

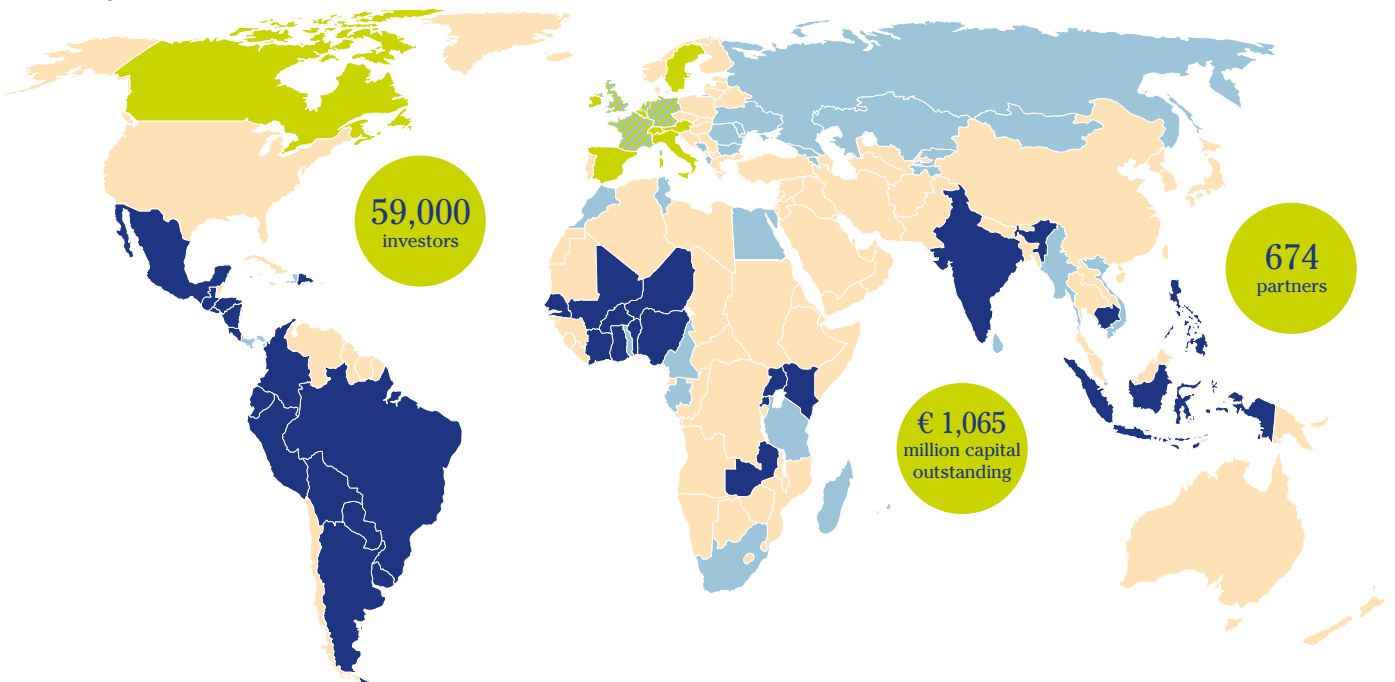
Investing for positive social impact

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

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

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

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



- 33 countries where Oikocredit will focus its activities going forward
- Other countries where Oikocredit currently has loans and investments
- 12 countries where Oikocredit actively attracts investments

Zambia – empowering women entrepreneurs and small traders

Oikocredit partner Entrepreneurs Financial Centre Zambia (EFC Zambia) is a microfinance institution (MFI) offering a range of financial services targeting micro-, small and medium enterprises in the 'missing middle' unserved by conventional financial institutions. The MFI focuses on women entrepreneurs and small traders, recognising their influence on economic activity and their high potential for development impact in Zambia. Jessy Chipindo is a restaurant owner and has been a client of EFC Zambia since 2017. "It is difficult for a small start-up to get a loan from a traditional bank," she says. "The loan I obtained from EFC enabled me to finish the renovation of my restaurant and buy more furniture." A combination of timely financial support and very hard work has seen Jessy achieve her dreams of growing her business significantly.



A year of transition and renewal



Oikocredit's Managing Director, Thos Gieskes, reflects on 2019 and on what lies ahead for the cooperative.

When Oikocredit was founded in 1975, the concept of impact investing was new. We are proud to have been a catalyst in the exponential growth of this market that's now estimated to be worth US\$ 239 billion.* Today, 45 years on, we remain true to our focus on social impact. Improving the lives of low-income people through financing and capacity building remains front and centre as we work with 674 partner organisations in financial inclusion, agriculture and renewable energy.

Much has changed in the world and for Oikocredit since our foundation. 2019 was for us a year of adjustment, transition and renewal, so that we can better serve our investors, partners and low-income communities.

Vision and values undimmed as we move with the times

In 2019 Oikocredit completed its restructuring in line with our updated 2018-2022 strategy. We have simplified the operating models for our regional and central organisations, reduced our costs and improved the return on our development finance portfolio. As we build a culture of continuous improvement and invest in our systems and our people's skills, we expect to see the full effect of the updated strategy on our financial results in the coming years.

Being close to our partners in keeping with our mission, vision and values continues to distinguish our cooperative from most of our peers. It is a personal highlight for me to visit our partners and their clients from time to time. In 2019 I had the opportunity to visit renewable energy partners in India and was inspired by these social entrepreneurs who are bringing sustainable energy to previously unserved places, such as by providing solar-powered water pumps for small-scale farmers.

Improved financial performance and steady portfolio growth

While Oikocredit's work continues to be affected by the low interest rate environment and by increased competition in many markets, we delivered a stronger financial performance in 2019. We achieved a net consolidated result of € 14.3 million (2018: € 1.3 million).

We also maintained steady growth in our development financing portfolio, which grew by 1.7% to € 1,064.6 million. Our lending and investments in financial inclusion, which continues to be the largest segment of our development financing, include support for microfinance and for financial institutions that assist small to medium enterprises (SMEs). Our outstanding portfolio in this sector increased by 3.8% to € 826.3 million.

In agriculture, our second largest development financing sector, effective partnerships can deliver substantial benefits to

smallholder farmers and low-income rural populations, despite the relatively high risks involved. Here the portfolio was up by 2.1% to € 172.3 million.

In our third investment segment, renewable energy, we achieved 7.6% growth to € 52.1 million. We increasingly support smaller-scale renewable energy projects that have direct social benefits for communities. Outside these three priority sectors, we are winding down our exposure.

Members and investors, partners, staff and volunteers: key stakeholders

Our cooperative's work depends immensely on several key stakeholder groups, starting with the members and investors who provide the crucial funds that we use for social impact investing. Our growing number of individual and institutional investors (up by about 2,000, from the previous year) contributed a net inflow of funding of € 38.4 million during 2019. This enabled us to grow our total funds available for investing to € 1,271.2 million, up by 3.5% from 2018. Member capital also increased, by 4.4% to € 1,129.8 million.

Just as important are the partner organisations whose financial and social performance we rely on to achieve positive outcomes for low-income people. In 2019 we spent € 0.7 million of our own and donors' funds on capacity building support to help 75 current and potential partners in 24 countries build resilience and generate social impact. We were delighted that our partner satisfaction survey during the year found that partners value Oikocredit's social focus, customer service, staff expertise and long-term commitment.

The dedication and skills of our staff and the staff and volunteers of Oikocredit's support associations are no less vital.

All of these stakeholders make our organisation truly special. Through them Oikocredit is a movement promoting impact investing.

Looking ahead

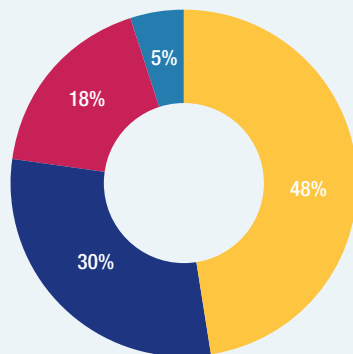
Oikocredit is now far better equipped than before to face a future that is sure to be unpredictable. We can look forward to another 45 years and more of supporting socially beneficial organisations in sustainably empowering low-income people to improve their quality of life.

We will continue to build on our strengths: our loyal investor network, our members, our partners, our volunteers and our staff across 19 countries. We will stay on our strategic journey to improve how we work, cooperate and ensure partners and members are front of mind in everything we do. The steps we've taken to stay relevant as an organisation will increase the joy of working together to achieve our mission.

Oikocredit at a glance

Financing by region

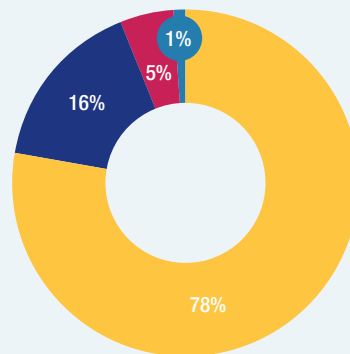
at 31 December 2019



- Latin America and the Caribbean
- Asia
- Africa
- Other

Financing by sector

at 31 December 2019

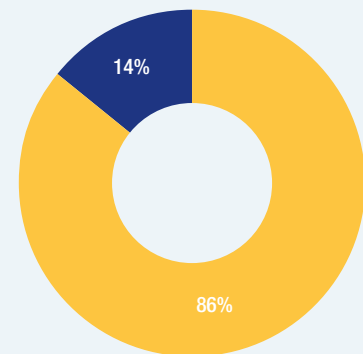


- Financial inclusion*
- Agriculture
- Renewable energy
- Other

* including microfinance and SME finance

Type of financing

at 31 December 2019



- Loans
- Equity investments

Key figures

at 31 December 2019

● Total assets	€ 1,310.4 million
● Total development financing outstanding	€ 1,064.6 million
● Member capital	€ 1,129.8 million
● Liquidity ratio as % of total assets	19.6%
● Total number of partners	674
● Average outstanding financing per partner	€ 1.6 million
● Portfolio at risk (90 days)	5.4%
● Net asset value per share	€ 214.41

Social and environmental performance

at 31 December 2018

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

Clients reached by Oikocredit's financial inclusion partners 37.6 million

● % female clients	86%
● % rural clients	61%

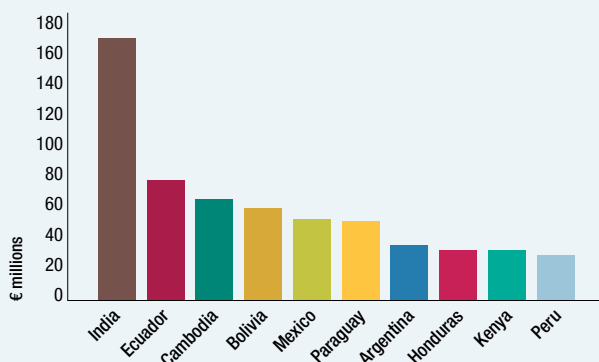
Farmers reached by Oikocredit's agriculture partners 528,072

Renewable energy

● Households with access to clean energy	71,653
● CO ₂ emissions avoided (in tonnes)	177,749

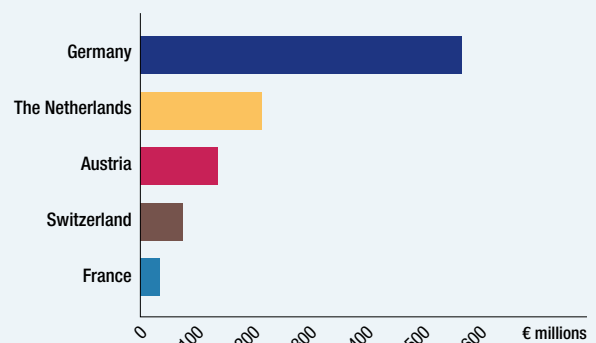
Ten countries with highest capital outstanding

at 31 December 2019



Five countries with highest member capital

at 31 December 2019



Five-year Oikocredit key figures

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

Key figures from the annual report in € millions

	2019	2018	2017	2016	2015
Development financing activities					
New disbursements	404.5	444.5	380.2	438.7	419.0
Increase % disbursements	-9.0%	16.9%	-13.3%	4.7%	24.0%
Cumulative disbursements	4,199.6	3,795.1	3,350.6	2,970.4	2,531.7
Total cumulative payments	3,728.7	3,289.4	2,839.9	2,422.1	2,052.2
Loan loss provisions on capital and interest	97.3	80.3	74.0	81.7	68.6
Loan loss provisions and impairment of equity as % of development financing outstanding	9.1%	7.7%	7.5%	7.8%	7.6%
Write-offs capital charged to loss provisions	5.7	5.3	4.6	11.4	6.8
As % of development financing outstanding	0.6%	0.6%	0.5%	1.2%	0.8%
Impairments and additions to loss provisions	23.1	15.0	7.1	26.9	17.0
As % of development financing outstanding	2.2%	1.4%	0.9%	2.6%	1.9%
General and administrative expenses	30.7	36.0	36.6	33.5	29.7
As % of total assets	2.3%	2.8%	3.0%	2.8%	2.9%
Total financial income	98.1	87.2	90.1	101.9	75.3
Society net income (available for distribution)	14.3	1.3	18.4	29.0	15.4
Proposed dividend	11.0	10.6	9.6	17.1	15.0

Balance sheet and income statement

Balance sheet	2019	2018	2017	2016	2015
Intangible fixed assets	0.3	0.5	1.1	1.0	1.2
Tangible fixed assets	4.2	4.9	2.2	1.3	0.6
Development financing outstanding	1,064.6	1,046.6	981.7	1,047.2	900.2
Loss provisions and impairments	-93.2	-76.0	-69.3	-77.5	-64.5
Other securities	35.3	4.8	-	-	-
Other financial assets	5.2	4.9	3.2	1.0	1.0
Total non-current assets	1,016.4	985.7	1,068.8	1,085.9	958.7
Term investments	139.8	149.0	149.9	112.8	120.2
Receivables and other current assets	44.3	53.7	31.9	27.1	25.4
Cash and banks	109.9	109.3	119.3	95.4	42.2
Total current assets	294.0	312.0	301.1	235.3	187.8
Total	1,310.4	1,292.9	1,220.0	1,209.3	1,026.3
Group equity and funds	1,217.5	1,181.5	1,125.2	1,069.1	935.0
Provisions	1.1	1.8	1.6	-	-
Non-current liabilities	62.5	56.8	56.9	39.9	34.1
Current liabilities	29.3	52.8	36.3	100.3	57.2
Total	1,310.4	1,292.9	1,220.0	1,209.3	1,026.3
Income statement					
Interest and similar income	97.0	82.0	82.4	79.6	68.9
Interest and similar expenses	-1.7	-2.5	-2.1	-1.5	-1.4
Income from equity investments	4.4	1.7	6.9	21.2	3.3
Other income and expenses	-35.7	-29.6	-60.2	4.8	-10.2
Grant income	1.1	1.1	0.9	0.8	3.4
General and administrative expenses	-31.5	-37.1	-37.6	-34.0	-31.4
Additions to loss provisions and impairments	-23.1	-15.0	-7.1	-26.9	-17.0
Income before taxation	10.5	0.6	-16.7	44.0	15.7
Taxes and third-party interests	-3.4	-2.0	-3.4	-2.1	-1.8
Additions to and releases from funds	7.2	2.7	38.6	-12.8	1.5
Net income	14.3	1.3	18.4	29.0	15.4

www.oikocredit.org

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