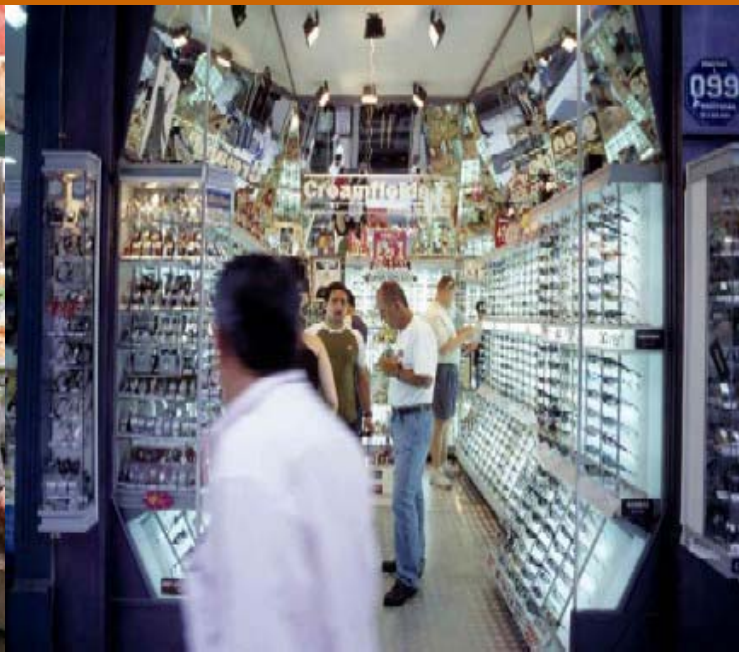


FMO

Finance for *Development*

The Entrepreneurial Development Bank

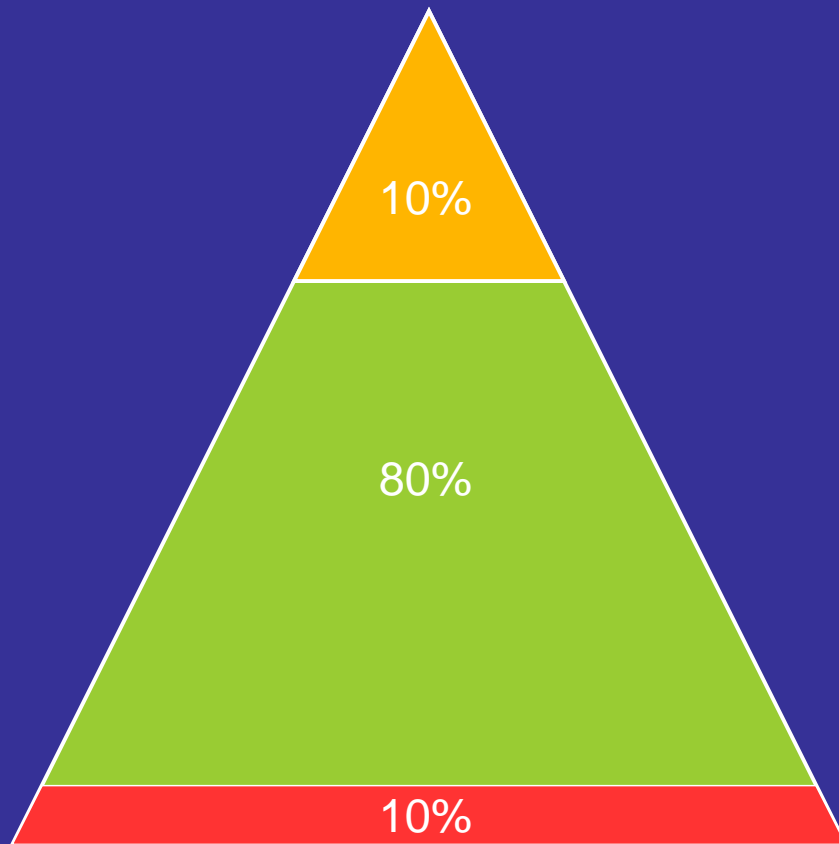


Vision FMO

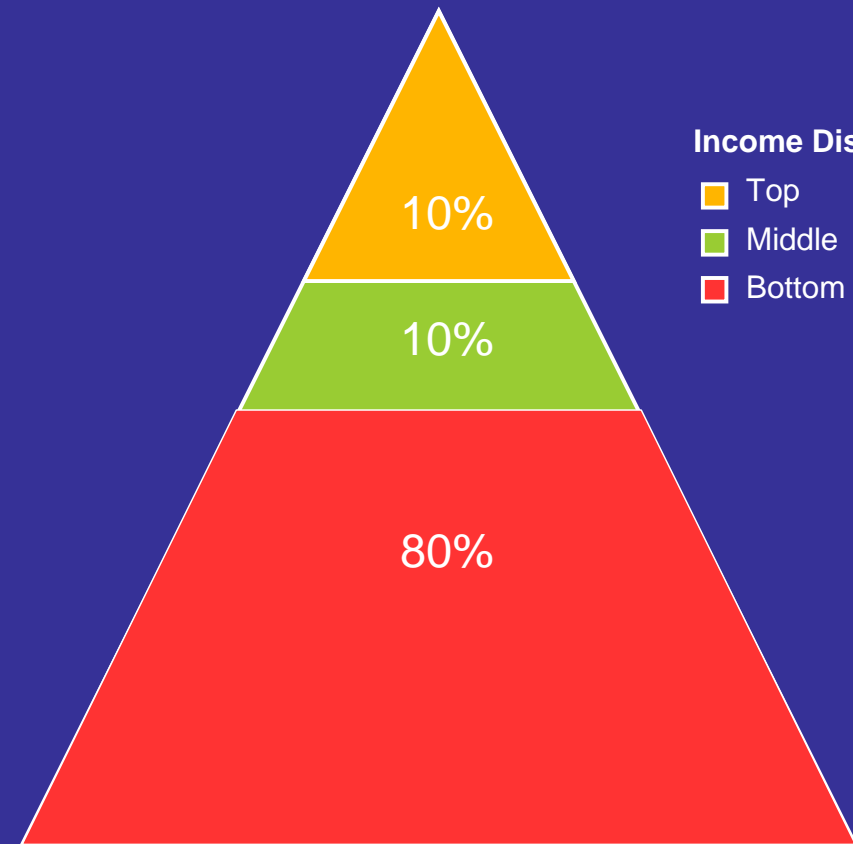
The Netherlands Development Finance Company (FMO) invests in companies and financial institutions in developing countries to stimulate private sector development and economic growth.

The 'Real' Challenge – income distribution

'Industrialized Countries'



'Developing Markets'

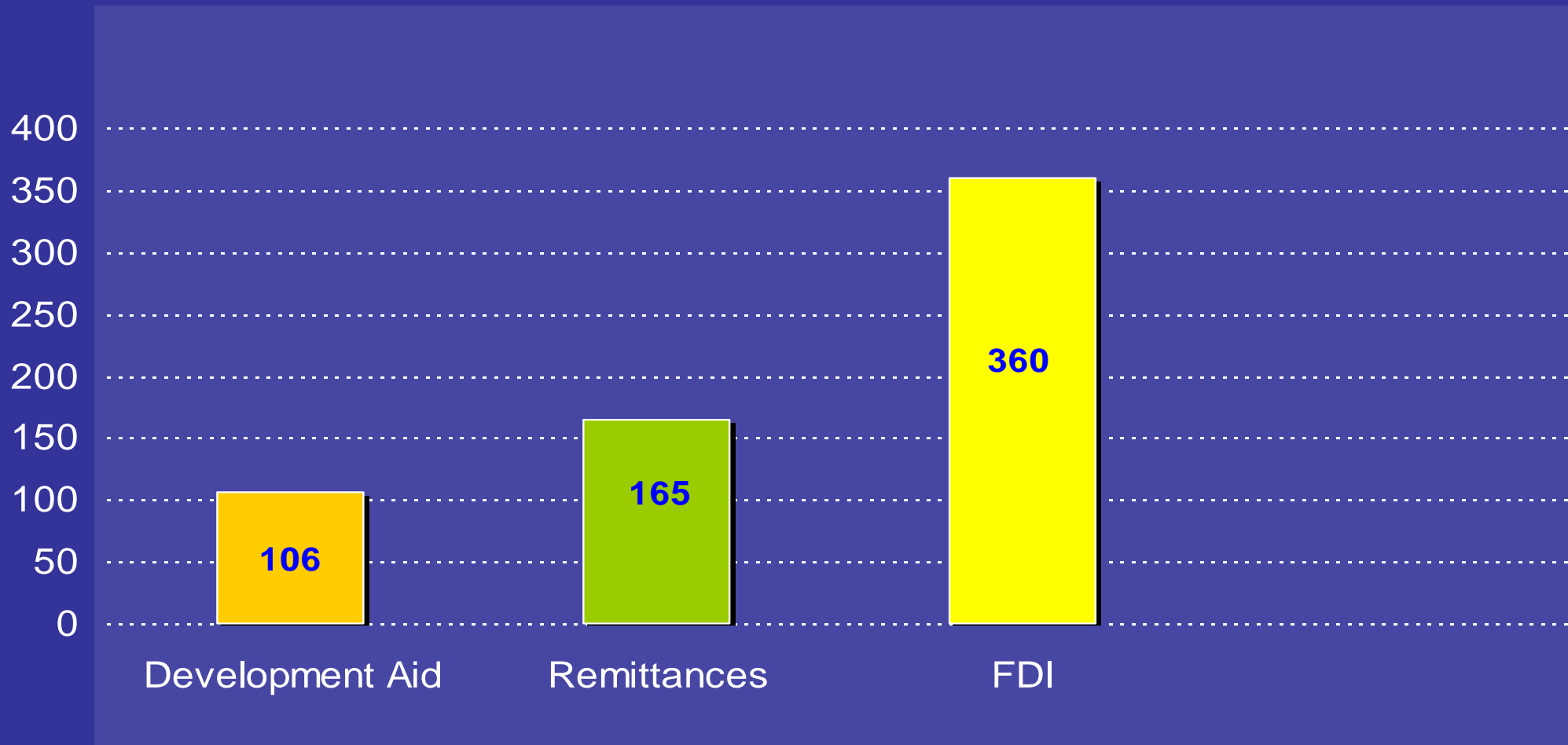


Income Distribution

- Top
- Middle
- Bottom

Three main flows to developing countries

USD billion p.a.

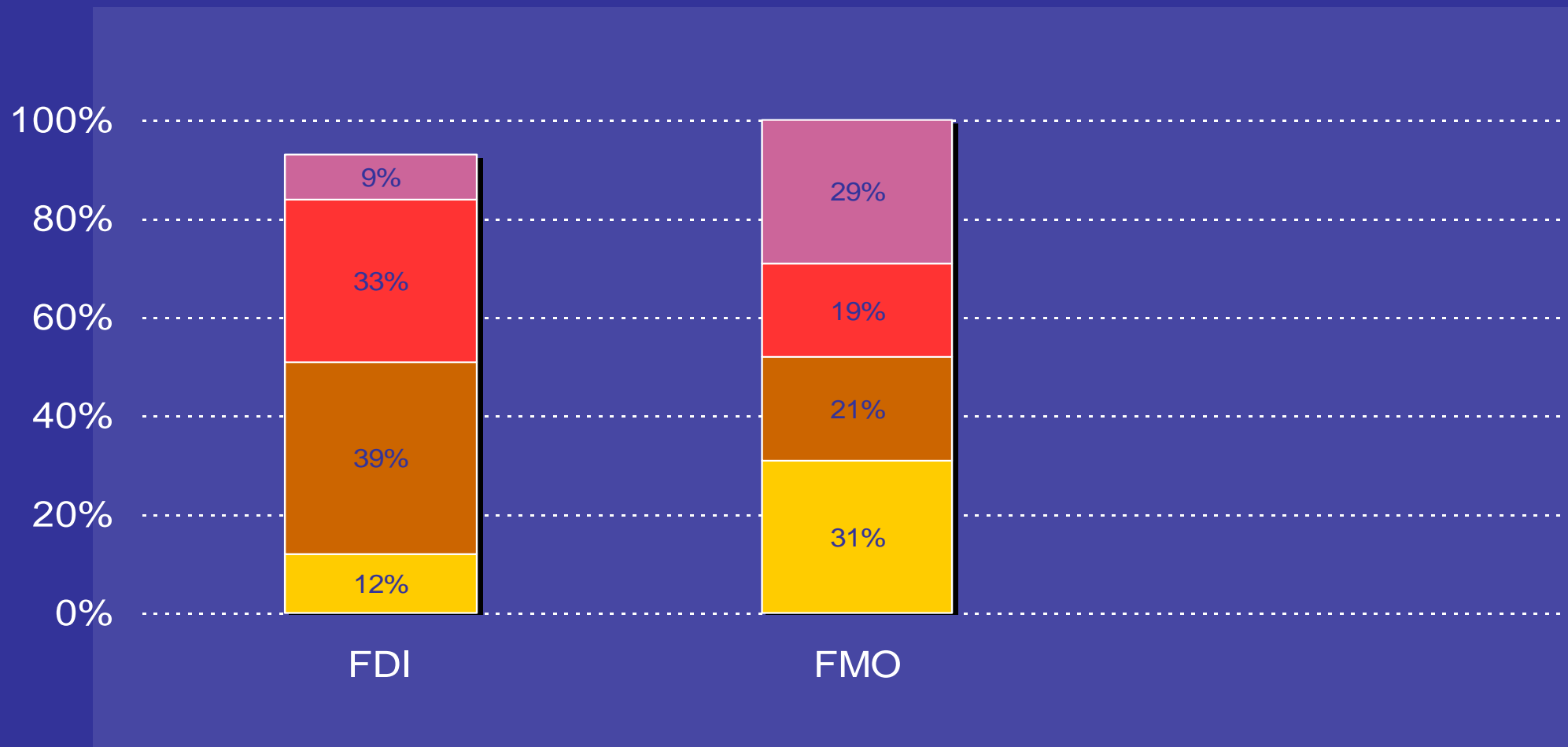


Source: OESD 2005, Worldbank 2005

Taking risks

Investment per region in 2005

- Africa/Middle East
- Asia
- Europe
- Latin America



Source: IIF en FMO

FMO: the Dutch Development Bank

- > Unique Public-Private Partnership 51% / 49%
- > Complementary and additional to commercial banks
- > High risks with appropriate and market-driven returns
- > Worldwide partnerships
- > Long-term approach

Key figures & trend 2005 - 2010

	<u>2005</u>	<u>2010</u>
> Development Impact Indicator:	390	➔ + 50 %
> Total portfolio:	EUR 2.4 billion	➔ 3.5 billion
> Total new investments:	EUR 700 million	➔ 1 billion
> Shareholders equity:	EUR 950 million	➔ 1.2 billion
> Product mix: Mezzanine + Equity :	32%	➔ 50%
> “One Office” The Hague/Staff:	220	➔ 245
> Net profit after taxation:	EUR 73 million	
> Of which 98% reinvested		

Strategy

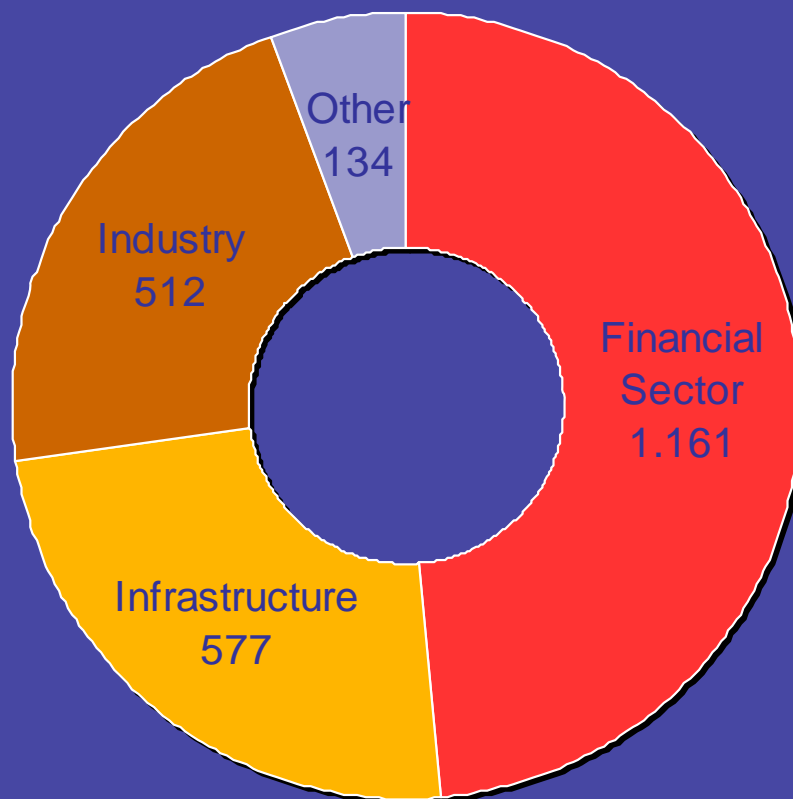
- Key sectors: finance, infrastructure, 2nd tier corporates
- > Capital and know-how
- > Pioneer in high-risk areas
 - equity, local currency products, project development, technical assistance
- > Local financial networks
- > Leverage: 1: 4 euros
- > Market takes over → exit FMO

Products

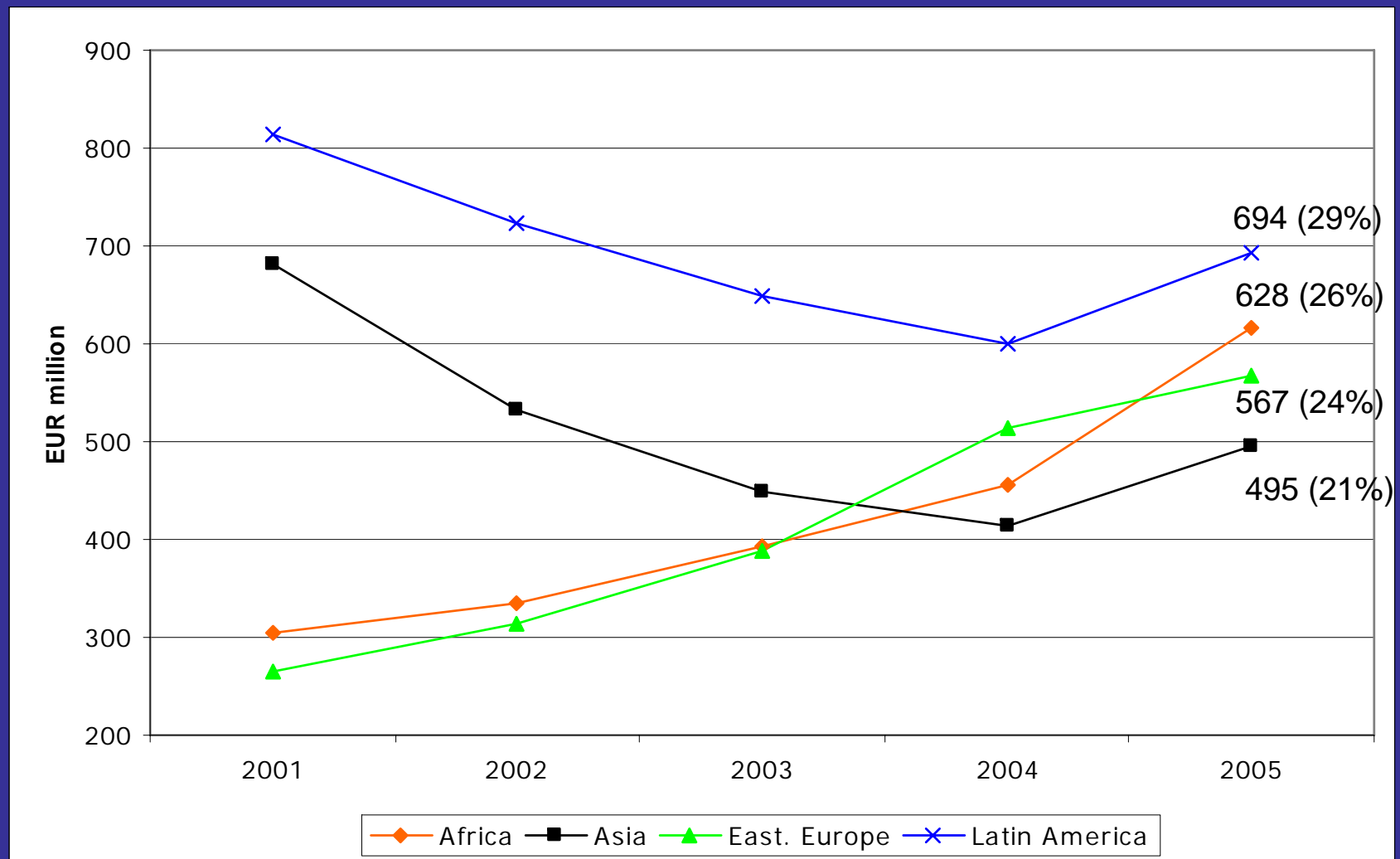
- > Loans (project and corporate finance)
- > Capital market instruments
- > Syndications A/B structure with preferred partners
- > Equity investments
- > Capacity Development (TA)
- > Funds under management from Dutch government to take higher country/sector risk : MASSIF (MSME/local currency), LDC Infrastructure Fund, FOM (Dutch JVs)

Portfolio FMO Finance by Sector

EUR 2.4bn outstanding and committed by year-end 2005



Portfolio per region (total portfolio: EUR 2.4 billion)

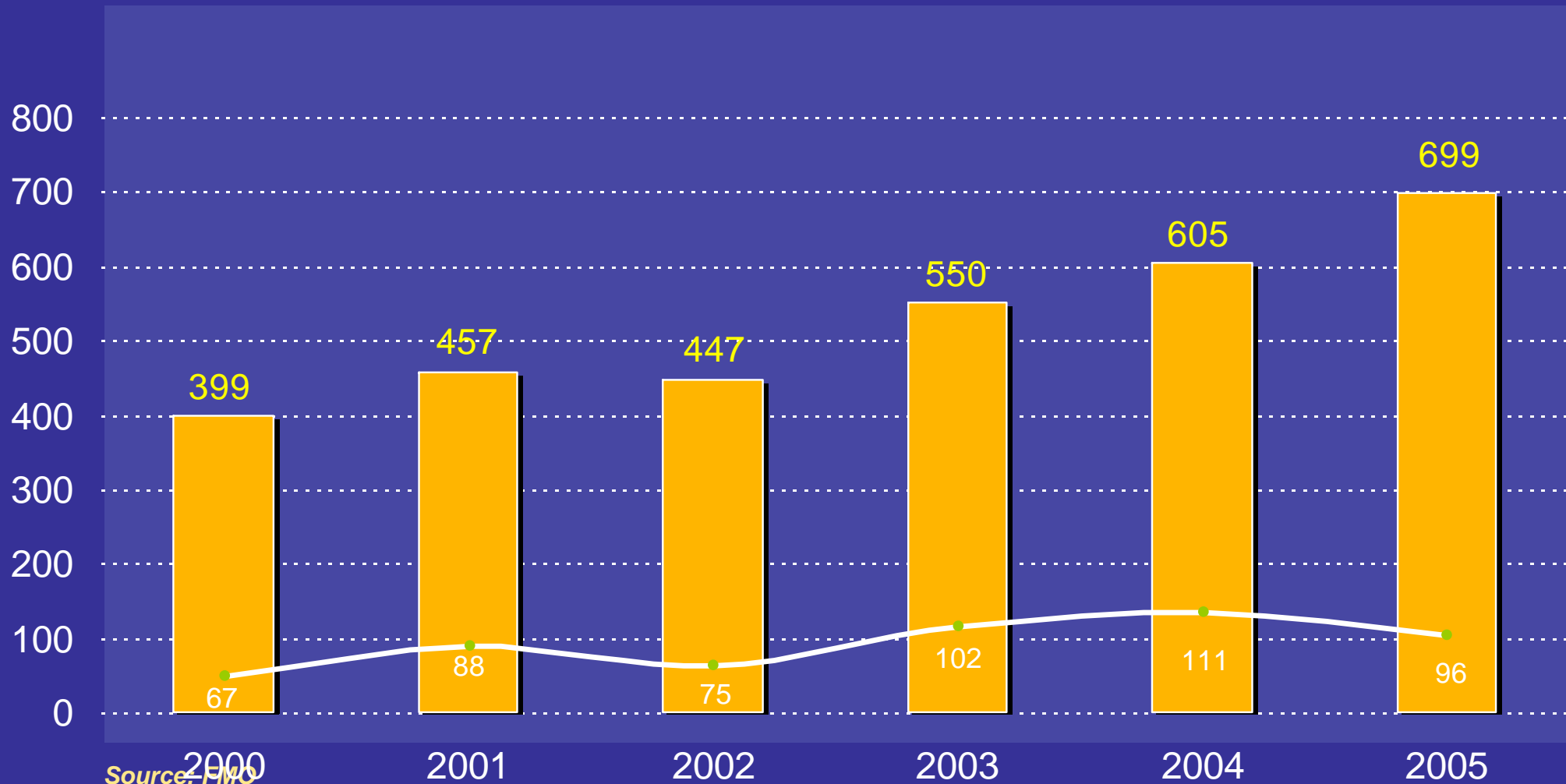


FMO Investment Growth

New contracts in EUR million & number per year

EUR million

Number of contracts



FMO

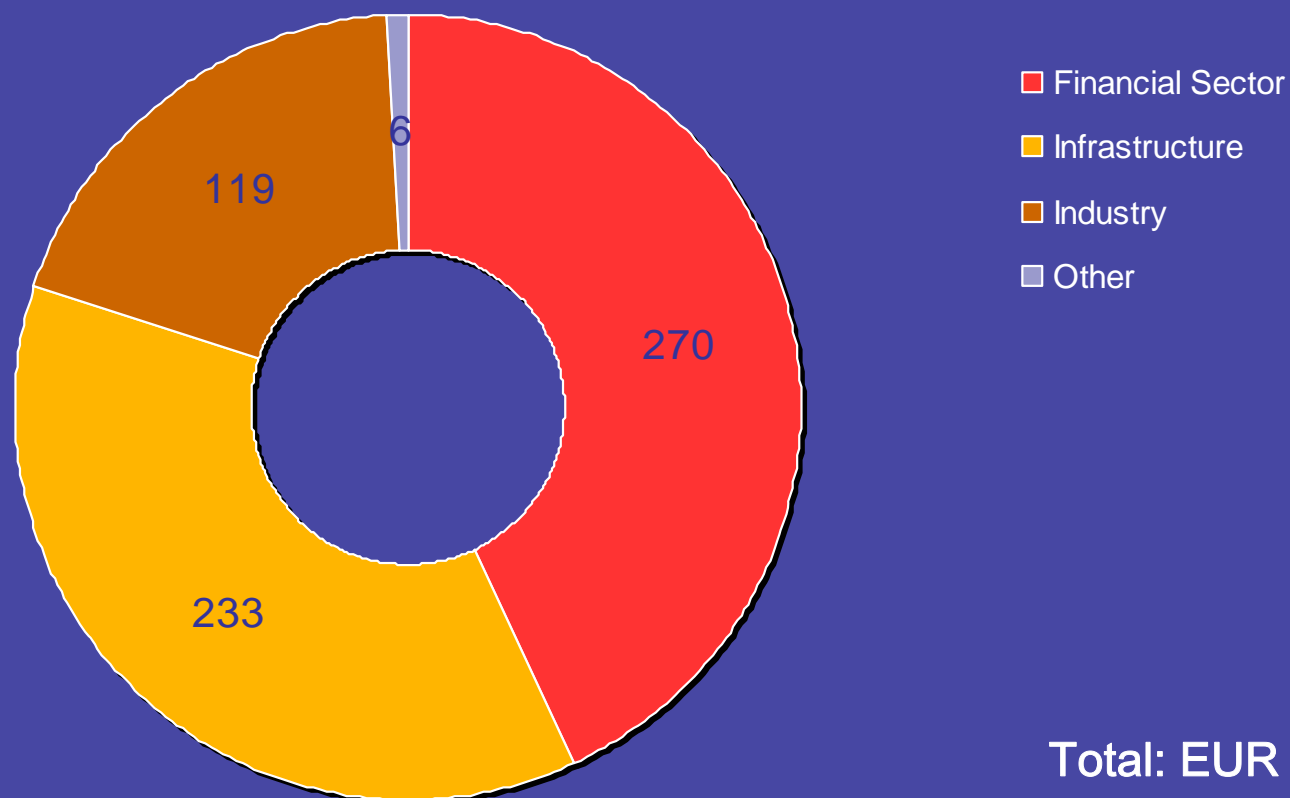
Finance for *Development*

Africa



Portfolio FMO in Africa

Outstanding and committed 31 december 2005 in EUR million

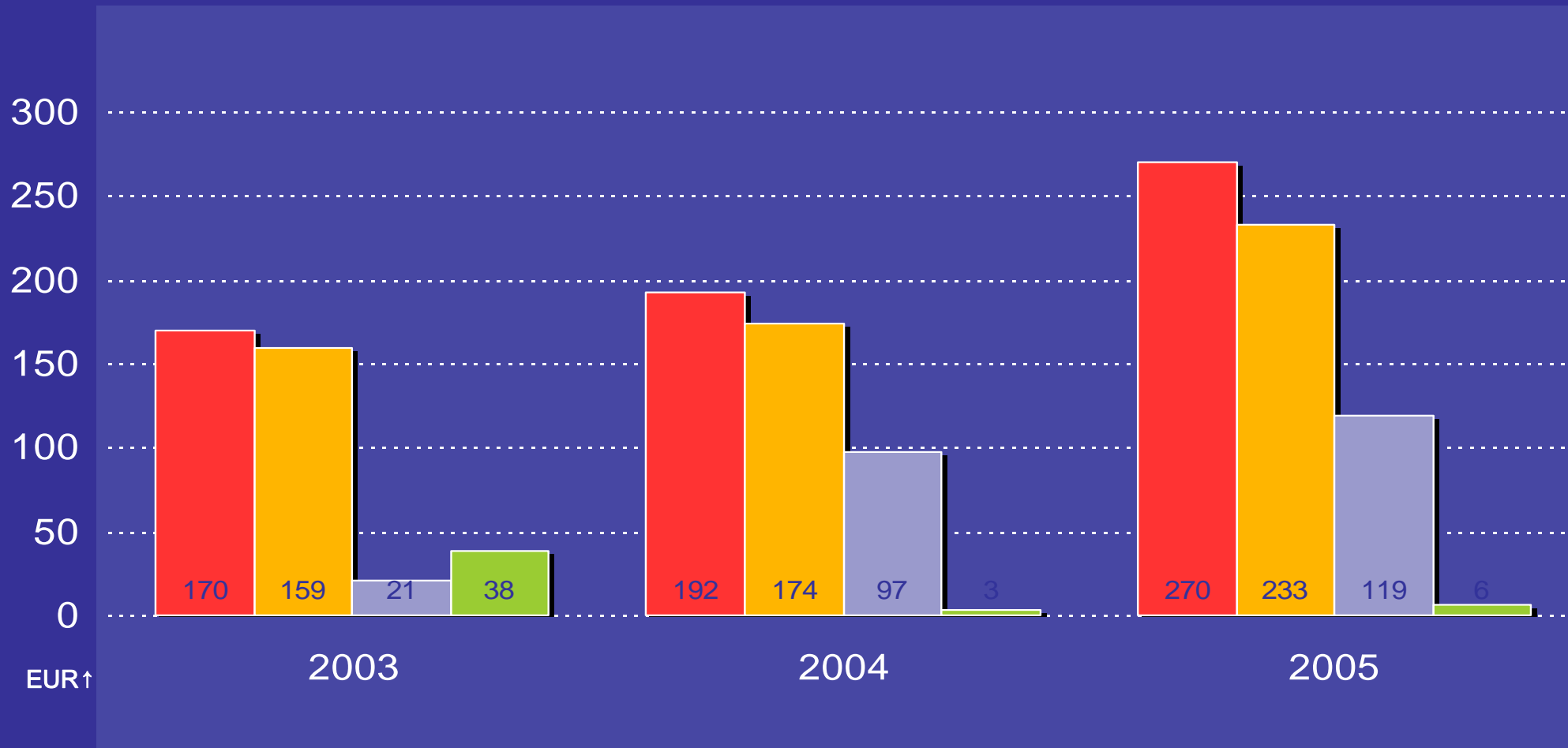


Total: EUR 628 million

Steady Growth Investment Portfolio

In EUR million, outstanding and committed

- Financial Sector
- Infrastructure
- Industry
- Other



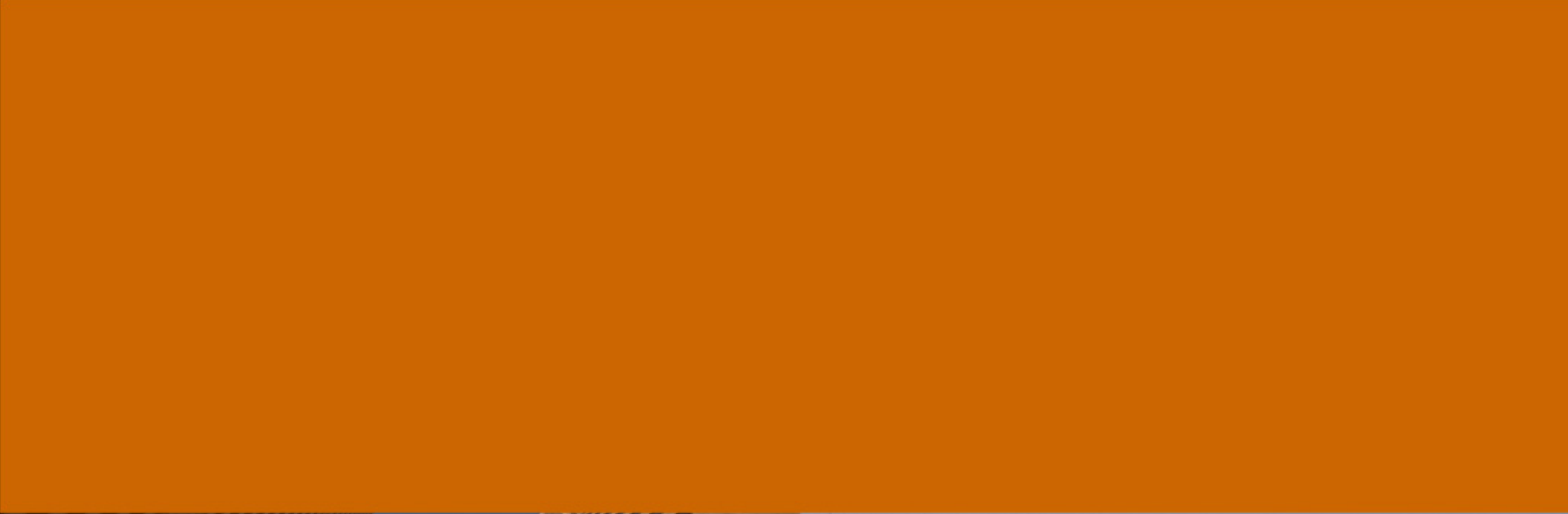
Source: FMO

Financial Sector Strategy in Africa

- > *Access2010, Finance for All: SMEs and retail finance in the West African Monetary Union*
- > Focus on Nigeria, South Africa and regional banking groups
- > Sector focus on banking, leasing, housing finance
- > Specific products:
 - USD/EUR term facilities
 - Equity, mezzanine and TA
 - Local currency long term debt for on-lending to SMEs and consumers
 - L/C guarantee facilities to enhance cross-border trading lines

Infrastructure Strategy

- > Broad geographical focus
- > Telecom, power, water, transport, mining
- > Leveraging through (co-)arranging roles in selected project finance syndicated transactions
- > Specific products:
 - Limited recourse project finance debt
 - Equity and mezzanine for projects with high development value
 - Local currency long term debt and guarantees



www.fmo.nl

