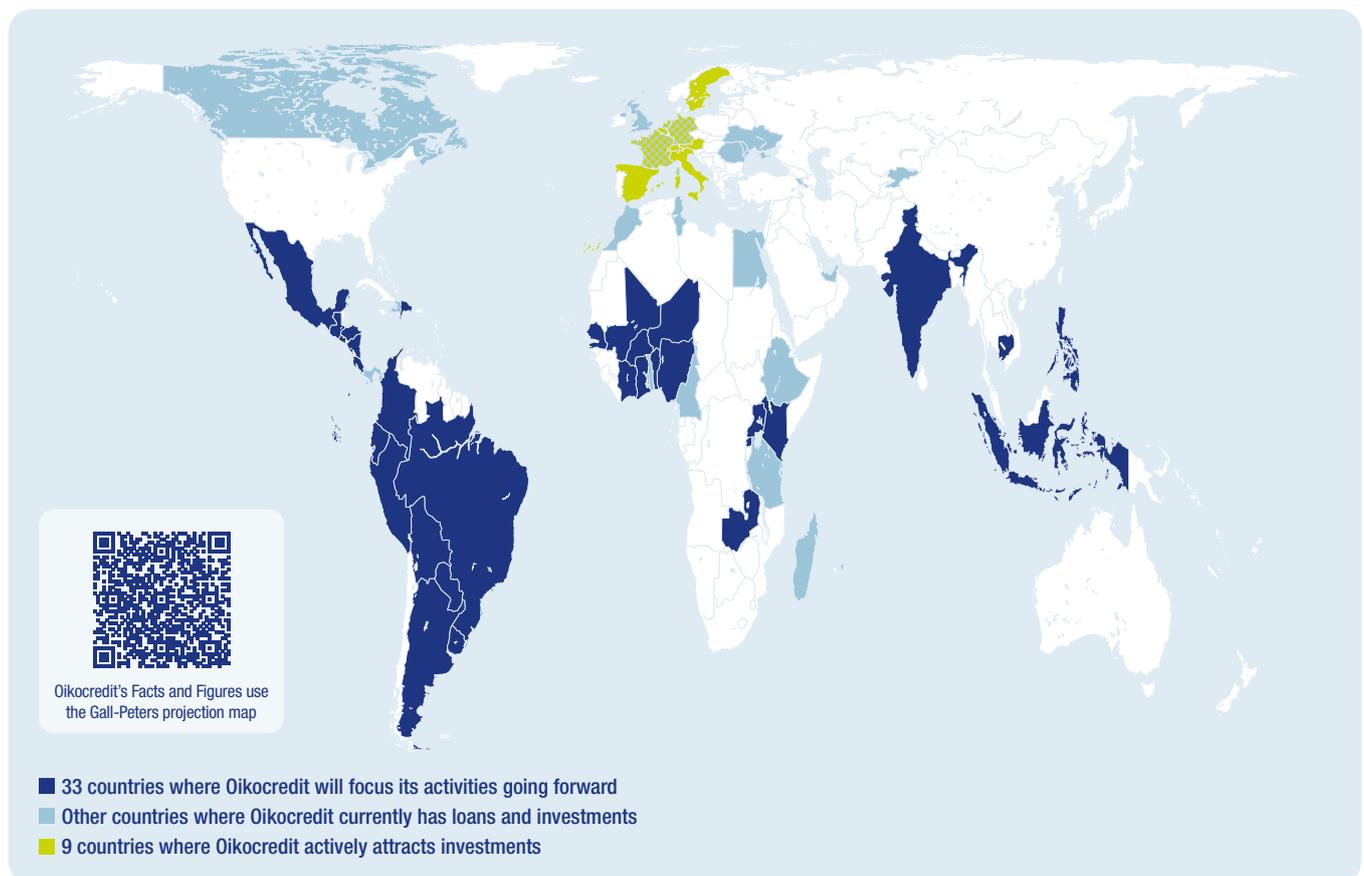
Oikocredit is financed by individuals and institutions who want to be part of a global movement for social change. Our investments prioritise social impact while safeguarding the environment and generating fair financial returns.

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

€ 1,007.2  
million capital outstanding

56,300  
investors

519  
partners



## India - Technology solutions for small-scale farmers

Ecozen Solutions provides smart and sustainable technology solutions for more than 100,000 smallholder farmers in India. Founded in 2010 and an Oikocredit partner since 2021, Ecozen specialises in solar-powered pump systems and cool storage. Its solar pump controllers help farmers irrigate their crops and reduce their dependency on rainfall. The solar-cooled storage enables farmers to preserve their produce post-harvest, reducing wastage and allowing more time to secure better prices. Kapil Popat More (pictured) uses Ecozen's cold storage for the flowers he grows. Waiting a few days post-harvest rather than selling the flowers immediately earns him an extra 50 rupees per kilogram.



# Rebuilding Together

## Oikocredit's Managing Director, Mirjam 't Lam, looks back on the past year and ahead to 2023 and beyond.

11 April 2023



Uncertainty and change seem to be the hallmark of the 'new normal' as the world emerges from the Covid-19 pandemic only to confront multiple deep and interrelated crises of climate, biodiversity, livelihoods, poverty, social injustice and war. These crises threaten us all and almost always hurt the people on the lowest incomes most directly and painfully. Yet they are also among the reasons why Oikocredit exists and what we have sought to address throughout our 47 years of investing responsibly.

In 2022 our cooperative brought to fruition several years' preparatory work to enable us to harness a more robust and resilient collective response to worldwide challenges.

### New strategy and new inflow model

Our new 2022-2026 strategy, developed through extensive dialogue with internal and external stakeholders, focuses on supporting communities in building resilience while continuing to prioritise financial inclusion, agriculture and renewable energy as core elements in our work. We will contribute to community resilience through an expanding and innovative range of lending, investing and capacity building in the housing, education, healthcare, water and sanitation, and community infrastructure sectors. As ever, our new community-focused approach aims to avoid top-down solutions by learning from the bottom up with and from partners that work directly with low-income people.

The strategy also emphasises increasing connections with and between our members and investors and with the work we do in our focus countries to enhance the cooperative's role as a global movement and change maker.

In parallel, Oikocredit's new capital-raising model, which has also taken time and careful consultation in developing, will offer more individuals and organisations a possibility to invest directly in Oikocredit. We will introduce the new investment product (called participations) sequentially in our inflow markets from 2023 to simplify and standardise our capital raising, increase transparency and free up more resources for our core mission. Cooperative members will continue to hold voting rights.

### Renewed foundations

In 2022 our cooperative's portfolio and organisational finances weathered the financial market turbulence that undercut the value of our fixed-rate term investments (bonds). We achieved steady progress in our long-standing focus sectors of inclusive finance, agriculture and renewable energy, where our investing continued to produce a fair financial return and demonstrated improving social and environmental performance. We progressed our community-focused pilot projects under the new strategy. Organisationally, we made important changes at board level and to our leadership structure, introducing a new Executive Committee and a Global Leadership Group and strengthening the role of the Members' Council. We published an insightful Impact Report and completed the second annual round of our successfully evolving client self-perception survey.

In all these respects, we have renewed our operational and organisational foundations to enable us to do more of what we do well and do it even better.

Oikocredit's work remains as necessary as ever. I am confident in our cooperative's ability to stay at the forefront of social impact investing and to make a significant contribution to the kind of change the world so urgently needs.

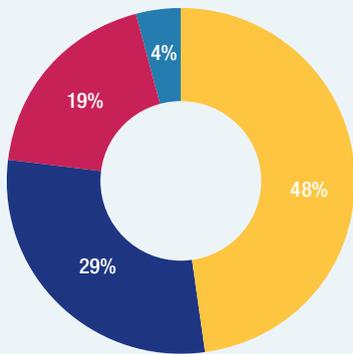
My thanks to all those who have continued with us on this journey towards a better world.

**Mirjam 't Lam**  
Managing Director

# Oikocredit at a glance

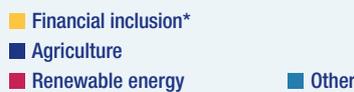
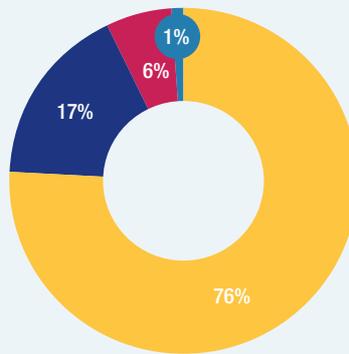
## Financing by region

at 31 December 2022



## Financing by sector

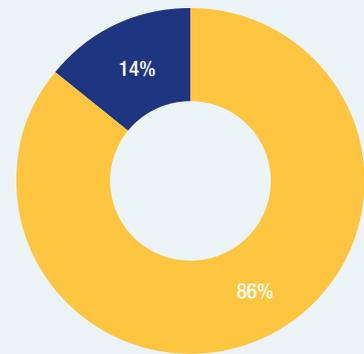
at 31 December 2022



\* including microfinance and SME finance

## Type of financing

at 31 December 2022



## Key financial figures

at 31 December 2022

### Total assets

€ 1,238.2 million

### Total development financing outstanding

€ 1,007.2 million

### Net asset value per share

€ 213.95

### Member capital

€ 1,110.7 million

### Average outstanding financing per partner

€ 1.9 million

### Total number of partners

519

### Result (year-to-date)

€ 8.5 million

## Social and environmental performance

at 31 December 2021

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

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

38.2 million

### Renewable energy

Households with access to clean energy

43,000

### % female clients

81%

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

134,000

### % rural clients

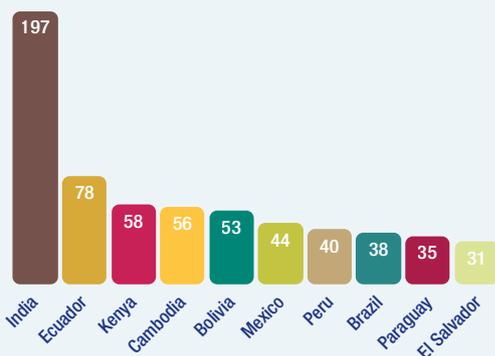
61%

### Farmers reached by Oikocredit's agriculture partners

579,000

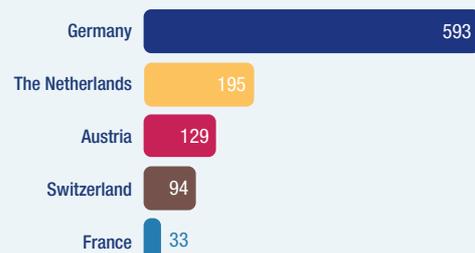
## Ten countries with highest capital outstanding

at 31 December 2022 – in € millions



## Five countries with highest member capital

at 31 December 2022 – in € millions



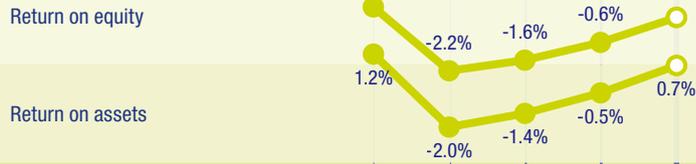
# Key ratios and figures

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

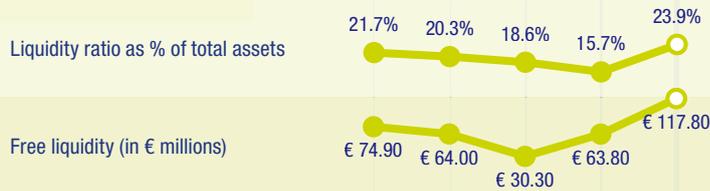
## Key quarterly ratios and figures

(year-to-date)

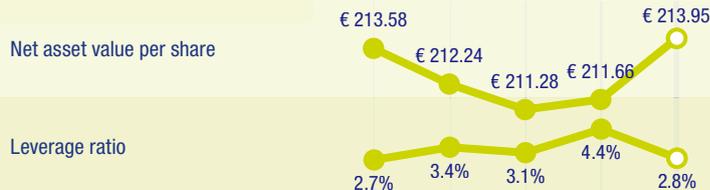
### Generating fair financial returns for investors



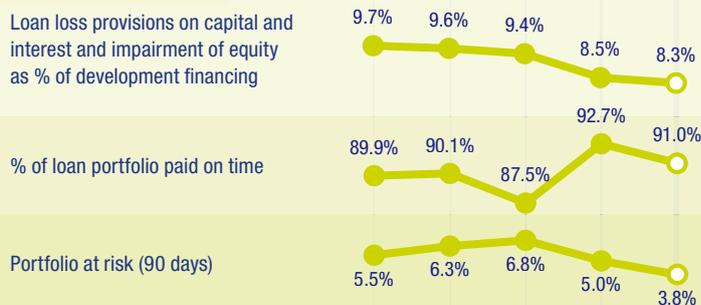
### Liquidity risk management



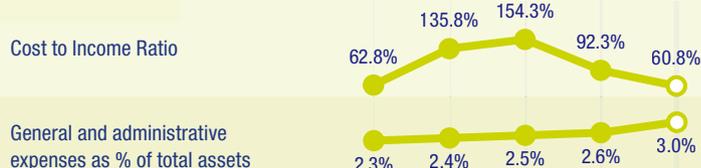
### Solvency and capital management



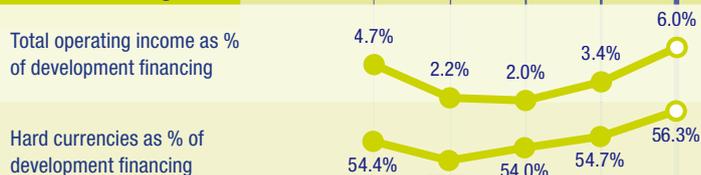
### Credit risk management



### Cost management



### Market risk management



### Commentary on key quarterly ratios and figures

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

**Generating fair financial returns for investors** The return ratios on equity and assets improved compared to the last quarter with positive results mainly due to the Fusion equity exit in November. However, the ratios remained below expectations, penalised by a negative € 14.8 million revaluation of the term investments and additional loan loss provisions and equity impairments in the last quarter. Interest income on the development financing portfolio exceeded expectations; operating costs were under control. The overall result was positive.

**Liquidity risk management** The liquidity ratio increased to 23.9% driven by less than anticipated disbursements in the quarter. The liquidity buffer remained sufficient and can support portfolio growth and share redemptions.

**Solvency and capital management** Net asset value (NAV) per share increased to € 213.95, higher than anticipated, as an outcome of the positive result and lower capital base. The leverage ratio reduced due to a decrease in both current and non-current liabilities.

**Credit risk management** Total loan loss provisions and equity impairments continued to decrease (by 0.2%) in relation to the total size of the development financing portfolio. The percentage of the loan portfolio that partners are repaying on time decreased (by 1.8%) to 91.0%, while portfolio at risk (loan repayments at least 90 days overdue) reduced further from 5.0% to 3.8%, well below the target threshold of 6%.

**Cost management** The costs to assets ratio deteriorated in Q4 and was slightly above our 2022 target, mainly because of additional investments in the new capital-raising model and automation projects. The costs to income ratio was behind target but improved compared to the previous quarter.

**Market risk management** Total operating income as a share of the total development financing portfolio strongly increased with the equity sale of Fusion but remained below expectations. Development financing interest income in itself exceeded expectations on the back of the global trend of rising interest rates.

# Five-year Oikocredit key figures

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

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

	2022	2021	2020	2019	2018
Members	528	546	552	555	558
Investors (approximate number)	56,300	58,900	58,400	59,000	57,000
Countries with regional and country offices	13	14	14	15	21
National support offices and support associations	26	26	26	28	32
Staff members in full-time equivalents (FTE)	250	206	192	201	235
Partners in portfolio 3	519	517	563	674	684

## Keyfigures from the annual report in € millions

Total consolidated assets	1,238.2	1,258.1	1,241.7	1,310.4	1,292.9
Member capital	1,110.7	1,129.0	1,104.1	1,129.8	1,082.5
Other funding	98.6	88.0	109.3	141.4	146.4
Total funds available for investing	1,209.3	1,217.0	1,213.4	1,271.2	1,228.9
Development financing activities					
New disbursements	408.5	474.1	243.5	404.5	444.5
De/Increase in disbursements (%)	-13.8%	94.7%	-39.8%	-9.0%	16.9%
Cumulative disbursements	5,325.7	4,917.2	4,443.1	4,199.6	3,795.1
Total cumulative payments (capital, interest and dividends) by partners	5,030.1	4,572.4	4,168.7	3,728.7	3,289.4
Total development financing outstanding	1,007.2	995.9	845.1	1,064.6	1,046.6
As % of total funds available for investing at 1 January	82.8%	82.1%	66.5%	86.6%	90.8%
Portfolio at risk 90 days	3.8%	5.5%	5.8%	5.4%	4.0%
Loan loss provisions on capital and interest and impairment of equity	83.5	96.7	109.9	97.3	80.3
Loan loss provisions on capital and interest and impairment of equity as % of development financing outstanding	8.3%	9.7%	13.0%	9.1%	7.7%
Write-offs of capital charged to loan loss provisions	28.2	12.8	12.9	5.7	5.3
As % of development financing outstanding loan portfolio	3.3%	1.5%	1.9%	0.6%	0.6%
Term investments	-	214.4	182.8	139.8	144.2
Total financial income	105.0	69.3	78.6	98.1	87.2
General and administrative expenses	36.8	29.5	29.1	31.5	37.1
As % of total assets	3.0%	2.3%	2.3%	2.4%	2.9%
General and administrative expenses excluding grant-based expenses	36.2	29.1	28.4	30.7	36.0
As % of total assets	2.9%	2.3%	2.3%	2.3%	2.8%
Impairments and additions to loss provisions	-12.4	-1.8	33.0	23.1	15.0
As % of development financing outstanding	-1.2%	-0.2%	3.9%	2.2%	1.4%
Net income available for distribution	8.5	15.3	(22.2)	14.3	1.3
Dividend	5.6	5.6	0	0	10.6

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