

# Prospectus

## for the issue of shares of

# Oikocredit-be cvba-so

Investing in the Shares involves certain risks. An investor is exposed to the risk of losing all or part of its investment. Before making any investment in the Shares, investors must read the whole prospectus carefully, especially Chapter 3 on 'Risk Factors' of this Prospectus. Each of these risk factors must be carefully studied and assessed before investing in the Shares. Shareholders may only withdraw or request a partial take-back of their Shares during the first six months of the financial year, and this by means of a request directed to the Board of Directors. This withdrawal can never exceed the maximum nominal value of the Shares .



## Oikocredit-be CVBA-SO

Offering of New Shares of Oikocredit-be CVBA-SO up to a maximum issue of New Shares of 5.000.000,00 EUR.

The value of one share is EUR 50,00, for which both legal entities as private persons may subscribe. The minimum for an initial investment is EUR 250,00. It is also possible to invest in fractions of shares.

This prospectus (the “Prospectus”) relates to an offering to the public in Belgium (the “Offering”) to subscribe for new ordinary shares in the Company (the “New Shares”). The Offering takes place in the context of a continuous issue and therefore remains valid for as long as the prospectus is valid unless closed early.

The offer of these Shares involves risks. For a discussion of the risk factors that should be considered when subscribing to the New Shares, please refer to chapter 3 on [“Risk Factors”](#).

The New Shares are not being offered or sold in any country other than Belgium. Potential investors should note that there is no secondary market other than the possibility of transfer or withdrawal as set out in [Chapter 5 \(Information on the Offering\)](#).

The New Shares have not been and will not be registered in accordance with any regulations relating to securities other than Belgian regulations. The distribution of this document and the offering and delivery of shares may be restricted by law in certain jurisdictions. Persons who come into possession of this document should seek information about any such restrictions and must comply with them. For a description of these and other limitations, see [Chapter 4 \(Warnings and points of information\)](#).

Annexes I, III and XXII of the Commission Regulation (EC) No 809/2004 have been used to prepare the prospectus and its summary.

This Prospectus will be made available to investors free of charge at the Company’s registered office at Rue des Tanneurs 165, 1000 Brussels, Belgium. This Prospectus may also be consulted on the Internet for free on the following website: [www.oikocredit.be](http://www.oikocredit.be).

Prospectus dated 26 September 2017 .

## Table of contents

Defined terms are placed inside inverted commas or are identified by a capital letter. Numerical expressions in this Prospectus follow the convention by which a (.) separates the thousands and a (,) separates the decimals.

1.	Summary .....	6
2.	Definitions.....	20
3.	Risk factors.....	22
3.1	Risk factors specific to the Offering and to ownership of the Shares .....	22
3.2	Risk factors specific to Oikocredit-be's activities .....	23
4.	Warnings and points of information .....	27
4.1	Preliminary warning .....	27
4.2	Decision on whether or not to invest.....	27
4.3	Presentation of financial and other information.....	28
4.4	Information about foreign currencies .....	28
5.	General information and information about responsibility for the prospectus and the auditing of the accounts.....	28
5.1	Responsibility for the contents of the Prospectus .....	28
5.2	Statutory auditor .....	28
5.3.	Approval of the Prospectus.....	29
5.4	Available information .....	29
6.	Reasons for the offering and use of proceeds .....	30
7.	Information about the offering.....	31
7.1	Decisions relating to the Offering.....	31
7.2	Requirements for the Offering .....	31
7.3	Subscription Procedure. ....	31
7.4	Issue Price.....	32
7.5	Publications in the context of the Offering .....	32
7.6	Payment for and delivery of the New Shares.....	32
7.7	Dividend entitlement .....	32
7.8	Expected timetable of the Offering .....	32
7.9	Plan for the distribution and allocation of securities.....	33
7.10	Classes of potential investors .....	33
7.11	Secondary market and liquidity.....	33
7.12	Financial services .....	33

7.13	Costs in connection with the Offering .....	33
8.	Dividends and dividend policy .....	34
8.1	Dividends.....	34
8.2	Dividend policy .....	34
9.	Capitalization & indebtedness statement on working capital .....	35
9.1	Statement on working capital.....	35
9.2	Capitalization and indebtedness.....	35
10.	Selected historical financial information about the company .....	35
10.1	Key figures.....	36
10.2	Simplified balance sheet.....	37
10.4	Cash flow.....	40
10.5	Accounting principles.....	40
11.	Information about Oikocredit-be .....	41
11.1	Information on microfinance .....	41
11.2	History and mission of Oikocredit-be .....	41
11.3	Description of activities and sources of income .....	44
11.4	Legal Structure .....	46
11.5	Governance structure .....	47
11.5.1	Board of Directors.....	47
11.5.2	Management.....	49
11.5.3	Corporate governance.....	50
11.5.4	Remuneration of directors .....	50
11.5.5	Shares held by directors and management .....	50
11.6	Employees.....	50
11.7	Conflicts of interest .....	51
11.8	Relationship with the existing shareholders and transactions.....	51
	with related parties .....	51
11.8.1	Shareholder structure at the start of the offering .....	51
11.8.2	Existing shareholder agreements and existing agreements and transactions with affiliated companies.....	51
12.	Description of the authorized capital.....	52
12.1	Corporate goal.....	52
12.2	Authorized capital .....	52
12.3	Rights attached to the Shares .....	53
12.4	Form of Shares.....	55

12.5	Transfer of Shares .....	55
12.6.	Withdrawal and take-back .....	55
12.7	Exclusion .....	55
12.8	Other securities .....	56
13	The taxation system in Belgium.....	56
13.1	Dividends.....	56
13.2	Capital gains and losses.....	56
14	Litigation and arbitration; significant changes .....	58
14.1	Litigation and arbitration .....	58
14.2	Significant changes in Oikocredit-be’s financial or trading position .....	58
APPENDICES .....		59
1.	Audited financial statements.....	59
2.	Statutes of Oikocredit-be CVBA-SO .....	59
3.	Shareholder registration form .....	59
4.	Social Performance Report Oikocredit International 2016 .....	59
5.	Bylaws Oikocredit-be (May 2014).....	59
6.	Annual Report of Oikocredit International 2016 .....	59

## 1. Summary

This Summary is prepared in accordance with Annex XXII of Commission Regulation (EC) No 809/2004 of April 29, 2004 (as amended) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereinafter the “Prospectus Regulation”).

Pursuant to the aforementioned Annex XXII of the Prospectus Regulation, summaries are made up of disclosure requirements known as “Elements” which are numbered in Sections A – E (A.1 – E.7). Because some Elements are not required to be addressed for Shares, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the nature of the transaction or the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary and marked as “Not applicable”.

### Section A. Introduction and warnings

A.1	Warning	<p>This Summary must be read as an introduction to the Prospectus with respect to the public offering to subscribe to New Shares. It includes certain important information contained in the Prospectus. It does not include all the information that may be important to investors.</p> <p>Any decision to invest in the New Shares should be based on consideration of the Prospectus as a whole and on any and all information provided in the Prospectus (including information by reference) by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant member state, have to bear the costs of translating the Prospectus before the legal proceedings are initiated</p> <p>Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Shares.</p>
A.2	Use of the Prospectus for subsequent resale of final	Not applicable

	placement of securities by financial intermediaries	
--	---	--

## Section B. Issuer

B.1	Legal and commercial name of the Issuer	Oikocredit-be CVBA-SO
B.2	Domicile and legal form of the Issuer	<p>Legal form: Coöperatieve vennootschap met beperkte aansprakelijkheid met een sociaal oogmerk (CVBA-SO)/ Société Coopérative à Responsabilité Limitée à Finalité Sociale (SCRL-FS) under Belgian law.</p> <p>Oikocredit-be cvba-so is registered in the register of legal entities of Brussels with company registration number 0427.441.386.</p> <p>Its registered office is located at: Rue des Tanneurs 165, 1000 Brussels, Belgium.</p> <p>Date of incorporation: October 25, 1984 Duration: indefinite</p>
B.3	Key factors relating to the Issuer's current operations and principal activities	<p>The cooperative society Oikocredit-be was established in 1984 under the name VOOC (Vlaamse Oecumenische Ontwikkelingscoöperatie). The initiative for founding VOOC was taken by the 'Antwerp Council of Churches' (de Antwerpse Raad van Kerken), 'Church and development' (Kerk en Ontwikkeling) and 'Protestant Solidarity' (Protestantse Solidariteit). This initiative was supported by the 'Commission Justice and Peace' as well as by the Belgian bishops.</p> <p>Our vision is the following: A global, just society in which resources are shared sustainably and all people are empowered with the choices they need to create a life of dignity.</p> <p>Our mission is as follows: Oikocredit-be challenges all to invest responsibly. It provides financial services and supports organizations to improve the quality of life of low-income people or communities in a sustainable way.</p> <p>Oikocredit-be's principal tool in reaching its mission is partner funding. Oikocredit-be itself does not fund partners directly, but realizes this mission through the services of Oikocredit International, by investing most of its capital in Oikocredit Ecumenical Development Services UA (hereafter Oikocredit International). Oikocredit International provides loans or other types of financing (equity, quasi equity, or guarantees)</p>

		<p>for the development of viable economic enterprises of groups of disadvantages people, who are generally denied access to financial services. Thus, Oikocredit International supports cooperatives and comparable organizations, as well as alternative trade organizations, financial intermediaries (including microfinance institutions). Microfinance institutions enable Oikocredit International to reach individuals or small groups of people whom it cannot serve with direct loans.</p> <p>As per 31 December 2016 , 97,08% or EUR 11.574.618 of Oikocredit-be's total capital was invested in Oikocredit International. The remaining 2.92% were mainly on bank accounts in liquid assets. Small participations were taken in NEWB (investment of EUR 2.000) and in Energy Kiosks (also EUR 2.000).</p>
B.4	<p>Most significant trends affecting the issuer and the industries it operates in</p>	<p>Oikocredit-be invests its capital almost entirely as a participation in the capital of Oikocredit International, and this exclusively through the purchase of shares of Oikocredit International. The capital raised by Oikocredit-be through the issuing of new shares in Belgium, is reinvested by buying the shares issued by Oikocredit International within the framework of capital increases. The financial income consists of the dividend received on the shares in Oikocredit International. Oikocredit-be has no impact on the dividend policy of Oikocredit International.</p> <p>This reinvested amount is used to fund Oikocredit International's lendable funds, which currently amount to EUR 981 million (on 31 May 2017). The participation by Oikocredit-be in the capital of Oikocredit International remains stable at about 1% over the last years. On 31 December 2016, Oikocredit International's total capital amounted to EUR 1.209,3 million.</p> <p>The relevant trends expected to affect the issuer and its businesses can be considered to be identical to those affecting Oikocredit International and the industries it operates in.</p> <p>Oikocredit will face increased competition in microfinance in 2017 , and the low interest rate environment is expected to continue. However, Oikocredit is well positioned to keep building its portfolio, developing new products, services and sectors, and investing in its business. The income derived from Oikocredit's loan portfolio however reduced, mainly as a result of the low interest rate environment that financial markets continue to experience worldwide.</p> <p>Oikocredit will continue to prioritize growth in Africa, agriculture, renewable energy and financial inclusion, while maintaining its strong position and distinctive focus on the quality of social outcomes in the more mainstream areas of microfinance. Oikocredit will continue to seek new types of partners, such as commercial banks in Africa financing SMEs that create jobs for low-income people and help smallholder farmers access markets.</p>

		<p>Oikocredit is strengthening its local currency risk fund by additional donations and further increase of room by concluding external hedge contracts to assure it is protected against exchange rate risks from its local currency portfolio. Oikocredit takes forward its tax project by reviewing the tax position in the countries where it operates. Oikocredit will also consider how to diversify our term investments to be better placed when interest rates eventually rise again.</p> <p>While Oikocredit International has paid a 2% dividend for several years running, the decision on the dividend level is taken on a year-by-year basis and depends on the financial results of the previous year. Forecasts show that the 2017 dividend is highly likely to be lower than 2% due to the persistent low interest rate environment. A modest lowering of the dividend level of Oikocredit-be, reflecting the diminishing financial income, is therefore also likely, to maintain a sound financial basis.</p>																								
B.5	Issuer's group and the Issuer's position within the group	Not applicable																								
B.6	Major Shareholders	<p>Overview of shareholder structure on May 31, 2017</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Legal entities</th> <th colspan="2">Private persons</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Number of shareholders</td> <td>101</td> <td>9,78%</td> <td>932</td> <td>90,22%</td> <td>1033</td> </tr> <tr> <td>Share capital in EUR</td> <td>4.171.346</td> <td>33,16%</td> <td>8.409.573</td> <td>66,84%</td> <td>12.580.919</td> </tr> <tr> <td>Number of shares</td> <td>83.427</td> <td>33,16%</td> <td>168.191</td> <td>66,84%</td> <td>251.618</td> </tr> </tbody> </table> <p>Each member may cast a number of votes equal to the number of shares owned. However, no member may cast more than 10% of the total number of votes present at the general meeting. Oikocredit-be is therefore not being controlled in the sense of Article 5 of the Belgian Company Code.</p>		Legal entities		Private persons		Total	Number of shareholders	101	9,78%	932	90,22%	1033	Share capital in EUR	4.171.346	33,16%	8.409.573	66,84%	12.580.919	Number of shares	83.427	33,16%	168.191	66,84%	251.618
	Legal entities		Private persons		Total																					
Number of shareholders	101	9,78%	932	90,22%	1033																					
Share capital in EUR	4.171.346	33,16%	8.409.573	66,84%	12.580.919																					
Number of shares	83.427	33,16%	168.191	66,84%	251.618																					
B.7	Selected historical key financial information	<p>Introductory remark: selected financial information about the company is presented below. The company does not publish quarterly or semi-annual figures.</p> <p>Selected figures about Oikocredit International can be found in the attached Annual Report of Oikocredit International.</p> <p>The following key figures are from the annual financial reports which have been controlled by the auditor:</p> <table border="1"> <thead> <tr> <th>Capital</th> <th></th> <th>31/12/2014</th> <th>31/12/2015</th> <th>31/12/2016</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Capital		31/12/2014	31/12/2015	31/12/2016																			
Capital		31/12/2014	31/12/2015	31/12/2016																						

		Share capital	€ 8.312.351	€ 10.141.413	€ 11.533.931
		Growth share capital	11,5%	22%	14%
		Number of shareholders	758	833	992
		Growth of number of shareholders	6,61%	9,9%	19,09%
		<b>Debt</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2016</b>
		Debt	€ 157.177	€ 115.245	€ 139.097
		Debt/capital ratio	1,89%	1,14%	1,16%
		<b>Total</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2016</b>
		Balance sheet total	€ 8.649.198	10.436.948	11.922.305
		Growth of the balance sheet	11,16%	20,67%	14,23%
		<b>Results</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2016</b>
		Net profit	€ 83.283	€ 115.779	€ 202.475
		Net profit before taxes and extraordinary results	€ 83.283	€ 115.779	€ 202.475
		Growth net profit before taxes and ext. results	-8,34%	39,02%	74,9%
B.8	Selected key pro forma financial information	Not applicable			
B.9	Profit forecast or estimate	Not applicable. Oikocredit-be has not made any profit forecast or estimate.			
B.10	Qualifications in the audit report on the historical financial information	Not applicable. Oikocredit-be's auditor has not qualified his reports on the Oikocredit-be financial statements for 2013, 2014, 2015 and 2016. In his audit reports on the results of 2013, 2014, 2015 and 2016, the auditor states: 'According to my opinion, the balance and profit/loss accounts closing at 31 December of 2013/2014/2015/2016 give a correct view of the company's capital, financial situation and results, according to the accounting reference system currently applied in Belgium.'			

B.11	Explanation if the Issuer's working capital is not sufficient for the Issuer's present requirements.	Not applicable. Oikocredit-be states that, in its view, its working capital is sufficient for its present requirements and, at least for a period of 12 months following the date of the publication of this Prospectus.
------	--	--

## Section C. Securities

C.1	Type and class of the securities being admitted to trading	<p>The Prospectus relates to the issuance of shares with a nominal value of 50,00 EUR up to a maximum issue of new shares of 5.000.000,00 EUR. The shares are subdivided in fractions of shares, expressed in decimals. The shares can be subscribed to by private persons as well as by legal entities.</p> <p>All New Shares will be issued according to Belgian law. The New Shares are ordinary shares representing the registered capital, fully paid up, and attaching voting rights. They attach the same rights as the Existing Shares. No voting rights are attached to fractions of shares.</p>
C.2	Currency of the securities issue	Euro
C.3	Number of shares issued and fully paid up and issued but not fully paid up.	As of 31 May 2017, all 252.800 shares are issued and are fully paid up. The shares have a par value of EUR 50,00.
C.4	Rights attached to the securities	<p>Below is a summary of the rights attached to all the shares (including the New Shares) of the Company.</p> <p><b>Dividend rights.</b> Each shareholder is entitled to an annual dividend on condition that the general assembly of the Issuer decides to pay out a dividend. The dividend is expressed as a percentage of the nominal value of the Shares. Accession of a shareholder during the financial year entitles this shareholder to enjoy a dividend calculated in proportion to the number of full (calendar) months effective membership of that year. For more information, please see Element C.7 ("Dividend Policy").</p> <p><b>General meeting of shareholders and voting rights.</b> The general meeting has authority over the appointment and dismissal of directors, a statutory auditor and controlling members. Furthermore, the general meeting must approve the annual financial statements and grant discharge to the directors and the statutory auditor. The general</p>

		<p>meeting must also decide on any amendments to the articles of association and on the dissolution of the Company.</p> <p>The general meeting may validly deliberate, irrespective of the number of members present, provided that there is no stipulation to the contrary in the Company Code, the articles of association or the Bylaws. Each member may choose to be represented by one other member (by simple written proxy).</p> <p>Each member may cast a number of votes equal to the number of shares owned. However, no member may cast more than 10% of the total number of votes present at the general meeting. In this way a democratic decision-making process is guaranteed.</p> <p><b>Liquidation of the company.</b> After the payments of debts, expenses and liquidation costs, the proceeds of the liquidation are distributed according to Oikocredit-be's mission goals, respecting the hierarchy of allocation as described in the articles of association regarding the distribution of the profit.</p> <p><b>Withdrawal of shares.</b> Withdrawn shares will be paid out to the shareholder, in accordance with the balance of the current year, without allocation of a part of the reserves. A shareholder will not be paid out a higher amount than the original amount paid for the shares. Losses, if any, will be deducted from the distributable reserves. Oikocredit-be, and, as a consequence, its shareholders, may run the risk of suffering losses if the shares of Oikocredit International are valued at a lower price than the nominal value of the investment made by Oikocredit-be. In this case, the suffered losses will be written off against the capital, resulting in a capital decrease.</p>
C.5	Restrictions on the free transferability of the securities	Shares may only be transferred between members with the approval of the board of directors.
C.6	Application for admission to trading on a regulated market	The Shares are not the subject of an application for admission to trading, with a view to their distribution in a regulated market or an equivalent market.
C.7	Dividend Policy	<p>In accordance with Article 34 of Oikocredit-be's articles of association, the distributable profit for the financial year is by decision of the general meeting allocated as follows:</p> <ul style="list-style-type: none"> <li>- five percent to constitute the legal reserve;</li> <li>- promotion of activities in and aid to development countries;</li> <li>- aid to other organizations with a vision and mission similar to Oikocredit-be;</li> </ul>

		<ul style="list-style-type: none"> <li>- a payment to shareholders which may amount at most to the interest rate determined in accordance with the Royal Decree of 8 January 1962 establishing the conditions for recognition of the national associations of cooperatives and of the cooperative companies by the National Council of Cooperation (the current maximum is 6%), applied to the amount actually paid up for the shares.</li> </ul> <p>The Company's general meeting is free to decide to transfer the entire profit to the reserves. If there is a loss, the negative balance may be carried forward. If in some financial years no remuneration is made to the paid-up capital, then in the following years, in so far as the profit permits, a certain percentage per financial year without return may be allocated to the paid-up capital for the financial year concerned.</p> <p>No distribution may be made if on the closing date of the last financial year the net assets as shown in the financial statements are or would become as a result of a distribution lower than the sum of the fixed portion of the capital or of the paid-up capital, when this is less than the fixed portion of the capital plus all reserves which by the law or according to these articles of association may not be distributed. Any return may only be distributed to the shareholders in proportion to the transactions they have made with the company.</p>
--	--	--

## Section D. Risks

D.1	Key risks specific to the Issuer	<p>Oikocredit-be believes that the risks and uncertainties described below are the most important material risks and uncertainties faced by Oikocredit. However, these may not be the only ones. Additional risks and uncertainties not presently known to Oikocredit-be, or that Oikocredit-be currently deems immaterial, may also have a material adverse effect on Oikocredit-be's business, results of Oikocredit-be's operations or financial condition, and could negatively affect the dividend to be paid out on Shares, as well as on the net asset value and the share price.</p> <p>The risks and uncertainties listed below are not intended to be presented in any assumed order of priority.</p> <p><b>Risks related to investments in Oikocredit International:</b></p> <p>As Oikocredit-be invests almost its entire capital as a participation in the capital of Oikocredit International, the risks specific to Oikocredit International should be considered as risks specific to Oikocredit-be too. They are included in the risks listed below. Each of these risks may have a negative impact on the results of Oikocredit-be and therefore may have a negative impact on the dividend to be paid out to shareholders, as well as on the net asset value and the price of the shares.</p>
-----	----------------------------------	--

	<p><u>Country risks</u></p> <p>Economic and/or political problems, at times in conjunction with extreme inflation or devaluation, can make it impossible for the recipients of the funding by Oikocredit International to meet previously made commitments toward Oikocredit International. Oikocredit International's project funding portfolio in developing countries (development financing) may further be affected by existing governmental, economic and political problems (resulting into non-payment as a result of a currency crisis, political measures that prevent payments to institutions located outside their country, or a deteriorating internal economic situation). A slowdown in economic growth rates or recession in Europe may negatively influence Oikocredit's capital inflow. These events may negatively impact the growth possibilities of Oikocredit as well as the financial results and may therefore have a negative impact on the dividend to be paid out on Shares as well as on the net asset value and the price of the Shares.</p> <p>The fact that Oikocredit International funds recipients in over 60 countries globally reduces the overall country risks.</p> <p><u>Market and interest rate risks</u></p> <p>Oikocredit invests a large part of its long-term capital in development financing and in the TI Portfolio. Market developments which cause changes in interest rates, the creditworthiness of the bond issuers and share prices will affect the value of Oikocredit's TI Portfolio and may also affect the value of its Partner Funding portfolio (outstanding development financing). This may negatively impact the financial results and may therefore have a negative impact on the dividend to be paid out on Shares as well as on the net asset value and the price of the Shares. Like other investors in development financing Oikocredit faces the current risk of a prolonged period of low market interest rates which may negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and the price of Shares.</p> <p><u>Currency risks</u></p> <p>Significant currency risks exist, as Oikocredit's available capital (Members' capital, and loans) at the end of 2016, was approximately 92% denominated in euro while 42% of the amounts outstanding in development financing was denominated in US dollars, 53% in local currencies and the remaining 5% in euro. The TI Portfolio is mainly denominated in euro.</p> <p>Oikocredit International also runs a risk of non-payment by its partners (development financing outstanding) of any amounts due in US dollar or euro as a result of a currency crisis in a country where Oikocredit International operates. Materialization of these currency risks (e.g.</p>
--	--

	<p>declining exchange rates for the US dollar or local currencies, versus the euro) may negatively impact the reserves and financial results and may therefore have a negative impact on the dividend to be paid out on Shares, as well as on the net asset value and price of shares.</p> <p>Anticipating on this possible currency risk, Oikocredit International has developed a special fund to partially intercept the possible negative impact of the currency risk.</p> <p><u><i>Credit risks (or counterparty) and the risk of concentration of development financing in certain sectors</i></u></p> <p>Credit risks, i.e. risks of non-payment from partners which results in losses on our development financing portfolio, vary between partners and depend on the nature of activities, the sector, the quality of management and a variety of other factors. A part of our development financing may also be concentrated in certain sectors. If problems occur within a certain sector this could have a negative impact on partners that are active within the sector. This may result in non-payments from our partners active within the sector, which could result in losses in our development financing portfolio. Any losses could negatively impact the financial results and therefore have a negative impact on the dividend to be paid out on the Shares as well as on the net asset value and the price of the Shares.</p> <p>In order to reduce the credit risks to a minimum, Oikocredit International has set up an internal Credit Committee that assesses the credits provided through a feasibility study in which all risks factors are evaluated.</p> <p><u><i>Legal risks</i></u></p> <p>As Oikocredit International operates in various countries worldwide and concludes transactions and agreements subject to various laws, it cannot be ruled out that such transactions and agreements cannot be invalidated.</p> <p>Supervision by financial authorities (E.g. central bank or authorities for financial markets) on Oikocredit International's activities may change due to changes in legislation in countries we are active. This may affect the costs and the possibilities to issue shares to members in those countries, or the ability to invest in development financing in those countries.</p> <p><u><i>Liquidity risks</i></u></p> <p>Taking into account that Oikocredit International enters into commitments for new financing, there is a risk that Oikocredit International is not able to meet these commitments in time if a substantial number of partners does not repay their loans in time.</p> <p><u><i>Illiquidity of shares</i></u></p>
--	--

	<p>Taking into account that the shares are not listed on any stock exchange and there is no normal market available for the shares, the shares must be considered as illiquid. There is a possibility that a member who wants to redeem or sell all or some of their shares may (temporarily) not be able to find a buyer for the said shares, or Oikocredit-be may not be able to redeem the shares as a result of liquidity problems within Oikocredit International. Accordingly, members should consider their investment in shares as “non-current assets”.</p> <p><u><i>Dependency on volunteers</i></u>  As both Oikocredit-be and Oikocredit International are largely dependent on the efforts of volunteers to attract new share capital, it may encounter difficulties attracting funding at the same volume if large numbers of volunteers decide to leave, or if it becomes impossible – due to changes in legislation in the countries we work in – for volunteers to carry out their duties.</p> <p><u><i>Risks related to the dependence on the social goal of investors:</i></u>  Investors will consider when investing in Shares of Oikocredit-be that, given its social purpose, Oikocredit-be does not pursue profit maximization. If the interest of investors in Shares would decline, or if major shareholders would decide to reduce their participation, the operational resources of Oikocredit-be could be affected.</p> <p><u><i>Risks related to the reputation of the market in which Oikocredit-be operates:</i></u>  It is possible that a change in the reputation of Oikocredit-be or similar institutions and the market in which it operates, can have a disproportionate impact on the prospects of Oikocredit-be.</p> <p><u><i>Regulatory risk:</i></u>  Changes in legislation or regulations, both in Belgium and the countries where Oikocredit International is active, may have an impact on the activities of Oikocredit-be.</p> <p>The Directive 2011/61/EU on Alternative Investment Fund Managers (introducing a harmonized European regulatory regime for managers of Alternative investment Funds) was transposed into Belgian law through the adoption of the Law of 19 April 2014 concerning alternative investment funds and their managers (the “Belgian AIFMD Law”). However, Oikocredit-be does not fall within the scope of the Belgian AIFMD law.</p> <p><u><i>Microfinancing activities and return on investment</i></u>  Shareholders of Oikocredit-be indirectly bear the risks related to the microfinancing activities developed by Oikocredit International. The financial return on investment offered by Oikocredit-be is limited to a modest dividend. In addition, exiting shareholders will only be paid out the nominal value of their shares, or, in case losses are set-off against the share capital, the fractional value of their shares. As the potential</p>
--	---

		gains are limited, while the potential losses of the investment are not, the potential return of the investment is proportionally smaller than the potential risks run by the shareholders.
D.2	Key risks specific to the securities	<p><b>Risks associated with investing in shares:</b> An investment in Shares of Oikocredit-be, as with any investment in shares, is related to economic risks: before making an investment decision, investors should consider that their entire investment in Shares can be lost.</p> <p><b>Risks related to the limited liquidity of the Shares:</b> There is no secondary market on which the Shares can be traded. Although it is possible for a shareholder to withdraw in accordance with the procedure stated in Oikocredit-be's articles, this causes a limited liquidity.</p> <p><b>Risks related to the fluctuations in share value and future dividend:</b> Past performances are no guarantee for the future and no guarantee is given regarding future performances.</p>

## Section E. Offer

E.1	Total net proceeds and estimate of total expenses of the Issue/Offer, including expenses charged to investors.	The costs for the offering include the fees to consultants, the fee to the FSMA and the cost of preparing and printing the Prospectus. The total costs are estimated at EUR 5000. No expenses have been/will be charged to investors by Oikocredit-be in relation to the offering of shares.
E.2.a	Reasons for the Offer, use of proceeds, estimated net amount of proceeds	The purpose of the Issuance of New Shares is to support the growth of the activities of Oikocredit-be and Oikocredit International. The capital thus generated by the issue of these shares is used for funding of activities in the ordinary course of business of Oikocredit International, being financing of development partners and investments in the term investment portfolio (mainly consisting of investment grade bonds and two share funds). As the shares are continuously offered to members, there is no realistic estimate on the net amount of the proceeds of the share issue and how many shares will be issued.
E.3	Terms and conditions of the Offer	<b>Requirements.</b> In accordance with the Belgian Company Code and the articles of association, article 1 and 2 of Oikocredit-be's Bylaws precise the terms and conditions to be accepted by each Shareholder.

		<ul style="list-style-type: none"> <li>- The board of directors approves every new shareholder. The board of directors may not refuse the accession of a candidate shareholder for speculative reasons.</li> <li>- Private persons as well as legal entities can become shareholder.</li> <li>- There is no registration fee associated with subscription for the Shares.</li> <li>- New shareholders have to subscribe for at least five Shares</li> <li>- The Shares shall be fully paid up.</li> <li>- The status of shareholder implies unconditional acceptance of the Company's articles of association and its Bylaws.</li> </ul> <p><b>Subscription Procedure.</b></p> <ul style="list-style-type: none"> <li>- The subscription to the Shares is organized directly and exclusively through Oikocredit-be.</li> <li>- Potential new shareholders have to complete the online registration form through the website of Oikocredit-be (<a href="http://www.oikocredit.be">www.oikocredit.be</a>), mentioning personal details, the number of Shares subscribed and the unconditional acceptance of the Company's articles of association and its Bylaws. Simultaneously, the subscriber transfers the amount of the subscribed Shares to the bank account of Oikocredit-be indicating his or her name and surname. Upon receipt of the transfer, the applicant will be sent an attestation of the shareholder register.</li> <li>- Existing shareholders transfer the amount of the subscribed Shares to the bank account of Oikocredit-be indicating shareholder number, name and surname. Upon receipt of the transfer the shareholder will be sent an attestation of the shareholder register.</li> <li>- Payment for the Shares is completed through a transfer to the bank account of Oikocredit-be: IBAN number BE76 5230 8075 4595 with BIC code TRIOBEBB The Shares are in registered form and are not physically delivered. Upon receipt of the transfer, the applicant will be sent an attestation of the shareholder register.</li> </ul> <p><b>Issue Price.</b> The Prospectus relates to the issuance of Shares with a nominal value of EUR 50,00 per share, divided in fractions of shares.</p> <p>There is no limit on the maximum value of Shares that may be subscribed for. After an initial investment of at least five shares, also fractions of Shares may be purchased.</p> <p>There is however a limit on the total amount of the offer: New Shares will only be issued up to a maximum of 5.000.000,00 EUR</p>
E.4	Interest material to the Issue/Offer including	Not applicable.

	conflicting interests	
E.5	Name of the person or entity offering to sell the security. Lock-up agreements	Not applicable.
E.6	Amount and percentage of immediate dilution resulting from the Offer	Existing shareholders who do not subscribe to the Offer may be subject to a proportional dilution regarding voting rights and dividend rights.  The dilution with respect to voting rights is however limited by the fact that no shareholder/member may cast more than 10% of the total number of votes present at the general meeting. The dilution regarding dividend rights is also expected to be limited as Oikocredit-be expects that the increase in share capital will help developing its financing activities and increase its net profit.
E.7	Estimated expenses charged to the investor by the Issuer	Not applicable. The Company will not charge any expenses to the investor for subscriptions to the Offer.

## 2. Definitions

The following terms have the meanings indicated below in the Prospectus, unless otherwise indicated:

Offering	offering to the public in Belgium to subscribe for New Shares in the Company
Shares	the shares representing the capital of the Company
Oikocredit-be	Oikocredit-be cvba-so (unless clearly mentioned as Oikocredit-be vzw), founded as a cooperative company with limited liability and a social purpose (CVBA-SO), with registered office at Rue des Tanneurs 165, 1000 Brussels, Belgium and registered under company number 0427.441.386. Oikocredit-be cvba-so is recognized as a cooperative company with a social purpose by the National Council of Cooperatives
Existing Shares	the shares existing up to the date of the prospectus
FSMA	the Financial Services and Markets Authority
EEA	the European Economic Area
MFI	a microfinance institution
New Shares	the Shares to be issued under the Offering
Prospectus	this prospectus
Prospectus Directive	Directive 2010/73/EU of the European Parliament and of the Council of 4 November 2003 amending Directive 2001/34/EC on the prospectus to be published when securities are offered to the public or admitted to trading
Prospectus Regulation	Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2010/73/EU of the European Parliament and of the Council as regards information contained in prospectuses as well as the format of the prospectus, the incorporation by reference and publication of such prospectuses and dissemination of advertisements

Prospectus Law	the Law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market
Company	Oikocredit-be cvba so
Company Code	the Belgian Company Code of 7 May 1999
Bylaws	Set of internal rules established by Oikocredit-be cvba-so for internal governance. The latest version of Oikocredit-be cvba-so's Bylaws was approved by the General Assembly on 24 May 2014
Articles of association	Oikocredit-be cvba so's articles of association, filed with the registrar of the Commercial Court of Brussels on 12 June 2014
Oikocredit International	<p>Oikocredit Ecumenical Development Cooperative Society UA, a cooperative financial institution, offering loans or investment capital for microfinance institutions, cooperatives, and small and medium sized enterprises in developing countries. Its registered office is located at Berkenweg 7, 3818 LA Amersfoort, PO Box 2136, 3800 CC Amersfoort, the Netherlands.</p> <p>The active partner portfolio of Oikocredit International amounted to 1.047.200.000 euro at the end of 2016, while the inflow of new capital increased to around 94,3 million euro in the same year. Additional information on Oikocredit International can be found in Appendix 6 and on <a href="http://www.oikocredit.coop">www.oikocredit.coop</a>.</p>

### **3. Risk factors**

An investment in the New Shares involves risks. You should consider the following information about certain of these risks carefully, along with the information contained in this Prospectus, before deciding to subscribe for the New Shares. If any of the following risks actually occurs, this may have a substantial adverse effect on the activities, operating results, financial condition and prospects of the Company and its activities. In such a case the value of the Company's shares may fall and subscribers for the New Shares may lose all or part of their investment.

An investment in the New Shares is only suitable for investors who are capable of judging the risks and merits of such an investment, and who have sufficient resources to bear any losses that may result from it. A potential investor who has doubts about what action to take should contact a professional adviser who specializes in giving advice on the acquisition of shares and other securities.

The risks and uncertainties that Oikocredit-be is currently aware of and presently considers material are listed below. These risks and uncertainties may not be the only ones faced by the Company and are not intended to be presented in any assumed order of priority.

Oikocredit-be distinguishes between the following risks:

#### **3.1 Risk factors specific to the Offering and to ownership of the Shares**

##### **3.1.1 Risks associated with investing in shares**

There are economic risks associated with investing in Shares in Oikocredit-be, as with any equity investment: when taking an investment decision investors must bear in mind that they could lose their entire investment in the Shares.

##### **3.1.2 Risks related to the limited liquidity of the Shares**

There is no secondary market on which the Shares are traded. Although it is possible for a shareholder to withdraw, in accordance with the procedure given in Oikocredit-be's articles of association, this means that there is relatively limited liquidity. This lack of liquidity means among other things that shareholders may have to hold the Shares for longer than they wish and that their take-back value may not be the same as that at the time of the request for withdrawal.

Under article 10 of Oikocredit-be's articles of association, shareholders may only withdraw or request a partial take-back of their Shares during the first six months of the financial year. The withdrawal or take-back may be refused if this would lead to a reduction in authorized capital to an amount less than the proportion defined in the articles of

association plus the non-distributable reserves or if the Company's financial situation would be endangered.

### **3.1.3 Risks related to fluctuations in value and future dividend changes**

Past returns are no guarantee of future performance and no guarantee is offered regarding future returns. The dividend may rise or fall and it is possible that you may not recover the full amount that you invested. Oikocredit-be makes no predictions or estimates about the value of its Shares or about changes in the dividend yield.

## **3.2 Risk factors specific to Oikocredit-be's activities**

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

### **3.2.1 Risks related to investments in Oikocredit International**

As Oikocredit-be invests almost its entire capital as participation in the capital of Oikocredit International, the risks specific to Oikocredit International as described in the prospectus of Oikocredit International should be considered to be risks specific to Oikocredit-be too. The most important risks related to the investments in Oikocredit International are listed here. Each of these risks may have a negative impact on the results of Oikocredit-be and therefore may have a negative impact on the dividend to be paid out to shareholders, as well as on the net asset value and the price of the shares.

#### **Country risks**

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

A slowdown in economic growth rates or recession in Europe and/or the USA may negatively influence Oikocredit International's capital inflow over the coming period. These events may negatively impact the growth potential of Oikocredit International as well as the financial results. This may have a negative impact on the dividend to be paid out to shareholders as well as on the net asset value and the price of the shares.

The fact that Oikocredit International funds recipients in over 60 countries globally reduces the overall country risks.

### **Market and interest rate risks**

Oikocredit International is investing a part of its long-term capital in development financing outstanding (i.e. the partner and project funding portfolio) and investment grade bonds. The investments in bonds are all rated 'investment grade' by Moody's Investor Services, of which at least 80% are in Aaa tot A3 and a maximum of 20% in Baa1 to Baa3. Moreover in that Baa1 to Baa3 category, no more than 2% of the portfolio should be invested in a single debtor.

Market developments giving rise to changes in interest rates, the creditworthiness of the bond issuers and share prices, will affect the value of Oikocredit International's bond and share portfolio and may also affect the value of its project funding portfolio (development financing outstanding). This may negatively impact the financial results of Oikocredit International and therefore may have a negative impact on the dividend to be paid out to shareholders, as well as on the net asset value and the price of the shares.

### **Currency risks**

Significant currency risks exist, as approximately 92% of Oikocredit International's available capital (member's capital and loans) at the end of 2016 was denominated in euro while 42% of the amounts outstanding in development financing was denominated in US dollar, 53% in local currencies and the remainder 5% in euro. The term investments (mainly a bond portfolio) are mainly denominated in euro.

Oikocredit International also runs a risk of non-payment by its partners (development financing outstanding) of any amounts due in US dollar or euro as a result of a currency crisis in a country where Oikocredit International operates. Materialization of these currency risks (E.g. declining US dollar or local currency exchanges rates versus the euro) may negatively impact the reserves and financial results. This may have a negative impact on the dividend to be paid out to the shareholders, as well as on the net asset value and the price of the shares.

Anticipating on this possible currency risk, Oikocredit has developed a special fund to partially intercept the eventual negative impact this risk could have.

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

Credit risks, i.e. risks of non-payment from partners which results in losses on our development financing portfolio, vary between partners and depend on the nature of activities, the sector, the quality of management and a variety of other factors. A part of our development financing may also be concentrated in certain sectors. If problems occur within a certain sector (E.g. natural disasters within the agricultural sector) this could have a negative impact on partners that are active within the sector. This may result in non-payments from our partners active within the sector, which could result in losses in our development financing portfolio. Any losses may negatively impact financial results and

therefore may have a negative impact on the dividend to be paid out to the shareholders, as well as on the net asset value and the price of the shares.

In order to reduce the credit risks to a minimum, Oikocredit International has set up an internal Credit Committee that assesses for all credits feasibility studies in which all risks factors are evaluated.

### **Legal risks**

As Oikocredit International operates in various countries worldwide and concludes transactions and agreements subject to various laws, it cannot be ruled out that such transactions and agreements cannot be invalidated. Losses due to invalidated contracts may negatively impact financial results and therefore may have a negative impact on the dividend to be paid out to the shareholders, as well as on the net asset value and the price of the shares.

Supervision by financial authorities (E.g. central banks or authorities for financial markets) on Oikocredit International's activities may change due to changes in legislation in countries we are active. This may affect the costs and the possibilities to issue shares to members in those countries, or the ability to invest in development financing in those countries. This may negatively impact the growth possibilities, the liquidity position, the financial position and the results of Oikocredit International. Consequently, this could have a negative impact on the dividend to be paid out to the shareholders, as well as on the net asset value and the price of the shares.

### **Liquidity risks**

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

### **Illiquidity of shares**

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

## **3.2.2 Dependency on volunteers**

As both Oikocredit-be and Oikocredit International are largely dependent on the efforts of volunteers to attract new share capital, it may encounter difficulties attracting funding at the same volume if large numbers of volunteers decide to leave, or if it becomes impossible – due to changes in legislation in the countries we work in – for volunteers to

carry out their duties. Losses due to a dramatic decrease of volunteers resulting in a decrease in share capital inflow, or significant costs to replace the volunteers, may negatively impact financial results and therefore may have a negative impact on the dividend to be paid out to the shareholders, as well as on the net asset value and the price of the shares.

### **3.2.3 Risks related to the dependence on the social goal of investors**

Investors will consider when investing in Shares of Oikocredit-be that, given its social purpose, Oikocredit-be does not pursue profit maximization. If the interest of investors in Shares would decline, or if major shareholders would decide to reduce their participation, the operational resources of Oikocredit-be could be affected.

### **3.2.4 Risks related to the reputation of the market in which Oikocredit-be operates**

It is possible that a change in the reputation of Oikocredit-be or similar institutions and the market in which it operates, can have a disproportionate impact on the prospects of Oikocredit-be.

### **3.2.5 Regulatory risk**

Changes in legislation or regulations, in Belgium may have an impact on the activities of Oikocredit-be.

The Directive 2011/61/EU on Alternative Investment Fund Managers introducing a harmonized European regulatory regime for managers of Alternative investment Funds) was transposed into Belgian law through the adoption of the Law of 19 April 2014 concerning alternative investment funds and their managers (the “Belgian AIFMD Law”). However, Oikocredit-be does not fall within the scope of the Belgian AIFMD law.

### **3.2.6 Microfinancing activities and return on investment**

Shareholders of Oikocredit-be indirectly bear the risks related to the microfinancing activities developed by Oikocredit International. The financial return on investment offered by Oikocredit-be is limited to a modest dividend. In addition, exiting shareholders will only be paid out the nominal value of their shares, or, in case losses are set-off against the share capital, the fractional value of their shares. As the potential gains are limited, while the potential losses of the investment are not, the potential return of the investment is proportionally smaller than the potential risks run by the shareholders.

## **4. Warnings and points of information**

### **4.1 Preliminary warning**

The Offering is a public offering in Belgium. The Offering and this Prospectus have not been and will not be submitted for approval to any supervisory authority outside Belgium. Therefore, no steps may be taken to publicly offer the Shares outside Belgium or to engage in a process which could result in this. The Company is not making any offer of sale of the Shares and is not seeking to offer the Shares for sale to persons in any jurisdiction where such an offer or solicitation is not authorized. The Company reserves the right to refuse any offer to purchase the Shares if the Company believes that this may give rise to a violation of laws, rules or regulations.

The distribution of this Prospectus and the Offering may in certain jurisdictions be restricted by law, and this Prospectus may therefore not be used for or in connection with any offer or solicitation by any person in any jurisdiction where such an offer or such a solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Consequently, the Shares may not be directly or indirectly offered or sold, nor may this Prospectus or any other document relating to the Offer be distributed or published in any jurisdiction except in circumstances where all applicable laws and regulations are complied with. Investors should find out about any such restrictions and comply with them.

### **4.2 Decision on whether or not to invest**

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offering, including the potential benefits and risks described in this Prospectus. Investors should rely only on the information contained in this Prospectus. The Company has not approved any other person to provide other information to investors. If anyone provides different or inconsistent information, this should not be relied upon.

The information contained in this Prospectus may only be regarded as correct on the date indicated on its cover page. The business, financial situation and operating results of the Company and the information given in this Prospectus may have changed since that date.

In accordance with Belgian law, any significant new development, material oversight or inaccuracy relating to the information given in this Prospectus which may have an influence on the assessment of the Shares and which arises or is noticed after the time when the Prospectus is approved, will be included in a supplement to the Prospectus. Additions must be approved in the same manner as this Prospectus by the Financial Services and Markets Authority (the “FSMA”) and must be made public in the same manner as this Prospectus.

None of the information contained in this Prospectus should be regarded as investment, legal or tax advice. Investors should consult their own advisor, accountant and other advisors for legal, tax, business, financial and related advice regarding the assessment of this Offering and the purchase of the Shares. The Company makes no representation to any beneficiary or purchaser regarding the legality of an investment in the New Shares by the said beneficiary or purchaser under applicable investment or similar laws.

### **4.3 Presentation of financial and other information**

This Prospectus contains the Company's audited financial statements for the years ending in 2013,2014, 2015 and 2016, prepared on each occasion in accordance with Belgian accounting standards. This Prospectus contains the reports of the Company's auditor on its audited financial statements for the years ending in 2013,2014, 2015 and 2016.

Certain figures in this Prospectus have been adjusted by rounding. Consequently, figures shown as totals in certain tables may not be the exact arithmetical sum of the figures that precede them.

### **4.4 Information about foreign currencies**

In this Prospectus, "EUR", "euro" and "€" refer to the currency of the Member States of the European Union which are part of the European Monetary Union, and "US dollars", "\$" or "US \$" refer to the currency of the United States of America.

## **5. General information and information about responsibility for the prospectus and the auditing of the accounts**

### **5.1 Responsibility for the contents of the Prospectus**

The Company, whose registered office is at Rue des Tanneurs 165, 1000 Brussels, represented by its board of directors, takes responsibility for the contents of this Prospectus. The Company declares, having taken all reasonable measures to ensure this, that the information in this Prospectus is, to its knowledge, in accordance with the facts and that no information has been omitted that would change the tenor of this Prospectus.

This Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the Shares under the Offering. It does not express any commitment, acknowledgment or waiver and does not create any right, express or implied, with respect to persons other than potential investors. It may only be used in connection with the Offering.

### **5.2 Statutory auditor**

At the general meeting of 28 May 2016, Mazars Bedrijfsrevisoren, whose registered office is at Marcel Thiryiaan 77, box 4, 1200 Sint-Lambrechts-Woluwe, Belgium, represented by Mr. Peter Lenoir, who was reappointed as the Company's statutory auditor, for a period of three years, to end immediately after the conclusion of the ordinary general meeting which will be held in May 2019 .

### **5.3. Approval of the Prospectus**

On 26 September 2017 the FSMA has approved the English version of this Prospectus for the public offering in Belgium of the Shares in accordance with Article 23 of the Prospectus Law. The approval of the FSMA does not imply an assessment of the opportunities and quality of the Offering or the Shares.

The summary of this Prospectus is also translated into Dutch and French. The Company is responsible for checking the consistency of the translations into French and Dutch with the original English version.

The Offering and this Prospectus have not been submitted for approval to any supervisory body or authority outside Belgium.

### **5.4 Available information**

#### **5.4.1 Prospectus**

This Prospectus will be made available to investors free of charge at the Company's registered office at Rue des Tanneurs 165, 1000 Brussels, Belgium. It can also be consulted free of charge on the Internet on the following website: [www.oikocredit.be](http://www.oikocredit.be).

The electronic version may not be copied, made available or printed for distribution. Other information on the Company's website or any other website does not form part of this Prospectus.

#### **5.4.2 Company documents and other information**

The Company must deposit its articles of association and all other deeds which must be published in the Annexes to the Belgian Official Gazette at the registry of the Commercial Court in Brussels (Belgium), where they are available to the public. A copy of the Company's most recent consolidated articles of association is also available on the Company's website.

In accordance with Belgian law, the Company must draw up audited financial statements in accordance with Belgian accounting standards. These statements and the reports of the board of directors and the statutory auditor relating to them are deposited with the National Bank of Belgium, where they are available to the public.

The Company's website, [www.oikocredit.be](http://www.oikocredit.be) also mentions a number of additional documents, such as:

- Oikocredit-be's annual reports
- Social performance reports

## **6. Reasons for the offering and use of proceeds**

The purpose of the Issuance of New Shares is to support the growth of the activities of Oikocredit-be and Oikocredit International

The capital thus generated by the issue of these shares is used for funding of activities in the ordinary course of business of Oikocredit International, being financing of development partners and investments in the term investment portfolio (consisting mainly investment grade bonds and two share funds).

As the shares are continuously offered to members, there is no realistic estimate on the net amount of the proceeds of the share issue and how many shares will be issued.

## **7. Information about the offering**

### **7.1 Decisions relating to the Offering**

The Company's board of directors has decided to approve the Offering and the Prospectus on 21 September 2017 .

### **7.2 Requirements for the Offering**

In accordance with the Belgian Company Code and with the articles of association, Articles 1 and 2 of Oikocredit-be's Bylaws precise the terms and conditions to be accepted as a Shareholder.

- The board of directors approves every new shareholder. The board of directors may not refuse the accession of a candidate shareholder for speculative reasons.
- Private persons as well as legal entities can become shareholder.
- There is no registration fee associated with subscription for the Shares.
- New shareholders have to subscribe for at least five Shares
- The Shares shall be fully paid up.
- The status of shareholder implies unconditional acceptance of the Company's articles of association and its Bylaws.

### **7.3 Subscription Procedure.**

The subscription to the Shares is organized directly and exclusively through Oikocredit-be. The arrangements for subscription through Oikocredit-be are as follows:

- Potential new shareholders have to complete the online registration form, through the website of Oikocredit-be ([www.oikocredit.be](http://www.oikocredit.be)), including personal details, the number of Shares subscribed and the unconditional acceptance of the Company's articles of association and its Bylaws. Simultaneously, the subscriber transfers the amount of the subscribed Shares to the bank account of Oikocredit-be indicating his or her name and surname. Upon receipt of the transfer, the applicant will be sent an attestation of the shareholder register.
- Existing shareholders transfer the amount of the subscribed Shares to the bank account of Oikocredit-be indicating shareholder number, name and surname. Upon receipt of the transfer the shareholder will be sent an attestation of the shareholder register.
- Payment for the Shares is completed through a transfer to the bank account of Oikocredit-be: IBAN number BE76 5230 8075 4595 with BIC code TRIOBEBB .
- The Shares are in registered form and are not physically delivered. Upon receipt of the transfer, the applicant will be sent an attestation of the shareholder register.

## **7.4 Issue Price**

The Prospectus relates to the issuance of Shares with a nominal value of EUR 50,00 per share, divided in fractions of shares.

The Shares shall be fully paid up.

Subscribers must subscribe for at least five Shares. After an initial investment of at least five shares, also fractions of Shares may be purchased. There is no limit on the maximum value of Shares that may be subscribed for.

There are no registration fees associated with subscription for the Shares.

## **7.5 Publications in the context of the Offering**

The following publications shall be made in the context of the Offering: publication of the Prospectus, any supplements (if legally required), and any press releases.

In accordance with Article 34 of the Prospectus Law, a supplement to this Prospectus will be published with regard to any significant new factor, material oversight or inaccuracy relating to the information in the Prospectus which may affect the assessment of the New Shares, insofar as this arises or is noticed after the time of approval of the Prospectus. This supplement to the Prospectus will be published within a maximum of seven working days. There is no right of retraction since the Offering relates to a continuous issuance.

All publications will take place on the Oikocredit-be website ([www.oikocredit.be](http://www.oikocredit.be)).

## **7.6 Payment for and delivery of the New Shares**

Payment for the Shares will be made by transfer to Oikocredit-be's bank account, IBAN number BE76 5230 8075 4595, BIC code TRIOBEBB .

The Shares are in registered form and are not physically delivered. Upon receipt of payment, the subscriber will receive a copy of an excerpt from the Company register.

## **7.7 Dividend entitlement**

All shareholders are entitled to an annual dividend insofar as and to the extent that the Company's general meeting decides to pay a dividend. The dividend is expressed as a percentage of the nominal value of the Shares.

If a shareholder joins the Company in the course of the Company's financial year, he/she will receive a dividend on a pro rata basis, calculated in proportion to the number of full calendar months of effective membership during that year.

## **7.8 Expected timetable of the Offering**

The start date of the Subscription Period is the date this prospectus was approved by FSMA and is unlimited in time, as the duration of the Offering is indefinite. But as this present prospectus will only be valid for the period of one year, the continuation of the Offering one year after the date of approval of this prospectus is conditioned by the approval by the FSMA of a new prospectus of Oikocredit-be.

## **7.9 Plan for the distribution and allocation of securities**

The Shares will be allocated in order of subscription. As there is no maximum amount of the Offering, Oikocredit-be will not refuse subscriptions for reasons of saturation.

## **7.10 Classes of potential investors**

The Offering is a public offering in Belgium, open for both legal entities and private persons.

Persons – both private persons and legal entities - having the US nationality and persons residing in the US that operate through a US bank account, are excluded from the offering.

## **7.11 Secondary market and liquidity**

The Shares are not the subject of an application for admission to trading, with a view to their distribution in a regulated market or an equivalent market. With regard to the limited liquidity, applicants should refer to the section on liquidity risk above, under *Risk factors*.

## **7.12 Financial services**

Oikocredit-be itself is responsible for collecting the acceptances of its public offering. It has not appointed any external financial service provider for this purpose.

## **7.13 Costs in connection with the Offering**

The costs for the offering include the fees to consultants, the fee to the FSMA and the cost of preparing and printing the Prospectus. The total costs are estimated at about EUR 5.000.

## **8. Dividends and dividend policy**

### **8.1 Dividends**

Oikocredit-be has in all recent years between 2007 and 2016 been able to pay an annual dividend of 1,25% on the basis of its results.

In this way Oikocredit-be has shown that as a social investor, it is seeking to use its entrusted capital in a sustainable manner. Although its social objective means that Oikocredit-be does not primarily pursue profit or maximized returns, it nevertheless aims to pursue its financing activities according to sound economic principles.

With regard to this historical information, it should however be noted that past returns are no guarantee of future performance, and that no guarantee is therefore made regarding future returns.

The dividend may rise or fall and it is possible that you may not recover the full amount that you invested. Oikocredit-be makes no predictions or estimates about the future value of its Shares, or about changes in the dividend yield.

If the low level interest rate environment persists, a modest lowering of the dividend level, reflecting the diminishing financial income, is however likely, in order to maintain a sound financial basis.

### **8.2 Dividend policy**

In accordance with Article 34 of Oikocredit-be's articles of association, the distributable profit for the financial year is by decision of the general meeting allocated as follows:

- five percent to constitute the legal reserve;
- promotion of activities in and aid to development countries;
- aid to other organizations with a vision and mission similar to Oikocredit-be;
- a payment to shareholders which may amount at most to the interest rate determined in accordance with the Royal Decree of 8 January 1962 establishing the conditions for recognition of the national associations of cooperatives and of the cooperative companies by the National Council of Cooperation (the current maximum is 6%), applied to the amount actually paid up for the shares

The Company's general meeting is free to decide to transfer the entire profit to the reserves. If there is a loss, the negative balance may be carried forward.

If in some financial years no remuneration is made to the paid-up capital, then in the following years, in so far as the profit permits, a certain percentage per financial year without return may be allocated to the paid-up capital for the financial year concerned.

No distribution may be made if on the closing date of the last financial year the net assets as shown in the financial statements are or would become as a result of a distribution lower than the sum of the fixed portion of the capital or of the paid-up capital, when this is less than the fixed portion of the capital plus all reserves which by the law or according to these articles of association may not be distributed. Any return may only be distributed to the shareholders in proportion to the transactions they have made with the company.

## 9. Capitalization & indebtedness statement on working capital

### 9.1 Statement on working capital

Oikocredit-be states that, in its view, its working capital is sufficient for its present requirements.

### 9.2 Capitalization and indebtedness

The following table shows the situation with regard to the debt and capitalization at 31 december 2016 (audited figures). Regarding these figures, there has not been any material change since the last published financial information.

		<u>31 december 2016</u>
<b><u>Debt</u></b>		
Short term debt (= 99% dividend to be paid out)		139.097
Long term debt		0
<b><u>Equity</u></b>		
Share capital		11.533.931
Legal reserves		26.997
Other reserves		222.286
Retained earnings		0
Net result of the period		202475
Other		

## 10. Selected historical financial information about the company

Introductory remark: selected financial information about the company is presented below. The company does not publish quarterly or semi-annual figures.

Selected figures about Oikocredit International can be found in the attached Annual Report of Oikocredit International.

## 10.1 Key figures

2016 audited financial statements, including the notes, are included in Appendix 1c. The following table shows the evolution of key financial audited figures for 2013, 2014, 2015 and 2016.

<b>Capital</b>		<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2016</b>
Share capital		€ 8.312.351	€ 10.141.413	€ 11.533.931
Growth share capital		11,5%	22%	14%
Number of shareholders		758	833	992
Growth of number of shareholders		6,61%	9,9%	19,09%
<b>Debt</b>		<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2016</b>
Debt		€ 157.177	€ 115.245	€ 139.097
Debt/capital ratio		1,89%	1,14%	1,16%
<b>Total</b>		<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2016</b>
Balance sheet total		€ 8.649.198	10.436.948	11.922.305
Growth of the balance sheet		11,16%	20,67%	14,23%
<b>Results</b>		<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2016</b>
Net profit		€ 83.283	€ 115.779	€ 202.475
Net profit before taxes and extraordinary results		€ 83.283	€ 115.779	€ 202.475
Growth net profit before taxes and ext. results		-8,34%	39,02%	74,9%

Over the past 3 years – as in the previous 6 years - Oikocredit-be's share capital has increased steadily, almost exclusively due to the welcoming of new shareholders, as only few shareholders sell their shares in Oikocredit-be.

Oikocredit-be's annual net profits over the past years have been in line with the expectations. Thus, for the past 3 years, it has been possible for Oikocredit-be to fulfill the commitment to pay out a stable dividend of 1,25% to its shareholders.

Both the balance sheet and the income figures as well as the cash flow data are entirely in line with expectations and don't show any exceptional figure. Growth is steadily and stable.

## 10.2 Simplified balance sheet

Oikocredit-be invests its capital almost entirely as a participation in the capital of Oikocredit International, and this exclusively through the purchase of shares of Oikocredit International. The capital raised by Oikocredit-be through the issuing of new shares in Belgium, is reinvested by buying the shares issued by Oikocredit International within the framework of capital increases.

This reinvested amount is used to fund Oikocredit International's lendable funds, which currently amount to EUR EUR 981 million (on 31 May 2017). The participation by Oikocredit-be in the capital of Oikocredit International remains stable at about 1% over the last years. On 31 December 2016, Oikocredit International's total capital amounted to EUR 1.209,3 million.

The balance sheet of Oikocredit-be is made up according the Belgian accounting standards.

The following table shows the evolution of the (audited) balance sheet in EUR for 2014, 2015 and 2016:

		31/12/2014	31/12/2015	31/12/2016
<b>ASSETS</b>				
<u>Fixed Assets</u>		<u>€ 8.596.338</u>	<u>€ 10.379.956</u>	€ 11.578.618
Intangible fixed assets		€ 0	€ 0	€ 0
Tangible fixed assets		€ 0	€ 0	€ 0
Financial fixed assets		€ 8.596.338	€ 10.379.956	€ 11.578.618
<u>Current Assets</u>		<u>€ 52.860</u>	<u>€ 56.992</u>	
Cash and cash equivalent		€ 52.686	€ 54.144	€ 342.112
Accounts receivable (<1 year)		€ 174	€ 2.848	€ 1.575
<b>Total Assets</b>		<b>€ 8.649.198</b>	<b>€ 10.436.948</b>	<b>€ 11.922.305</b>
<b>LIABILITIES</b>				
<u>Equity</u>		<u>€ 8.492.021</u>	<u>€ 10.321.703</u>	<u>€ 11.783.214</u>
Paid-in capital		€ 8.312.351	€ 10.141.413	€ 11.533.931

Legal reserves		€ 26.997	€ 26.997	€ 26.997
Tax free reserve		€ 152.673	€ 153.293	€ 222.286
<u>Provisions</u>		<u>€ 0</u>	<u>€ 0</u>	<u>€ 5.597</u>
<u>Liabilities</u>		<u>€ 157.177</u>	<u>€ 115.245</u>	<u>€ 133.482</u>
Short Term Liabilities (<1 year)		€ 116.561	<u>€ 115.245</u>	<u>€ 133.482</u>
Transitory Accounts		€ 40.616	<u>€ 2</u>	<u>€ 0</u>
<b>Total Liabilities</b>		<b>€ 8.649.198</b>	<b>€ 10.436.948</b>	<b>€ 11.922.305</b>

Comments :

- No tangible nor intangible fixed assets are reported, as there are none. Computers and software are either put in operating costs or 100% written off.
- The provisions reported are taxes to be paid on legacies. Obviously this can fluctuate considerably from year to year.
- Short Term liabilities: these are mainly the dividends to be paid out, apart from some minor invoices to be paid.

#### Elucidation : State of the financial fixed assets

State of financial fixed assets	2014	2015	2016
Acquisition during the year	€ 890.806	€ 1.785.618	€ 1.196.662
Acquisition value end of the year	€ 8.596.338	€ 10.381.956	€ 11.578.618
Increase/decrease (-) of the value at end of year	€ 0	€ 0	€ 0
Net value end of the year	€ 8.596.338	€ 10.381.956	€ 11.578.618

A substantial part (97,08% or EUR 11.574.618) of Oikocredit-be's total capital is invested in Oikocredit International. The remaining 3 % of the capital is mainly invested in:

- liquid assets;
- New-B: an investment of EUR 2.000, supporting the establishment of a new bank;
- Energy Kiosks (€ 2.000), a partner in our efforts to promote investments in renewable energy in development countries.

### 10.3 Simplified income statement

The income statement of Oikocredit-be is made up according the Belgian accounting standards. The following table provides a comparison between the (audited) profit and loss accounts in 2014, 2015 and 2016:

	2014	2015	2016
<b>Operating income and costs</b>			
Gross margin	-€ 96.339	€ -45.414	€ -47.238
Increase/(decrease) in Provisions for risks and liabilities	-€ 38.104	€ 0	€ 0
Other operating costs	€ 868	€ 868	€ 5.346
Operating profit (loss)	-€ 59.103	-€ 46.280	€ - 52.584
Financial income	€ 142.564	€ 160.935	€ 255.118
Financial costs	€ 178	€ 289	€ 59
<b>Profit (loss) before taxes and extraordinary result</b>	<b>€ 83.283</b>	<b>€ 114.366</b>	<b>€ 202.475</b>
Extraordinary income	€ 0	€ 1.413	€ 0
Extraordinary costs	€ 0	€ 0	€ 0
<b>Profit (loss) for the period, before tax</b>	<b>€ 83.283</b>	<b>€ 115.779</b>	<b>€ 202.475</b>
Taxes on income	€ 0	€ 0	€ 0
Withdrawal from reserves	€ 0	€ 0	€ 0
Profit (loss) for the period	€ 83.283	€ 115.779	<b>€ 202.475</b>
<b>Profit of the period to be allocated</b>	<b>€ 83.283</b>	<b>€ 115.779</b>	<b>€ 202.475</b>

Comments:

- The financial income consists of the dividend received on the shares in Oikocredit International. This dividend has been stable (2%) since many years. Oikocredit-be has no impact on the dividend policy of Oikocredit International.

## 10.4 Cash flow

The following table summarizes the cash flows in 2014, 2015 and 2016:

Cash flow statement in Euro		2014	2015	2016
<b>Cash flow from operations<sup>p</sup></b>				
Gross dividends received		142.446	160.873	187.686
Extraordinary income			1.413	67.428
Interest		206	62	4
Operating expenses		-41.721	-105.295	-52.643
Donations		-38.000	0	0
Taxes		-52	110	0
<b>Total cash from operations</b>		<b>62.879</b>	<b>57.163</b>	<b>202.475</b>
<b>Cash flow used for investing activities</b>				
Investments		-	-	€
		890.806	1.785.618	1.196.662
<b>Total Cash used for investing activities</b>		<b>-</b>	<b>--</b>	<b>€</b>
		890.806	1.785.618	1.196.662
<b>Cash flow from financing activities</b>				
Issue of capital		940.534	1.947.640	1.592.080
Redemption of capital		-85.974	-118.578	199.562
Gross dividends paid		-87.557	-98.936	-115.779
Current account Oikocredit-be vzw		39.001		
<b>Total Cash from financing activities</b>		<b>806.003</b>	<b>1.730.126</b>	<b>1.675.863</b>
<b>Changes in cash and banks</b>		<b>-21.924</b>		
Cash and banks beginning of period		74.610	52.686	54.356
Changes in cash and banks		-21.924	1.670	287.756
Cash and banks end of period		52.686	54.356	342112

## 10.5 Accounting principles

### Tangible fixed assets:

The tangible fixed assets are valued at their historical acquisition value, being purchase cost (including additional costs) or production cost or transfer value.

**The following percentages are applied for depreciations:**

IT equipment: 33,33 %

Furniture: 10 %

Installations, machinery and other equipment: 20%

Depreciations are applied according to the linear and/or digressive method.

## **11. Information about Oikocredit-be**

Introductory remark: as the Company invests most of its capital in a participation in the capital of Oikocredit International, shareholders may need additional information about the activities of Oikocredit International, which can be found in the attached annual report of Oikocredit International.

### **11.1 Information on microfinance**

Microfinance is often defined as financial services for poor and low-income households. In practice, the term is often used more narrowly to refer to loans and other services offered by partners in the South, namely the microfinance institutions (MFIs). These institutions often use new methods developed over the past 30 years in order to offer very small loans to borrowers who would be considered non-creditworthy by traditional financial institutions. The two main mechanisms for the delivery of financial services to such clients are: (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group. The use of these methods (group loans), reduces the need for physical collateral, which these borrowers often do not have.

In general, microfinance refers to a movement that aims to achieve a world in which low-income households have permanent access to financial services to finance their income-generating activities and build assets. These services are not limited to credit, but also include savings accounts, insurance and payment services and so on.

Microfinance is then a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses.

### **11.2 History and mission of Oikocredit-be**

#### **11.2.1 History**

Oikocredit is one of the oldest organizations pioneering in microfinance. The roots of Oikocredit lie within the World Council of Churches. During the General Assembly 1968

in Uppsala, Sweden, young and politically engaged church members pointed out that churches invested without scruples in banks that might channel their investments to Vietnam War industries and industries that supported Apartheid. They wondered whether there was no better way to invest funds - a way that is more in line with an aim at a just, participatory and sustainable society.

The history of Oikocredit Belgium dates back to the early eighties. Banks were at that time actively criticized for their investments in South Africa. Churches and church related organizations were investigating ways to invest their financial means in a more ethical and sustainable way.

In this context Oikocredit Belgium was founded in 1984 as a development cooperative offering alternative financing, initially with the name VOOC (Vlaamse Oecumenische Ontwikkelingscoöperatie). The initiative to found VOOC was taken by the 'Antwerp Council of Churches' (de Antwerpse Raad van Kerken), 'Church and development' (Kerk en Ontwikkeling) and 'Protestant Solidarity' (Protestantse Solidariteit). This initiative was supported by the 'Commission Justice and Peace' as well as by the Belgian bishops.

From the early beginning, the founders of VOOC decided to make use of the services of Oikocredit International (named EDCS at that time) to realize its mission and objectives. The main activities in Belgium thus consisted of promoting alternative and sustainable financial development models and attracting capital for microfinancing, which was then reinvested in EDCS (Oikocredit International). This strategic option to maximize the use of the services of Oikocredit International remains valid until today.

Thus Belgian citizens, organizations, companies, and churches are offered the possibility to invest their financial resources in a sustainable and ethical way.

On 22 December 2005, the name VOOC was changed into Oikocredit-be, following the example of the international organization Oikocredit.

### **11.2.2 Mission and Vision**

Oikocredit-be is guided by the principle of empowering people. Our experience proves that the most effective and sustainable means of assisting those in need is providing an opportunity to help themselves.

#### ***Our mission***

Oikocredit-be challenges all to invest responsibly. It provides financial services and supports organizations to improve the quality of life of low-income people or communities in a sustainable way.

#### ***Our vision***

A global, just society in which resources are shared sustainably and all people are empowered with the choices they need to create a life of dignity.

### **11.2.3 Our values**

#### ***People***

Oikocredit-be supports organizations that provide financial opportunities to disadvantaged people irrespective of their faith, culture, age or gender.

#### ***Sharing***

Oikocredit-be provides a vehicle for meaningful sharing. An uneven distribution of resources, wealth and power can lead to conflict. When the global community is prepared to share what they have, respect each other and work together, justice and peace can prevail.

#### ***Ecumenical spirit***

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

#### ***Grassroots***

Development is most effective when it stems from grassroots. In the cooperative culture of Oikocredit-be, people's initiatives and participation are central to all acts and policies.

#### ***Integrity***

Respect between people implies honesty and truthfulness. Oikocredit-be is determined to listen with an open mind and communicate in full transparency on all parameters of its own policies.

#### ***Environment***

A balanced ecosystem is the basis for life and as such, should be preserved. Oikocredit-be believes that a healthy balance in nature can only be achieved in a world where resources and power are spread evenly.

### **11.2.4 Objective of Oikocredit**

The objective of Oikocredit-be is to make mobilized resources available to cooperatives or groups of disadvantaged people in order to further finance their income-generating activities. Oikocredit-be realizes this objective by reinvesting its capital in Oikocredit International, thus making use of the services of Oikocredit International.

## **11.3 Description of activities and sources of income**

### **11.3.1 Activities**

Oikocredit-be's primary objective is to make funding available to viable economic enterprises undertaken by economically disadvantaged groups of people in developing countries. This 'lending for development model' was unique in Belgium when Oikocredit-be started in 1984.

As pointed out before, Oikocredit-be makes this funding available indirectly through the services developed by Oikocredit International.

Consequently, the Oikocredit-be concentrates mainly on attracting investment capital from individuals and organizational investors that are motivated to participate in this 'lending for development model'. This capital thus attracted consequently is reinvested in Oikocredit International.

The mainstay of our investment policy – implemented by Oikocredit International - is ensuring access to finance for people and social enterprises that have previously had none - often in remote areas. The mechanism for doing this is to provide investment capital to social enterprise partners in developing countries - microfinance, Fairtrade, Cooperative, Green, and small-to-medium-sized enterprises. These enterprises then reach out to the people and projects that most need this access to finance.

For a detailed description of the activities of Oikocredit International, we refer to Appendix 2b.

Part of the objectives of Oikocredit-be is also the promotion of the microfinance model in general and the sustainable financing model of Oikocredit International in particular. In order to reach these objectives, Oikocredit-be sets up all kinds of marketing activities and promotional events. The operational site of this work is outsourced to Oikocredit vzw (formerly named Solidura vzw), a non-profit organization that is closely linked to Oikocredit-be and that implements the marketing strategy for and on behalf of Oikocredit-be.

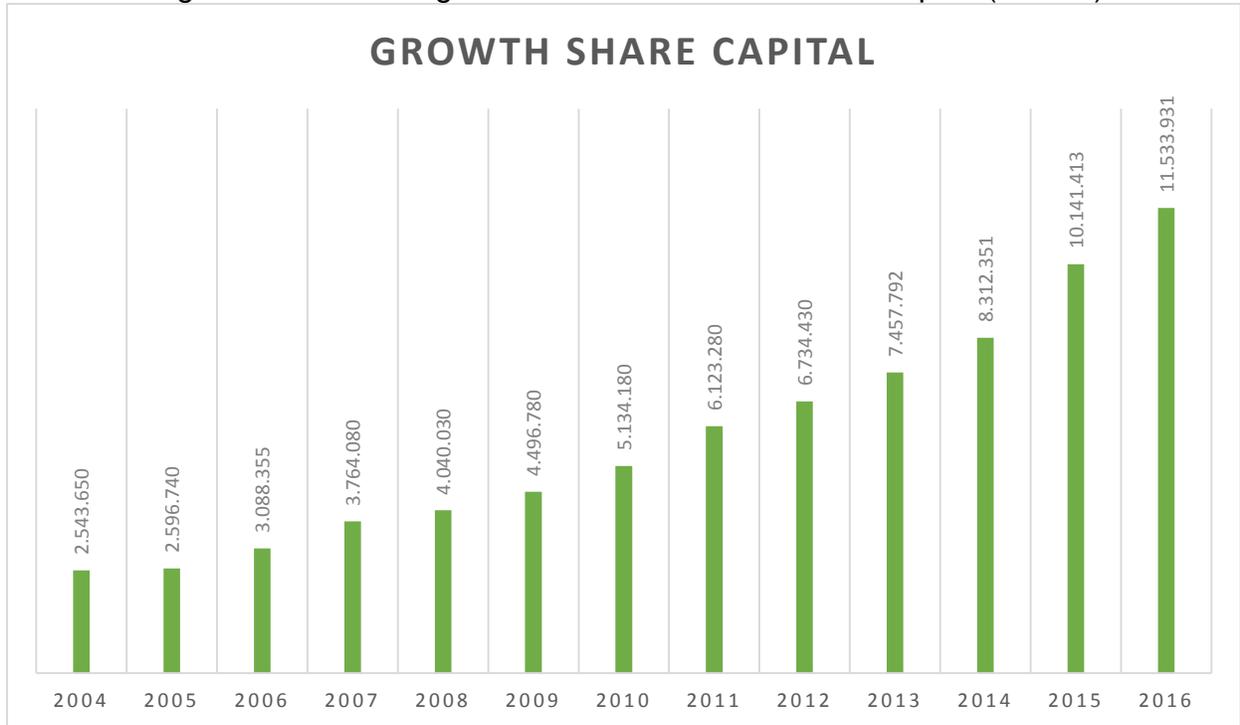
### **11.3.2 Sources of income**

Oikocredit-be is a company with a social mission. It does not aim to maximize profits for its shareholders, but has a clear social objective. The emphasis is on the social component, with Oikocredit-be's shareholders' investments contributing to socio-economic development in the South.

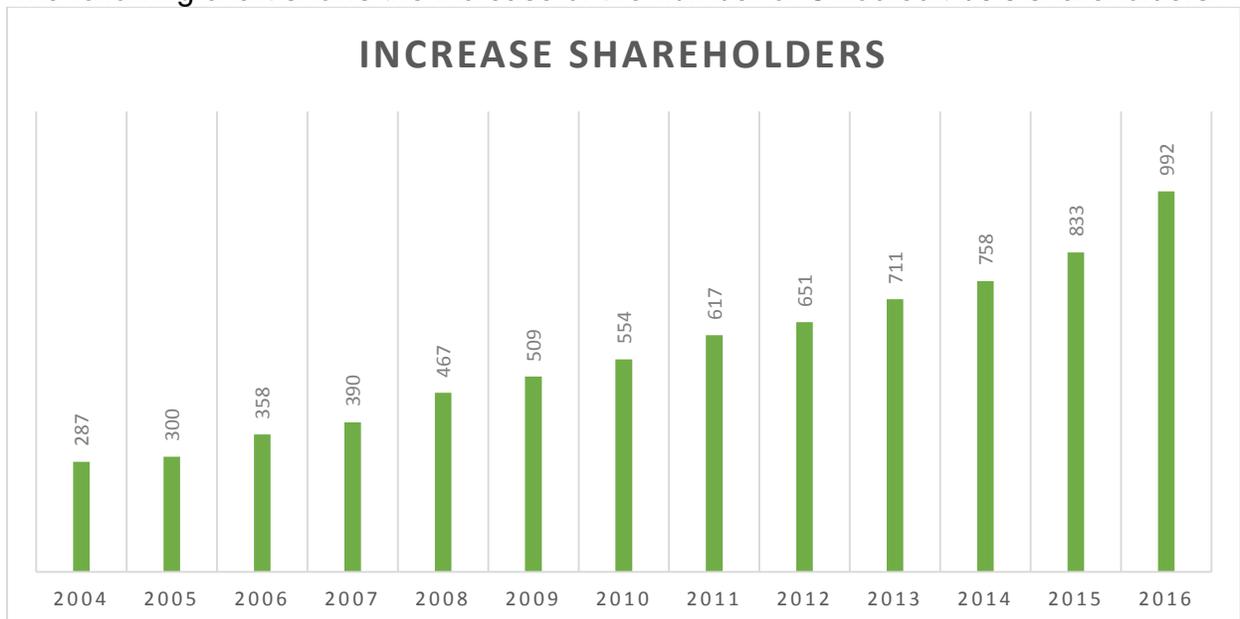
Oikocredit-be's share capital is the cornerstone of the entire funding stream, being used directly to build up the portfolio of financing to the partners, through the services of Oikocredit International. Oikocredit International invests in two types of organizations:

microfinance Institutions (MFIs) and producers' associations involved mainly in sustainable agriculture. Recently organizations focusing on sustainable and renewable energy have become an additional target group for Oikocredit.

The following chart shows the growth of Oikocredit-be's share capital (in euro):



The following chart shows the increase of the number of Oikocredit-be's shareholders:



### **11.3.3 Social performance**

Oikocredit International's work aims to contribute to positive change in the lives of women and men, households and communities. This requires careful partner selection, monitoring and support and a balanced assessment of social performance.

The desire to achieve positive social impact is a driving force and motivation for Oikocredit. Oikocredit International uses the latest innovations in social performance tools to ensure that the partners reach the right groups and provide services that help people escape poverty.

Oikocredit International's social performance and impact assessment tools focus on:

- selecting the right partners;
- monitoring social performance indicators;
- holding partners accountable to their social objectives;
- providing capacity building;
- gathering feedback from partners to develop products and services.

Each year, an elaborate social performance report is being published by Oikocredit International. The latest report (2016 ) can be found in Appendix 4.

## **11.4 Legal Structure**

- Legal form: Coöperatieve vennootschap met beperkte aansprakelijkheid met sociaal oogmerk (CVBA-SO)/ Société Coopérative à Responsabilité Limitée à Finalité Soical(SCRL-FS) under Belgian law.
- Oikocredit-be is registered in the register of legal entities of Brussels with company registration number 0427.441.386. Its registered office is located at Rue des Tanneurs 165, 1000 Brussels, Belgium.
- Date of incorporation: October 25, 1984
- Duration: indefinite

## **11.5 Governance structure**

### **11.5.1 Board of Directors**

#### **11.5.1.1 Competences**

The Company's board of directors has the most extensive authority for all management and disposal transactions which are necessary for or conducive to the achievement of the Company's goal. Anything which is not expressly reserved by the articles of association or the Company Code for the decision of the general meeting lies within the competence of the board of directors.

#### **11.5.1.2 Composition**

The Company is managed by a board of directors composed of a minimum of four (4) and a maximum of twelve (12) members, who may or may not be members of the Company, and who are private persons or legal entities.

The directors are elected by the general meeting. The composition of the Board of Directors should reflect the ecumenical spirit of the cooperative society.

When a legal entity subject to the Company Code is designated as a director, it appoints from among its members, managers, directors or employees a "permanent representative" entrusted with the execution of the office in the name and on behalf of the legal entity, in accordance with the Company Code.

The directors are elected for a period of four years, and their mandate expires with the closure of an annual meeting. Any outgoing director may be re-elected.

#### **11.5.1.3 Functioning**

The board of directors shall appoint one of its members as chairperson and one as vice chairperson by a simple majority vote. In the event of the chairperson being absent or unable to attend, he/she is replaced by the vice chairperson. The board of directors may also install other functions.

The board of directors meets when convened by the chairperson or his replacement, whenever the interests of the Company so require.

The directors receive no remuneration for the exercise of their mandate other than reimbursement of costs and expenses incurred.

The board can only take legal decisions if at least 50% of the directors are present or represented. Every director can be represented by another board member. A board member can represent only one other director.

#### 11.5.1.4 Current members of the board of directors

The following table shows the composition of the board of directors as of 1 July 2017:

Name	Start Date	End date
Rony Mels	25/5/2017	May 2021
Gijsbert Kuypers	25/5/2017	May 2021
Maria Nooij	30/5/2015	May 2019
Eric Desmet	25/5/2017	May 2021
Francis Cardyn	30/5/2015	May 2019
Ulrike Weinspach	30/5/2015	May 2019
Vincent De Waele	30/5/2015	May 2019
Nathalie Châtel	30/5/2015	May 2019
Filip Gijssel	13/5/2017	May 2021

All board members are private persons, no legal entity is currently represented in the Board of Directors.

In their meeting on 10 september 2015, the Board nominated Vincent De Waele as chairman of the board.

#### 11.5.1.5 Special information

##### Experience

Name	Relevant experience
Rony Mels	Financing of non-profit organisations and social economy organizations in Belgium and Europe; Investment and credit analysis, restructuring, etc.; Governance of social economy financial companies, cooperative societies and renewable energy companies.
Gijsbert Kuypers	Business strategy, general management, company restructuring, financial and IT management. Currently Managing Partner of ARCH International (consulting firm). Member of the KMO Adviesraad of UNIZO. Previously Managing Partner of Talentium (associate firm of Odgers Berndtson), Managing Partner of PwC Advisory Belgium and former COO and Executive Director of Roularta Media Group.
Maria Nooij	Governance of non-profit organizations
Eric de Smet	M.D. specialized in neurology; Mental Health in Development Countries, Community development
Francis Cardyn	Journalism and communication
Ulrike Weinspach	Project Management of rural development and professional adult training; follow up and evaluation of structural EU Funded projects
Vincent De Waele	Freelance consultant with a focus on change management for short and long term missions. Trainings on change, neuroscience & collaboration. Coaching & facilitation of groups.

Nathalie Châtel	Currently lawyer (attorney-at-law) and substitute judge, mainly experienced in business law, employment law, liability, litigation, arbitration
Filip Gijssel	Retired supervisor of financial institutions.

## Other mandates

All board members of Oikocredit-be CVBA-SO are also board members of Oikocredit vzw (formerly named Solidura vzw), the non-profit organization that implements the promotional activities on behalf of Oikocredit-be cvba-so and that provides management services to Oikocredit-be cvba-so. Apart from their mandate in the board of Oikocredit vzw, the board members of Oikocredit-be take or took up the following mandates.

Name	Current mandates and mandates over the 5 last years
Rony Mels	Board member Hefboom cvba-vzw (former president); Vice-President Trividend and president of Investment Committee Board member ASPIRAVI-Samen (cooperative for renewable energy investments);. Past mandates (ended in 2015): Board member Clean Energy Invest cvba and Clean Energy Innovative Projects cvba; Board member and treasurer of FEBEA (Fédération Européenne des banques éthiques et alternatives)
Gijsbert Kuypers	Deputy Chairman at PSC/CSP vzw (since April 1998) and at SOW Guido de Brès vzw (since June 1995); Managing Director of ARCH Group N.V.(since July 2014); Managing Director of ARCH International N.V. (since July 2014); Managing Director MCC bvba (since July 2001). Member of Oikocredit International Nomination Committee. Past mandates last 5 years : Managing Director of PwC Advisory Services cvba (2007-2013); Director of S&V Management Consultants (2011-2012)
Maria Nooij	Board member of Stichting Projecten Zuid-Afrika
Eric Desmet	None
Francis Cardyn	Board Member of Caritas Internationalis vzw, Voorspools-Slegers vzw, Stella Maris/Apostolatus Maris vzw and CMA-Antwerpen
Ulrike Weinspach	Board member Miteinander Teilen vzw
Vincent De Waele	Member of Oikocredit International Supervisory Board
Nathalie Châtel	None
Filip Gijssel	None

There are no family ties between the board members. No member of the board of directors has in the past five years been convicted of fraudulent offences, involved in a bankruptcy, suspension of payment or liquidation, publicly accused or sanctioned, or disqualified by a court from exercising a governance function.

## 11.5.2 Management

Oikocredit-be's management is executed as follows:

Article 19 of the articles of association stipulates that the board of directors may delegate the day-to-day management, and the representation of the Company in relation to such management, to one or more persons, able to act either alone or jointly, according to its decision. The person to whom the powers of day-to-day management are assigned is given the title of "general manager" ("directeur").

The general manager has primary responsibility for seeking to achieve Oikocredit-be's operational objectives and is also the daily spokesman and representative. The general manager is responsible for the manner and quality of management, for the balanced management of expenditure and costs, for correct and transparent administration and bookkeeping with a sound balance sheet, for executing the decisions of the board of directors.

Following the decision of the board of directors, on April 23, 2013, Mr. Johan Elsen, residing at Schoonmeersstraat 53, 9000 Gent, was appointed as general manager as from June 17 2013 onwards, replacing Bert Van Thienen who has retired.

### **11.5.3 Corporate governance**

The cooperative company Oikocredit-be has a threefold corporate structure consisting of the general meeting, the board of directors and the management. The functioning of these bodies is determined by the regulations of company law, in particular the law on cooperatives, and Oikocredit-be's articles of association. In addition, the Bylaws specify how Oikocredit-be's various bodies function internally and how they collaborate together.

### **11.5.4 Remuneration of directors**

The directors do not receive any remuneration for the exercise of their mandate other than reimbursement of expenses incurred.

### **11.5.5 Shares held by directors and management**

On 30 June 2017, all eleven members of the board of directors personally owned Shares in Oikocredit-be. The Shares owned by directors represent approximately 1,20 % of the total capital. No member of the board of directors owns more than 0.50 % of the capital.

On 30 June August 2017, the management owned around 0,5% of the Shares in Oikocredit-be.

## **11.6 Employees**

Oikocredit-be currently has two employees. In September 2016, a total of 0,4 fte was employed by Oikocredit-be, going to 1 fte in April 2017. Also from April 2017, 1 fte that was formerly outsourced to Oikocredit vzw (formerly named Solidura vzw), has shifted to Oikocredit-be.

## **11.7 Conflicts of interest**

Oikocredit-be has no special rules on conflicts of interest among its directors and management. To its knowledge there have been no such conflicts of interest during the last three years. Conflicts of interest are understood in the sense of Annex I.14.2 of the Prospectus Regulation.

## **11.8 Relationship with the existing shareholders and transactions with related parties**

### **11.8.1 Shareholder structure at the start of the offering**

On 30 June 2016, Oikocredit-be had 1.037 shareholders or members, together investing EUR12.875.561 . Of the total capital amount, around 70% % is held by private individuals.

### **11.8.2 Existing shareholder agreements and existing agreements and transactions with affiliated companies**

To Oikocredit-be's knowledge, there are currently no shareholder agreements relating to Oikocredit-be, or agreements and transactions between the Oikocredit-be and affiliated companies.

## **12. Description of the authorized capital**

### **12.1 Corporate goal**

Oikocredit-be's primary objective is to make funding available to viable economic enterprises undertaken by economically disadvantaged groups of people in developing countries.

To this end, it may carry out all transactions which are directly or indirectly related to this goal. It may participate in and cooperate with all companies which can facilitate its objective.

In Belgium, Oikocredit-be raises the awareness of people and official bodies about the role of money in the development of a more inclusive and nature- and culture-friendly global society. It does so by setting up marketing actions and events, which operationally are implemented by Oikocredit-be (formerly named Solidura)vzw.

To realize its objectives in the South, Oikocredit-be has until now always preferred to work closely together with one international partner to facilitate its objective, i.e. Oikocredit International.

The Company may also, by means of subscription, contribution, merger, participation or otherwise, have an interest in any company or business with a similar, related or complementary activity and, in general, may engage in any transaction conducive to the achievement of its goal.

### **12.2 Authorized capital**

Oikocredit-be mobilizes capital in the North through the sale of Shares. Via the services of Oikocredit International, these funds are then used to provide finance to poor(er) population groups locally. The share capital is the financial basis from which Oikocredit-be makes its investments.

The capital is unlimited. It is fully and unconditionally issued. The fixed portion of the capital is set at eighteen thousand seven hundred and fifty euros (EUR 18.750). The capital is variable, without amendment of the articles of association, with respect to the amount in excess of the fixed portion.

## 12.2.1 Amount of capital and number of Shares

Situation on 31 December 2016 :

Situation 31 December 2016	Legal entities		Private persons		Total
Number of shareholders	99	9,98 %	893	90,02%	992
Share capital in EUR	3.508.999	30,42%	8.024.932	69,58%	11.533.931
Number of shares	70.180	30,42 %	160.499	69,58%	230.678

Situation on 30 June 2017:

	Legal entities		Private persons		Total
Number of shareholders	102	9,76%	943	90,24%	1.045
Share capital in EUR	4.308.782	33,47%	8.565.685	66,53%	12.874.467
Number of shares	86.176	33,47%	171.314	66,53%	257.489

## 12.2.2 Capital increase

There is no intended maximum total amount of the capital increase, as this is an unlimited and continuous offering of New Shares.

## 12.3 Rights attached to the Shares

### 12.3.1 General meeting of shareholders and voting rights

The general meeting has authority over the appointment and dismissal of directors, a statutory auditor and controlling members. Furthermore, the general meeting must approve the annual financial statements and grant discharge to the directors and the statutory auditor. The general meeting must also decide on any amendments to the articles of association and on the dissolution of the Company.

The general meeting may validly deliberate, irrespective of the number of members present, provided that there is no stipulation to the contrary in Company Code and articles of association. Each member may choose to be represented by another member (by simple written proxy). Each member may cast a number of votes equal to the number of shares owned. However, no member may cast more than 10% of the total number of votes present at the general meeting. In this way a democratic decision-making process is guaranteed.

### **12.3.2 Distribution of dividends**

Each member is entitled to an annual dividend (participation in the profits) provided the general meeting decides to distribute a dividend. The dividend is the annual financial remuneration for each shareholder's participation in Oikocredit-be.

In accordance with Article 34 of Oikocredit-be's articles of association, the distributable profit for the financial year is by decision of the general meeting allocated as follows:

- five percent to constitute the legal reserve;
- promotional activities;
- aid to other organizations with a vision and mission similar to Oikocredit-be;
- a payment to shareholders which may amount at most to the interest rate determined in accordance with the Royal Decree of 8 January 1962 establishing the conditions for recognition of the national associations of cooperatives and of the cooperative companies by the National Council of Cooperation (the current maximum is 6%), applied to the amount actually paid up for the shares.

The Company's general meeting is free to decide to transfer the entire profit to the reserves. If there is a loss, the negative balance may be carried forward. If in some financial years no remuneration is made to the paid-up capital, then in the following years, in so far as the profit permits, a certain percentage per financial year without return may be allocated to the paid-up capital for the financial year concerned.

No distribution may be made if on the closing date of the last financial year the net assets as shown in the financial statements are or would become as a result of a distribution lower than the sum of the fixed portion of the capital or of the paid-up capital, when this is less than the fixed portion of the capital plus all reserves which by the law or according to these articles of association may not be distributed. Any return may only be distributed to the shareholders in proportion to the transactions they have made with the company.

### **12.3.3 Changes to the Articles of Association and liquidation**

In order to change the Company's Articles of Association or to discuss the dissolution of the Company, the General Assembly may only validly deliberate and decide when and if the members that are present or are represented, represent together at least half of the total capital. If this quorum is not reached, a new General Assembly Meeting must be

convened with the same agenda. This meeting can validly make decisions irrespective of the represented portion of the capital.

Decisions about changes of the Articles of Association or the dissolution of the Company always require a majority of 75% of the members present and represented, except for changes to the Company's goal, where a 80% majority is needed.

## **12.4 Form of Shares**

The Shares are registered shares, and they are indivisible with respect to the Company. Ownership of the Shares is evidenced by inclusion in the relevant register. Upon registration, certificates are issued to the holders of the Shares.

## **12.5 Transfer of Shares**

Shares may only be transferred between members with the approval of the board of directors.

## **12.6. Withdrawal and take-back**

Shareholders can only withdraw or request a partial take-back of their Shares during the first six months of the financial year. In case of a partial take back a minimum of 5 Shares have to be kept as an investment.

The Company's board of directors may refuse to allow the withdrawal or take-back of shares if, through this withdrawal or take-back, the authorized capital would be reduced to an amount less than the proportion defined in the articles of association, or if the Company's financial situation would be endangered. The decision of the board of directors in this matter is final.

Withdrawn shares will be paid out to the shareholder, in accordance with the balance of the current year, without allocation of a part of the reserves. A shareholder will not be paid out a higher amount than the original amount paid for the shares.

Losses, if any, will be deducted on the distributable reserves. Oikocredit-be, and, as a consequence, its shareholders, may run the risk of suffering losses if the shares of Oikocredit International are valued at a lower price than the nominal value of the investment made by Oikocredit-be. In this case, the suffered losses will be written off against the capital, resulting in a capital decrease.

## **12.7 Exclusion**

A shareholder can only be excluded from the Company if he no longer fulfills the general access conditions as stipulated in the Articles of Association, or if he acts against the interest of the Company. The decision to exclude a shareholder is taken by the Board of Directors in accordance with the corresponding legal prescriptions.

The excluded shareholder has the right to have his shares paid back, according to the balance of the current year, without allocation of part of the reserves. An excluded shareholder cannot be paid out more than the amount paid for these shares.

## **12.8 Other securities**

At present, there are no securities other than the Shares.

# **13 The taxation system in Belgium**

## **13.1 Dividends**

### **13.1.1 Resident private persons**

Title II of the Income Tax Code (WIB) 1992, Art. 21, 6° states that the first tranche of EUR 125,00 of dividends from a cooperative company recognized by the National Council of Cooperative Companies is exempt from withholding tax.

For the tax year 2016, the basic amount of EUR 125,00 was index-adjusted to EUR 190,00 (cf. automatic indexation for income tax - tax year 2016).

Above this amount a basic withholding tax of 30% applies under Article 269 WIB 92 for 2016.. Oikocredit-be withholds this tax automatically from the dividend paid out to the shareholder.

### **13.1.2 Resident legal entities**

Under Article 269 WIB 92, withholding tax of 27% applies to the entire dividend for companies.

### **13.1.3 Non-residents**

For non-residents the same provisions apply as for residents.

## **13.2 Capital gains and losses**

### **13.2.1 Capital gains**

In all cases of cessation of membership and take-back of shares, the leaver's share is calculated as the paid-up value of the Shares less losses brought forward plus profits brought forward, as shown in the financial statements for the year in which membership ceased. Given that the leaver's share may not under any circumstances exceed the

amount paid up by the member on his/her share certificate, capital gains tax does not apply.

### **13.2.2 Capital losses - resident private persons**

For resident individuals who hold shares as a private investment, capital losses incurred on shares are not tax deductible if the losses result from a transaction which may be regarded as a normal management transaction for the shares. Losses arising from transactions which fall outside the scope of normal management of one's personal assets are deductible from the taxable income which is received from comparable transactions made during the same tax period or the five subsequent tax periods. For resident individuals holding the shares for professional purposes, capital losses realized on disposal of the shares are in principle tax deductible.

### **13.2.3 Capital losses - resident legal entities**

For resident corporations, any capital losses realized on disposal of shares are not tax deductible, except for losses incurred as a result of the complete liquidation of the Company up to the amount of the Company's paid-up capital represented by those shares.

### **13.2.4 Capital losses - non-residents**

Capital losses will be tax deductible, if such losses were realized on the shares held by a nonresident individual in the context of a business conducted in Belgium through a fixed base in Belgium.

For non-resident corporations which hold the shares through a permanent establishment or fixed base in Belgium, any losses realized on disposal of the shares are not tax deductible, except for losses incurred as a result of the complete liquidation of the Company up to the amount the Company's paid-up capital represented by those shares.

## **13.3 Tax on stock exchange transactions**

Not applicable.

## **13.4 Tax benefits**

Oikocredit-be was accredited as a development fund for the period 2010-2014, which resulted in limited tax benefits for investors. Meanwhile the Law of April 19 2014 regarding Alternative Investment Funds and Management ("AIFM-Law") has entered into force. Oikocredit-be considers that it meets the definition of 'holding' under this law. Consequently, Oikocredit-be has introduced on 29 May a new demand for accreditation as a development fund from January 1 2017 onwards.

## **14 Litigation and arbitration; significant changes**

### **14.1 Litigation and arbitration**

There are no pending or threatened court cases or arbitration proceedings which may affect or have affected Oikocredit-be's financial position or profitability.

### **14.2 Significant changes in Oikocredit-be's financial or trading position**

Since the date of the last audited financial figures (December 31, 2016), no significant changes have been recorded in Oikocredit-be's financial or trading position.

# **APPENDICES**

## **1. Audited financial statements**

1.2.a Audited financial statements 2014

1.2.b Auditor report 2014

1.3.a Audited financial statements 2015

1.3.b Auditor report 2015

1.4.a Audited financial statements 2016

1.4.b Audited report 2016

## **2. Statutes of Oikocredit-be CVBA-SO**

## **3. Shareholder registration form**

## **4. Social Performance Report Oikocredit International 2016**

## **5. Bylaws Oikocredit-be (May 2014)**

## **6. Annual Report of Oikocredit International 2016**

**The Issuer**

Oikocredit-be CVBA-SO  
Rue des Tanneurs 165  
1000 Brussels  
Belgium

**Auditor of the Issuer**

KPMG Accountants  
Blue Towers - 'Schelde' building - 6th floor  
Sluisweg 2 bus 8  
9000 Gent  
Belgium