

DEVELOPING A GARDEN ABROAD

WORKSHOP FINANCING INSTRUMENTS

JANUARY 15TH, 2015



AGENDA

FMO is in a unique position to make the connection between developing markets and the Netherlands for the benefit of our clients as well as for stakeholders at home.



Areas of attention

- FMO at a glance
- Mission and ambition
- Facility Emerging Markets to support Dutch SME's
- Some examples of gardens abroad

FMO AT A GLANCE

FMO finances entrepreneurs from developing countries because we believe a thriving private sector fuels economic and social progress.

KEY FACTS

- FMO is established in 1970
- A public-private partnership
Dutch government 51% stake and 49 % Dutch banks, employers' associations, trade unions, private investors.
- A banking license since 2008
- AA+ rating from Moody's
- FMO's solid profile allows us to invest in higher-risk markets, either with our own capital or on behalf of the Dutch Government.

SECTOR APPROACH

Where we can have the highest long-term impact.



FINANCIAL INSTITUTIONS



ENERGY



AGRIBUSINESS, FOOD & WATER



DIVERSE SECTORS

infrastructure, telecommunications,
manufacturing, mining

OUR ROLE AS DEVELOPMENT BANK

ADDITIONALITY

- FMO provides financial services that the market does not provide or does not provide on an adequate scale or on reasonable terms.
- FMO should not be market disruptive but additional to the market.

CATALYTIC ROLE

- FMO's participation and experience in higher-risk markets give other financial institutions the comfort to come on board.
- This way, we mobilize more funding and catalyze commercial and institutional investors to frontier markets.

NON-FINANCIAL ROLE

- Contributions made to the client's environmental, social, governance and operational performance
- FMO knowledge transfer and Capacity Development Program

Active in *different sectors*
and through *different funds*

complementing commercial banks

FMO own funds
(equity, Development Fund, retained earnings
and government guarantee on borrowings)

Massif for
financial sector
/ CD Capacity
Development

IDF
Infrastructure
Development
Fund

AEF
Access to
Energy Fund

FOM
For Dutch
Enterprises

Risk finance for Dutch enterprises investing in emerging markets

- Goal is to promote economic development in Emerging Markets by stimulating investments by primarily Dutch companies
- Dutch enterprises experience financing gap in emerging markets:
 - No appropriate local finance available (short tenors, very high interest rates)
 - Dutch relationship bank has limitations to provide financing (high risk, value of securities, monitoring, not familiar with local circumstances)
- FOM created in 1992, FMO fund-manager since 2003
- All companies applying for FOM finance must comply with the OECD guidelines for responsible business practice and sustainable development criteria.

Risk finance for Dutch enterprises investing in emerging markets

- FOM financing is available to companies with a Dutch interest of at least 51% and a consolidated group turnover starting at approximately € 10-15 million.
- FOM finances at a minimum of € 500,000 and a maximum of € 10 million. The maturity of FOM funding runs from 3 years up to 12 years.
- FOM financing is available for investments in the following countries:
 - Europe: Serbia, Turkey
 - Latin America: Argentina, Brazil, Chile, Mexico, Panama
 - Asia: China/Taiwan, Malaysia, Singapore, South Korea
 - Middle East: Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates
 - Eastern Europe: Ukraine, Azerbaijan, Russia, Kazakhstan



Van den Berg Yiliang, South China



- From 3.5 hectares (2009) to 18 hectares (2014)
- From 45 employees (2009) to 270 employees (2014)

FMO

Entrepreneurial
Development
Bank









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FMO

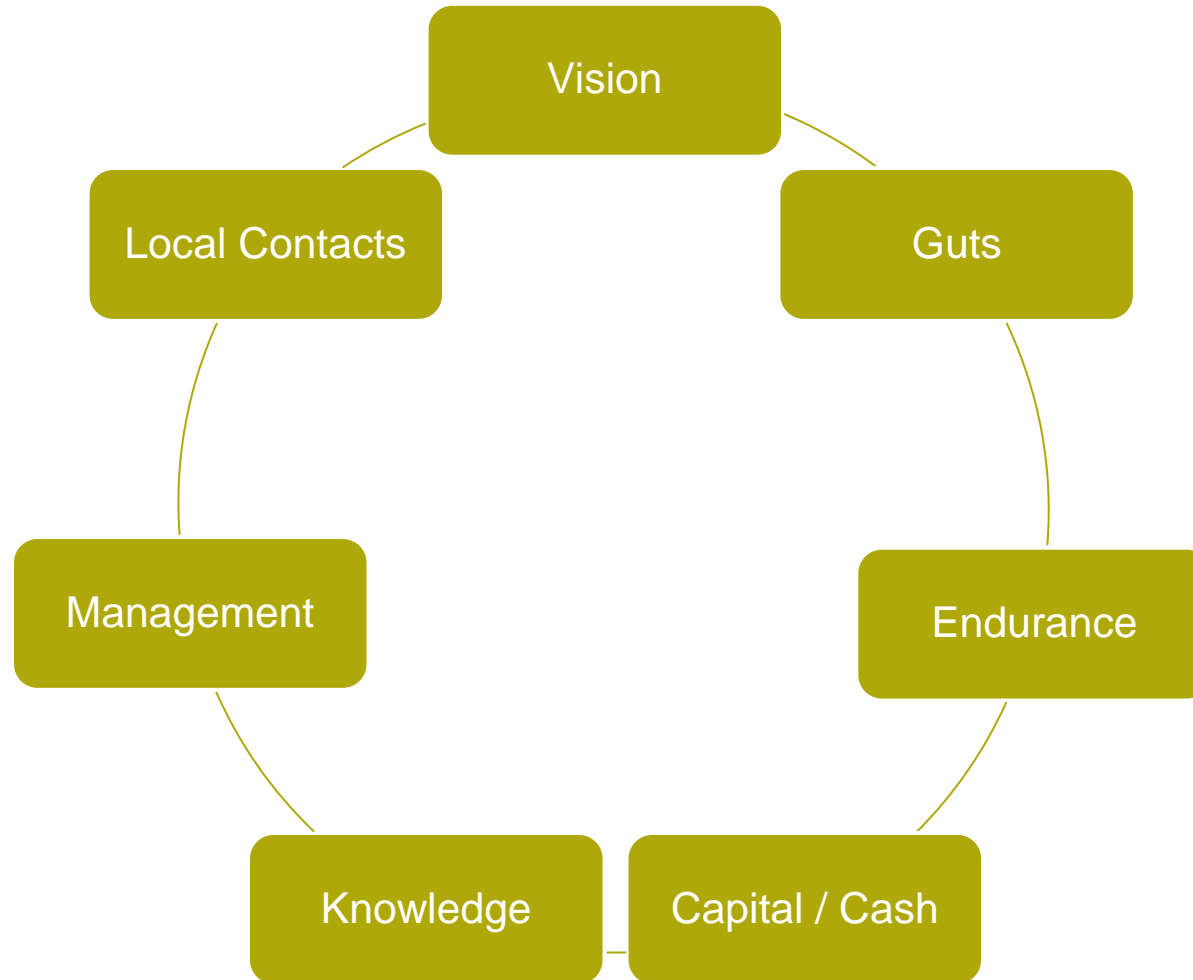
Entrepreneurial
Development
Bank

CHRYSA

NETHERLANDS



WHAT DOES IT TAKE ?



Setting up a business in for a Dutch SME in an emerging markets or developing country really does not always go smoothly.



- Balance of power between CEO and CFO
- Significant majority stakes
- Preference to start-up with a trade relationship
- Dutch representative full-time on the ground
- Make language and cultural barriers as small as possible



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