



Oikocredit UK & Ireland

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July 2018

Dear Oikocredit Friend,

The National Support Office in the UK and Ireland (and Canada) will close but rest assured investments will continue.

This year, we will be centralizing our UK and Ireland investor-related administration, customer service and compliance activities with Oikocredit International, Amersfoort, the Netherlands and will sadly be winding down our local UK & Ireland operations. This forms part of a wider plan to reduce Oikocredit's operational costs and complexity across the world and improve our long-term social, environmental and financial returns.

The ability to grow our investor base sustainably in the UK & Ireland (and the USA & Canada), compared with the capital provided by our global co-operative members and longer-standing capital-raising countries, is unfortunately hindered by a comparatively shorter time in the market; higher costs of doing business; lower critical mass of resource (2 staff), and an absence of optimal equity and debt investment products to meet local UK and Ireland demand sustainably.

Combined with external challenges such as a globally low interest-rate environment, growing regulation and increased competition, Oikocredit has decided to reduce its global operational complexity and costs by concentrating its capital-raising efforts on co-operative member capital and core EU country operations that contribute most of Oikocredit's required development financing at present.

The last day of operation for the UK & Ireland office (located in London) will be 30 September 2018. Rest assured, however, we will wholeheartedly continue to welcome and service UK and Ireland investors and members from a centralised team at our head office in Amersfoort, the Netherlands. The team will be led by Ging Ledesma, Managing Board Investor Relations; Leonard Sprik, Deputy Director of Investor Relations; Mireille Hendriks, Investor Support Officer; and Jeroen Jansen, Co-operative Affairs Manager. They will be responsible for UK and Ireland investor and member administration and take over processes from the London office in stages over the summer.

Regrettably, these changes mean that Monica Middleton, National Director UK & Ireland and Archie Pearson, Client and Administration Officer UK & Ireland will be leaving Oikocredit at the end of the summer. It also means we will be winding down contracts with local capital-raising partners such as Ethex and Fair Finance Scotland (D Cousland), as well as promotional activities and affiliations with local organisations and networks.

Oikocredit is incorporated as a foundation under the laws of The Netherlands and has its registered office at:
Berkenweg 7, 3818 LA Amersfoort, The Netherlands, registration no: 41190347

During our much-cherished time with Oikocredit, we have seen considerable growth in awareness of Oikocredit's social investing activities, our local investor base and invested capital. None of this would have been possible without the tremendous efforts, energy and support of UK and Ireland members, investors, partners, networks and friends over the years.

"We wish to express our sincere gratitude to Monica and Archie for the contribution they have made to Oikocredit over the years - almost doubling the accumulated UK & Ireland capital and investor base; forming innumerable trusted partnerships, and significantly raising the profile of Oikocredit," said Thos Gieskes, Oikocredit's Managing Director.

The social mission of Oikocredit, and the many international colleagues who we count as friends, have made the Oikocredit co-operative a profoundly rewarding place to work. Equally, we have benefited from networks that have truly inspired and supported us over the years.

We will miss working under the umbrella of Oikocredit but know that we shall all remain in contact through our individual and collective aims to drive greater social and environmental investing in world.

A detailed Q&A is attached to this letter and further information will be provided throughout the summer as administration is transferred to our head office.

In the interim, should you wish to discuss any of the above with us, please do not hesitate to contact any one of us:

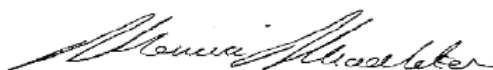
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With our kindest regards and sincere thanks for your support,



Monica Middleton,
National Director, Oikocredit UK & Ireland
Enc.



Archie Pearson,
Client and Office Executive, Oikocredit UK & Ireland

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UK and Ireland Q&A

(external)

Summary

We are centralizing our UK/IRE investor-related administration, customer service and compliance activities with Oikocredit International, Amersfoort, the Netherlands and winding down our UK & Ireland operations by 30 September 2018. This forms part of a wider plan to reduce Oikocredit's overall operational costs and complexity and improve our long-term social, environmental and financial returns.

Detail

The ability to grow our investor base profitably in the UK & Ireland (and other countries) versus our global co-operative members and longer-standing capital-raising countries is hindered by the comparatively shorter time in the market; relatively higher costs of doing business; lower critical mass of resource (2 staff), and an absence of optimal equity and debt investment products to meet local demand sustainably.

Combined with external and internal challenges such as a globally low interest-rate environment, growing regulation and increased competition, Oikocredit has decided to reduce its operational complexity and costs in the short-to-medium term by concentrating its capital-raising efforts.

We will focus primarily on capital-raising operations that collectively contribute the majority of Oikocredit's development financing (member capital and core EU country operations).

Alongside Canada and the USA, we will therefore be winding down our local UK and Ireland office, team, promotional and administrative activities in 2018, and until we can develop more competitive and sustainable capital-raising products and activities for this region.

We will continue to wholeheartedly welcome and service UK and Ireland investors and members from our head office in Amersfoort, the Netherlands.

Q&A

1. What changes are we making?

We are currently in the first stages of updating our Oikocredit International strategy with the aim of reducing operational costs and complexity so that we may better focus our efforts where they will have the most impact. With these goals in mind, we have made the decision to wind down our local UK & Ireland and Canada & US capital-raising operations and offices.

The UK & Ireland operations in London will wind down by 30th September 2018. We will be transferring all UK and Ireland investor administration, customer service and compliance to a central team at our head office in Amersfoort, the Netherlands, during July and August 2018.

Although many activities run by these local offices (such as capital-raising, marketing, communications, administration and networking) will cease, Oikocredit will continue wholeheartedly to support and welcome new and existing investors and members from these countries at its head office in the Netherlands.

2. Why are we making these changes?

Oikocredit's mission is to improve the lives of people on low incomes. We do this by providing loans, equity and capacity building to organisations that improve the quality of life of low-income people in a sustainable way.

However, we are facing a number of external and internal challenges, such as globally low interest rates, growing regulatory complexity and increased competition. Our resources are spread thinly across very many countries and we are facing increasing operating costs.

To address these challenges and enhance our social, environmental and financial sustainability, we have updated our Oikocredit International strategy. The first stages of the strategy programme will reduce operational complexity and costs, so that we can better focus our efforts where we can have the most impact.

As part of this, we are streamlining the way we organise our investor relations to ensure we are raising capital in the most efficient and effective way.

3. What challenges exist in the UK & Ireland and Canada & USA?

Although the UK & Ireland, and Canada & US offices, have significantly raised the profile of Oikocredit in these markets, and welcomed many new Oikocredit members and investors, they have faced a number of specific challenges.

They are subject to significant regulatory burdens which increase the costs of doing business in these countries. In addition, the depository receipt investment product we offer is less common in the UK and Ireland, which limits our ability to compete and grow in these countries.

Being relatively new capital-raising countries, our UK & Ireland and Canada operations also represent a smaller share (c. 2.9%, €21.3 million) of Oikocredit's total lendable funds of approximately € 1.1 billion (as at April 2018).

Combined with the increasingly pressurised global environment impacting other areas of our business, these factors have driven the decision to streamline our capital-raising operations and close these offices.

4. What will happen to staff in the UK?

Unfortunately, closing offices means that the two positions in the UK and Ireland office will cease to exist. Oikocredit considered all options before arriving at this conclusion and is working closely with affected staff to provide them with the best possible support and care.

Together with the team at our central office in the Netherlands, Monica Middleton, National Director, and Archie Pearson, Client and Administration Officer, will continue to handle the operations of Oikocredit UK & Ireland until they cease on 30 September 2018.

5. What will happen to existing investor and member capital in these countries?

We highly value our UK & Ireland members and investors. Customer service will continue centrally via Investor Relations and Members teams at our Head Office in Amersfoort, the Netherlands. The existing UK website and email address will continue to be in use, but a new telephone number and prepaid business reply envelopes, directed to the Netherlands, will be available from July onwards, with more details to follow.

Please be assured that we remain committed to our investors and members and committed to working to achieve our mission. We aim to keep the impact of these changes for investors and members to a minimum by continuing to place a strong emphasis on customer service, investor administration and compliance.

6. How will we service prospective UK and Ireland investors and members?

We will continue wholeheartedly to welcome and support new investors and members from the UK and Ireland. Prospective members and investors will be supported from our central office in the Netherlands. The UK website and email address will remain open and, from July/August, we will provide a new telephone number and business reply envelopes directed to the Netherlands.

7. What will happen to capital-raising partnerships in the UK?

Our capital-raising partners are hindered by the same obstacles that Oikocredit faces generally in the UK and Ireland. Namely, our comparatively shorter time in the UK & Ireland market; higher costs of doing business; lower critical mass of resource (2 staff), and absence of optimal investment products to meet local demand sustainably. We will therefore be winding down these local partnerships but are sincerely grateful for all the many efforts they have made on our behalf over the years.

8. What will happen to the memberships and networks we have in the UK and Ireland?

We have many memberships with churches and other relevant organisations. We also have innumerable informal partnerships and friendships with organisations that lightly promote our mission. Collectively, these memberships and networks have been instrumental in raising awareness of Oikocredit in the UK and Ireland through joint word-of-mouth, events, websites and publications, consequently encouraging a higher level of investment interest in Oikocredit UK/IRE over the past few years.

Unfortunately, given our need to reduce overall complexity and costs across Oikocredit's international operations, we will no longer be able to nurture and service these memberships, networks and relationships for the foreseeable future. We are immensely grateful for the friendship, energy and efforts provided by all over the past years and hope that they will continue to support Oikocredit within the global sphere.

9. Are we likely to scale-up in the UK and Ireland in the future?

We hope to be able to scale back up our presence in the UK and Ireland once we have developed more practical and cost-efficient investment vehicles and digital capabilities that will enable us to compete more sustainably in the local market.