

Oikocredit International Support Foundation Financial statements 2020

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Board report

Developments during 2020 and outlook for 2021

Oikocredit International Support Foundation (Support Foundation) is situated in Amersfoort, the Netherlands. The main purpose of the Support Foundation is to promote and support the development of individual and organisational capacities; create and facilitate a supporting environment to enable access to needed resources for social enterprises; and enhance the ability of these enterprises to improve the quality of life of low-income people and their communities. The Support Foundation achieves its purpose by working with platforms, social impact investors – including Oikocredit Ecumenical Development Cooperative Society U.A. (Oikocredit) – and development aid agencies to advance standards and best practices focusing on the protection and the promotion of the welfare of low-income people and their communities.

The following people were members of the board of directors as at 31 December 2020:

- Mr T. H. L. J. M. Gieskes (the Netherlands)
- Ms M. L. Hilado Ledesma (the Philippines)
- Ms M. 't Lam (the Netherlands)
- Mr M. A. van Eyk (the Netherlands)
- Ms P. J. Lens (the Netherlands)
- Mr P. O. Stutvoet (the Netherlands)

Mirjam 't Lam joined the board of directors and Laura Pool left the board as per 16 November 2020.

During the year 2020 the Support Foundation transferred the Buy and Maintain ESG Credit Portfolio (term investments) to Oikocredit for an amount of €25.1 million.

The capacity building programmes initiated, developed or funded through the Support Foundation complement Oikocredit's investing operations in pursuit of its mission of empowering low-income people sustainably. Together, the Support Foundation and Oikocredit make a holistic approach to responsible financing possible. Our capacity building work with partners is central to building resilience and generating positive social value.

The capacity building programmes undertaken with the support of the Support Foundation aim to strengthen agricultural cooperatives and associations and financial intermediaries for the benefit of farmer members and low-income borrowers.

In 2020, the outbreak of the Covid-19 pandemic delayed the implementation of capacity building programmes. With the imposition of travel restrictions, on-site visits were cancelled and training sessions had to be transformed, either into virtual sessions or into face-to-face sessions with the number of participants drastically limited. Nevertheless, by mid-2020, new approaches had been adopted to enable the continued implementation and completion of a number of programmes.

The Support Foundation invested €659,000 in our thematic programmes in 2020. The largest area of support was agriculture, in which we invested 79%, followed by financial services, in which we invested 20%. Capacity building was carried out in 26 countries across three regions.

In agriculture, our Price Risk Management project for coffee partners in Latin America has developed well. The aim is to embed a participatory approach in the training and translate academic knowledge into practical actions the farmers can take to mitigate their risks. The first round of the Price Risk Management project with the support of the Inter-American Development Bank (as administrator of the Multilateral Investment Fund) was concluded and a second round with support from USAID was launched during the year. The first round involved 21 partners and the second round 11 partners.

In financial services, we are still applying and developing a mentoring approach to our capacity building. Financial services capacity building included work with partners in Africa, Latin America and Southeast Asia on Client Protection Principles (CPP)

self-assessments, action planning to address gaps identified in the assessments and support in implementing these action plans. Monitoring visits to a number of African partners that had received capacity building support in previous years were also conducted from January till March 2020.

In our work on monitoring client outcomes, we concluded the evaluation of the Client Outcomes Programme using the Progress out of Poverty Index (PPI) tool. The results indicated that the low level of capacity at partner level made it difficult to sustain the Client Outcomes Programme approach and a simpler approach must be developed. This simpler approach will involve soliciting clients' self-perception of change in the quality of their lives. The piloting and subsequent further development of this approach in 2021 is under discussion with Oikocredit.

Capacity building engagements are funded by Act Church of Sweden; Evangelische Landeskirche (Evangelical-Lutheran Church) in Württemberg, Germany; Multilateral Investment Fund, managed by Inter-American Development Bank; Oikocredit Stiftung Deutschland; Oikocredit Nederland; the Swedish International Development Cooperation Agency (Sida); USAID; donation funds from investors in Oikocredit; and Oikocredit's own contribution. We will continue to strengthen our fundraising efforts and enhance our grant stewardship while expanding the three global capacity building programmes.

Capacity building continues to be a key element in ensuring the sustainability and impact of organisations and social enterprises that serve low-income people. The financial resources made available by social impact investors like Oikocredit have improved chances of achieving their financial and social objectives if these are complemented, where required, by capacity building interventions.

The Support Foundation aims to scale up the knowledge and experience we have gained while increasingly seeking and matching institutional funding to the needs of partners. We aim to pilot at least one capacity building engagement in digital finance and will continue to improve our mentoring approach and our follow-up of partners' implementation of action plans following social assessments. The experience of working during the pandemic has shown us the advantages of an increased use of technology, particularly in making information and training materials available, and we will continue to pursue this in 2021. The Support Foundation will also actively support innovative initiatives developed in response to the impact of the global Covid-19 pandemic.

The year 2020 also saw the start of new capacity building initiatives. In Rwanda, for example, we have begun working with Karongi and Muganza Kivu tea factories to produce two million high-quality tea seedlings. With funding of about € 140,000, raised mainly through Oikocredit's West German support association, the project will distribute the seedlings and provide training in tea cultivation to 2,000 Rwandan smallholder farmers via two cooperatives. Towards the end of the year around 450,000 tea seedlings had already been distributed to 400 farmers, who were also equipped with new cultivation skills. The factories will buy all the tea produced through their linked farmer cooperatives.

The Support Foundation has been selected to participate in the Smallholder Safety Net Upscaling Programme, coordinated by the Swiss Agency for Development and Cooperation, the Luxembourg Directorate for Development Cooperation and Humanitarian Affairs, and Ada Microfinance. This is a € 55 million, 10-year, public-private partnership intending to support at least 10 million smallholder farmers in Africa, Asia and Latin America by boosting the development of agricultural value chains. We are one of five impact investors that will provide and facilitate technical assistance to agricultural organisations through the programme. A first application has been submitted to support the development of weather-indexed insurance for smallholder farmers.

In 2021 the Articles of Association of the Support Foundation and the service level agreement between the Support Foundation and Oikocredit will be updated. A material change in these documents is that the articles will allow for independent board members to be appointed and that Oikocredit won't charge Category B costs (refer to *Description of the organisation* under the *Notes to the financial statements* section) to the Support Foundation and the Support Foundation will act more independently from Oikocredit. This will also mean that we will charge actual spend costs for capacity building from Oikocredit to the Support Foundation.

Amersfoort, 9 March 2021

Thos Gieskes

Managing Director

Ging Ledesma

Director of Social Performance Innovation

Petra Lens

Director of People & Change

Patrick Stutvoet

Director of IT & Operations

Mirjam 't Lam

Director of Finance & Risk

Bart van Eyk

Director of Investments

Balance sheet as at 31 December 2020

(After appropriation of net income)

Notes		31/12/20	31/12/19
		€ ,000	€ ,000
	ASSETS		
	Non-current assets		
1	Term investments	539	25,908
	Current assets		
2	Receivables	4,016	-
	Cash and banks	1,733	1,546
	Total current assets	5,749	1,546
	Total assets	6,288	27,454
	TOTAL RESERVES AND FUNDS		
	General reserve	3	3
	Result for the year	-	-
3	Local currency risk funds	-	-
4	Other funds (available to cover costs and activities)	5,822	6,820
	Total reserves and funds	5,825	6,823
	LIABILITIES		
5	Current liabilities	463	20,631
	Total liabilities	6,288	27,454

Income statement for the year 2020

Notes		2020	2019
		€ ,000	€ ,000
INCOME			
6	Grants	484	1,054
	Interest income	35	382
	Income from other investments	-	2,080
	Revaluation term investments	(298)	718
	Total income	221	4,233
EXPENSES			
7	'Category A' capacity building	659	737
	Office expenses	212	62
	Charged (addition) to the local currency risk funds	-	3,704
	Charged (addition) to the guarantee funds	244	342
	Exchange rate differences	115	316
	Total expenses	1,230	5,161
	RESULT FOR THE YEAR	(1,009)	(927)
8	Additions (-) to and releases (+) from funds	1,009	927
	RESULT AFTER ADDITIONS TO FUNDS	-	-

Notes to the financial statements

Description of the organisation

The Oikocredit International Support Foundation (Support Foundation) was established on 10 March 1995 in Amersfoort, the Netherlands, in accordance with the laws of the Netherlands. The duration of the Support Foundation is unlimited. The main purpose of the Support Foundation is to mobilise grant funds to support Oikocredit Ecumenical Development Cooperative Society U.A. (Oikocredit) or one of Oikocredit's related foundations. Oikocredit is owned by its members throughout the world: churches, church-related organisations, partners, support associations and other like-minded organisations. Oikocredit is guided by the principle of empowering low-income people to improve their livelihoods. We support partner organisations in Africa, Asia and Latin America by providing loans, equity investments and capacity building. Oikocredit is privately financed by individuals and institutions who want to use their money for positive change.

Grant funds are used for Oikocredit's subsidised and model costs. These are costs no institution of this size would normally incur, but which are part of the Oikocredit cooperative model. The board of the Support Foundation decided to take some of these costs for the Support Foundation's account (Category A) and endeavour to raise funds to subsidise part of the costs that remain for Oikocredit's account (Category B) from 1 January 2000 onwards. The board of the Support Foundation decided that the part of Oikocredit's subsidised Category B costs cannot exceed 15% of the operating costs of Oikocredit.

Category A capacity building costs are:

- 100% (2019: 100%) of external capacity building to partners

Category B costs are:

- Investor relations costs: besides the Category A costs charged to the Support Foundation, the target is to raise subsidies and grants and 15% of technical and organisational assistance to support associations
- Incidental costs: to be decided on a case-by-case basis

The Support Foundation managed the local currency risk funds and guarantee funds. The local currency risk funds were available to offset the risk of currency losses on Oikocredit loans disbursed in local currencies up to 1 December 2019. The Support Foundation and Oikocredit mutually agreed to end the covering of these currency risks in 2019.

Accounting policies

General information

The financial statements are prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. Assets and liabilities are stated at historical cost, unless stated otherwise.

The financial statements are denominated in euro. The balance sheet and income statement include references to the notes. Income and costs are recognised on an accrual basis. These financial statements have been prepared under the going concern assumption.

Estimates

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that have an impact on the application of principles and the reported values of assets and liabilities and of income and expenses. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Foreign currencies

The financial statements are presented in euro, which is the functional and presentation currency of the Support Foundation. Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. As at 31 December 2020 0.6% of the balance sheet total is denominated in United States dollars. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

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

Exchange rate differences arising upon the settlement of monetary items are recognised in the income statement in the period that they arise.

Term investments

The term investments that are listed on regulated markets are measured and recognised at fair value as these are not held to maturity. Changes in the fair value are taken directly to the income statement.

Non-listed term investments (only equity investments) are stated at cost less impairment. The impairment is tested on an annual basis.

Grants

Grants are included as income in the year in which such grants are realised.

Taxes

The Support Foundation has been exempted from paying corporation tax, value added tax as well as gifts and inheritance taxes by the tax authorities of the Netherlands.

Risk factors

Liquidity risk

Liquidity risk refers to the risk that the Support Foundation will encounter difficulty in raising funds to meet its commitments (funding liquidity risk) and/or that the Support Foundation will experience issues in mobilising the liquidity in cash accounts (asset liquidity risk) in the extreme scenario in which bank counterparties experience liquidity issues. The latter is highly unlikely due to the relative size and positive track record of the bank counterparties with which the Support Foundation has open bank accounts.

Foreign currency risk

Foreign currency risk refers to the risk that the value of the Support Foundation will fluctuate due to changes in foreign currency exchange rates. The foreign currency risks related to the assets and liabilities of the Support Foundation are not hedged.

Credit risk

Credit risk refers to the risk of a change in the credit quality of a counterparty (in which the Support Foundation has invested in bonds or shares) affecting the value of the Support Foundation's position. Currently the Support Foundation holds all its assets in cash accounts, hence the credit risk on the balance sheet is extremely low.

Notes to the balance sheet

1 Term investments

	2020	2019
	€ ,000	€ ,000
<i>Can be specified as follows:</i>		
Opening balance as at 1 January	25,908	32,459
Divestments/redemptions during the year	(25,126)	(7,710)
Investments during the year at cost	55	441
Revaluation to market value as at 31 December	(298)	718
Balance as at 31 December	539	25,908
Breakdown of bonds and shares	31/12/20	31/12/19
	€ ,000	€ ,000
Buy and Maintain ESG Credit Portfolio	-	25,369
Bonds	-	25,369
Donated investments in Oikocredit International Share Foundation	539	539
Shares	539	539
Total bonds and shares	539	25,908

The Buy and Maintain Environmental Social Governance (ESG) Credit Portfolio has been transferred from the Support Foundation to Oikocredit as per 1 April 2020.

The donated investments consist of donated depository receipts in euro, British pounds, Canadian dollars and United States dollars. The depository receipts are valued at nominal value, taking into account the foreign currency revaluation on the depository receipts in foreign currencies.

2 Receivables

<i>Can be specified as follows:</i>	2020	2019
	€ ,000	€ ,000
Current account Oikocredit	3,981	-
Current account Oikocredit International Share Foundation ¹	35	15
Balance as at 31 December	4,016	15

¹ On the current account, consisting of several currencies, the interest percentage is equal to the average one-week Euribor/United States dollar Libor per year. The current account is payable on demand.

The current account with Oikocredit was in 2019 a payable and therefore disclosed under note 5.

3 Local currency risk funds

The Support Foundation and Oikocredit mutually agreed to end the covering of the local currency risk funds as per 1 December 2019 and have transferred the balance of the local currency risk funds to Oikocredit.

<i>Can be specified as follows:</i>	2020	2019
	€ ,000	€ ,000
Balance as at 1 January	-	10,002
Exchange rate adjustments	-	(3,330)
Balance as at 30 November	-	6,672
Transfer of external hedges to Oikocredit	-	(2,489)
Transfer of LCRF to Oikocredit	-	(4,183)
Balance as at 30 November	-	-

4 Other funds (available to cover Oikocredit costs and activities)

The funds mentioned below originate from grants received for the purposes as described per fund. The Support Foundation charges the related Oikocredit costs to the funds (the costs charged to these funds are Category A, Category B and other costs). Refer to the notes to the financial statements under the heading *Description of the organisation* for an explanation of Category A and B costs.

<i>Can be specified as follows:</i>	2020	2019
	€ ,000	€ ,000
Funds for subsidised activities and model costs	3,245	3,245
Capacity building, partner financing and guarantee funds	2,577	3,576
Balance as at 31 December	5,822	6,820

Funds for subsidised activities and model costs				
	Donated investments ¹	Funds for subsidised activities and model costs ²	TOTAL 2020	TOTAL 2019
	€ ,000	€ ,000	€ ,000	€ ,000
Balance as at 1 January	539	2,706	3,245	1,145
Addition to / (released from) fund	-	-	-	2,100
Balance as at 31 December	539	2,706	3,245	3,245

¹ This fund was established to account for donated shares.

² This fund was set up in 1999 to cover Oikocredit's subsidised activities and model costs. In 2019 the gain on the sale of the TCX shares amounting to €2.1 million was added to this fund and will remain in this fund.

Capacity building and guarantee funds

	Capacity building funds ¹	Capacity building ELK outcome fund ²	Capacity building IDB / BftW ³	Geographic programme fund ⁴	General guarantee funds ⁵	Guarantee fund for Africa ⁵	Corona solidarity fund ⁶	Capacity building USAID ⁷	Rwanda seedling fund ⁸	SSNUP project ⁹	TOTAL 2020	TOTAL 2019
	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000	€ ,000
Balance as at 1 January	1,095	-	-	-	329	2,153	-	-	-	-	3,576	3,272
Addition to / (released from) fund ¹⁰	(722)	-	-	-	(6)	(282)	-	-	-	-	(1,010)	304
Allocation of prior year result	11	-	-	-	-	-	-	-	-	-	11	-
Balance as at 31 December	384	-	-	-	323	1,871	-	-	-	-	2,577	3,576

¹ This fund was set up for capacity building of existing and potential partners and feasibility studies of potential partners in all countries in which Oikocredit operates.

² The client outcome fund originates from the Evangelical-Lutheran Church in Württemberg (ELK) and was set up for research and analysis training of microfinance institutions in Latin America and Asia as well as an agricultural project in East Africa.

³ The three-year capacity building programme, Building Resilience of Smallholder Farmers Business, came to an end in 2020, and was financed by Bread for the World – Protestant Development Service (BftW). The Multilateral Investment Fund – a member of the Inter-American Development Bank Group (IDB) – supports the three-year capacity building programme Price Risk Management (PRM) for Coffee Cooperatives in Latin America, which came to an end in 2020.

⁴ The geographic programmes fund is a capacity building fund from Act Church of Sweden (CoS) under which two programmes ran in 2018 and no new programmes in 2019 and 2020. The programmes were Bridging the Gender Gap in Microfinance in the Philippines, and a programme aiming at the strengthening of small cooperatives in Guatemala.

⁵ The two guarantee funds were established to enable institutional donors and individuals to participate in a fund that insures part of the counterparty risk (equity or loan and accumulated interest) of partners financed by Oikocredit.

⁶ The Support Foundation created the corona solidarity fund with an initial €25,000 from Oikocredit. This was augmented by contributions from members and investors.

⁷ A follow-up to the PRM project mentioned above was initiated with USAID's support, to further develop and consolidate the parts of the PRM programme dealing with information management. Another project was our disaster risk reduction initiative for Southeast Asian partners.

⁸ In Rwanda, the Support Foundation has begun working with Karongi and Muganza Kivu tea factories to produce two million high-quality tea seedlings. The project will distribute the seedlings and provide training in tea cultivation to Rwandan smallholder farmers via two cooperatives.

⁹ The Support Foundation has been selected to participate in the Smallholder Safety Net Upscaling Programme (SSNUP), coordinated by the Swiss Agency for Development and Cooperation, the Luxembourg Directorate for Development Cooperation and Humanitarian Affairs, and Ada Microfinance. This is a 10-year public-private partnership intending to support at least 10 million smallholder farmers in Africa, Asia and Latin America by boosting the development of agricultural value chains.

¹⁰ For the additions to and releases from these funds, refer to Note 7.

5 Current liabilities

<i>Can be specified as follows:</i>	2020	2019
	€ ,000	€ ,000
Current account Oikocredit	-	20,767
Non-allocated grants	434	(121)
Current account Oikocredit International Share Foundation ¹	-	(15)
Other current liabilities	29	-
Balance as at 31 December	463	20,631

¹ On the current account, consisting of several currencies, the interest percentage is equal to the average one-week Euribor/United States dollar Libor per year. The current account is payable on demand.

Non-allocated grants		
<i>Can be specified as follows:</i>	2020	2019
	€ ,000	€ ,000
Act Church of Sweden	96	113
Evangelical-Lutheran Church in Württemberg	57	8
Inter-American Development Bank	-	(77)
Bread for the World – Protestant Development Service	-	(165)
Oikocredit Westdeutscher Förderkreis	(25)	-
Appui au Développement Autonome	306	-
Balance as at 31 December	434	(121)

The table is showing the balance of the non-allocated grants of 2020 compared to 2019. The non-allocated grants at 31 December 2020 increased by an amount of € 555,000 compared to 2019.

Notes to the income statement

6 Grants

<i>Can be specified as follows:</i>	2020	2019
	€ ,000	€ ,000
Grants recognised from Corona solidarity fund	185	-
Grants recognised from Oikocredit Westdeutscher Förderkreis	77	
Grants recognised from Inter-American Development Bank	-	400
Grants recognised from Evangelical-Lutheran Church in Württemberg	61	50
Grants recognised from Bread for the World – Protestant Development Service	-	227
Grants recognised from Act Church of Sweden	19	24
Other grants recognised	142	353
Total grants	484	1,054

Grants are received either according to contractual agreements with organisations with which the Support Foundation collaborates on capacity building projects, or from other parties, such as donations from dividends or legacies. Grants recognised from collaborating organisations means that the funds were spent during the year. Unused grants are accounted for under current liabilities. Grants recognised from other parties are immediately recognised in the year received as these grants have no specific spending requirements. In 2020 the corona solidarity fund was created. The donations to this fund were from existing Oikocredit donors, like Act Church of Sweden and Oikocredit support associations. From the Evangelical-Lutheran Church in Württemberg, the Support Foundation received € 110,000 in 2020.

In 2020 the Price Risk Management programme and the agricultural project in East Africa funded by Bread for the World came to an end. The Inter-American Development Bank disbursed US\$ 94,720 for the Price Risk Management programme in Central and South America, implemented in cooperation with Fair Trade USA and Catholic Relief Services. In 2020 Ada Microfinance disbursed € 306,360 to a new programme called *Smallholder Safety Net Upscaling Programme (SSNUP)*.

7 Category A capacity building ¹

<i>Can be specified as follows:</i>	2020	2019
	€ ,000	€ ,000
Africa	276	282
South and Southeast Asia	181	12
South and Central America	202	443
Total Category A capacity building costs	659	737

¹ Definitions of Category A and B costs are included in the notes to the financial statements under the heading *Description of the organisation*.

8 Additions to and releases from funds

In the table below the additions to and the releases from the local currency risk funds and capacity building funds are disclosed. Regarding the local currency risk funds, the movements shown in the table are the movements due to interest and exchange rate differences within the funds over the year. The funds were established based on donations from organisations and members and are shown in the table as grants received.

Regarding the capacity building and guarantee funds, the movements shown in the table are the movements due to costs incurred and grants received within the funds over the year. The funds receive support from donors. For an overview of the grants income, refer to Note 6.

	2020	2019
	€ ,000	€ ,000
Total local currency risk funds		
Grants received	-	1
Exchange rate differences on invested funds	-	1,292
Addition exchange rate differences and premiums	-	(1,709)
Exchange rate differences on local currency loans repaid	-	4,801
Interest added	-	(1,055)
Released from / (addition) to fund	-	3,330
Subtotal local currency risk funds	-	3,330
Donated investments		
Grants received	-	(60)
Released from / (addition) to fund	-	(60)
Subsidised activities and model costs		
Interest and gain received allocated to fund	-	(2,090)
Other costs; office expenses	-	50
Released from / (addition) to fund	-	(2,040)

Capacity building funds – other		
Grants received	(19)	(147)
Non-allocated grants	562	(70)
Transfer between funds	-	9
Interest added	-	(17)
Other costs ¹	179	200
Released from / (addition) to fund	722	(25)
Capacity building Evangelical-Lutheran Church in Württemberg outcome fund		
Grants received	(110)	-
Non-allocated grants	49	(23)
Other costs	61	23
Released from / (addition) to fund	-	-
Capacity building Bread for the World – Protestant Development Service		
Grants received	-	-
Non-allocated grants	(10)	(157)
Other costs	10	157
Released from / (addition) to fund	-	-
Capacity building Inter-American Development Bank		
Grants received	-	-
Non-allocated grants	(154)	(261)
Other costs	154	261
Released from / (addition) to fund	-	-
General guarantee funds		
Guarantee calls	-	-
Transfer between funds	-	-
Interest added	6	(74)
Released from / (addition) to fund	6	(74)

Guarantee fund for Africa		
Transfer between funds	-	-
Interest added	282	(205)
Released from / (addition) to fund	282	(205)
Capacity building Act Church of Sweden geographic programmes		
Grants received	-	-
Non-allocated grants	(17)	(23)
Transfer between funds	-	-
Other costs	17	23
Released from / (addition) to fund	-	-
Corona solidarity fund		
Grants received	(165)	-
Non-allocated grants	94	-
Other costs	71	-
Released from / (addition) to fund	-	-
Capacity building USAID		
Grants received	-	-
Non-allocated grants	(113)	-
Other costs	113	-
Released from / (addition) to fund	-	-
Rwanda tea seedling project		
Grants received	(30)	-
Non-allocated grants	(25)	-
Other costs	55	-
Released from / (addition) to fund	-	-

Appui au Développement Autonome (ADA)		
Grants received	(306)	-
Non-allocated grants	306	-
Other costs	-	-
Released from / (addition) to fund	-	-
Subtotal Capacity building and guarantee funds	1,009	(2,403)
TOTAL RELEASED FROM / (ADDITION) TO FUNDS	1,009	927

9 Employees

In 2020 no employees were employed by the Support Foundation.

10 Audit fees

<i>The following audit fees were expensed in the income statement in the reporting period:</i>	2020	2019
	€ ,000	€ ,000
Audit of financial statements	13	8
	13	8

11 Related party transactions

Transactions with Oikocredit EDCS U.A. during the year

Oikocredit has charged a management fee and an administration fee to the Support Foundation amounting to €57,000 (2019: €57,000). The Support Foundation transferred the term investment portfolio to Oikocredit for an amount of €25.1 million.

In 2021 the Articles of Association of the Support Foundation and the service level agreement between the Support foundation and Oikocredit will be updated. A material change in these documents is that Oikocredit won't charge category B costs (refer to *Description of the organisation* under the *Notes to the financial statements* section) to the Support Foundation and the Support Foundation will act more independently from Oikocredit. This means that we will charge actual spending costs for capacity building from Oikocredit to the Support Foundation.

Transactions with the Oikocredit International Share Foundation

Transactions relate to investors' donations to the Oikocredit International Support Foundation from dividends in depository receipts. Total donations in 2020 amount to €57,939.

Transactions with members

The Support Foundation received donations from members dedicated to the corona solidarity programme as detailed below:

Stichting Juridisch Eigendom Oikocredit Nederlands Fonds (€ 17,670), Oikocredit Deutsche Schweiz (€ 16,186), Oikocredit Stiftung Deutschland (€24,212).

Other information

Allocation of results

The net result is allocated by the board of the Support Foundation to the funds. The net result that has been allocated to funds for 2020 amounts to negative € 1.0 million.

Subsequent events

There are no subsequent events.



Independent auditor's report

To: the Board of Directors of Stichting Oikocredit International Support Foundation

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2020 of Stichting Oikocredit International Support Foundation, based in Amersfoort.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Oikocredit International Support Foundation as at 31 December 2020, and of its result for the year 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2020;
- 2 the income statement for the year 2020; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Oikocredit International Support Foundation in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the financial statements

In addition to the financial statements and our auditor's report thereon, the financial statements contains other information that consists of:

- board report;
- allocation of results; and
- subsequent events.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.



We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information.

Description of the responsibilities for the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The board is responsible for overseeing the company's financial reporting process

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amstelveen, 12 March 2021

KPMG Accountants N.V.

M.L.M. Kesselaer RA