

Invest with Impact

Fueling the economy by helping the environment

Support in times of distress

Nicaragua is the second poorest country in the Americas by nominal GDP. Its agricultural sector is the country's main economic driver and includes coffee, beef, shrimp, lobster, sugar and peanuts.

Nicaragua maintained a good growth rate of 4.6% and 4.7% GDP in 2016 and 2017, but this changed in 2018. In April 2018, protests against proposed pension reform evolved into general protests against the regime resulting in a severe political crisis with significant effect on the country's economy. Due to the social and political unrest the economy suffered. Economists stated that in 2018 the economy overall had lost roughly 200,000 jobs. Elections are scheduled for 2021 and the outlook for the near to medium term remains uncertain. Nicaragua's agribusiness sector has been able to weather the crisis partly given its export orientation, however the total amount of loans provided to the agribusiness sector has decreased.

Differentiator in the market

In 2014, FMO and Banco de la Producción S.A. (Banpro) co-designed a first green line financing with the aim to stimulate green modernization among its agricultural client base.

Green line financing is a way to actively promote sustainable initiatives and endorse 'green' business.

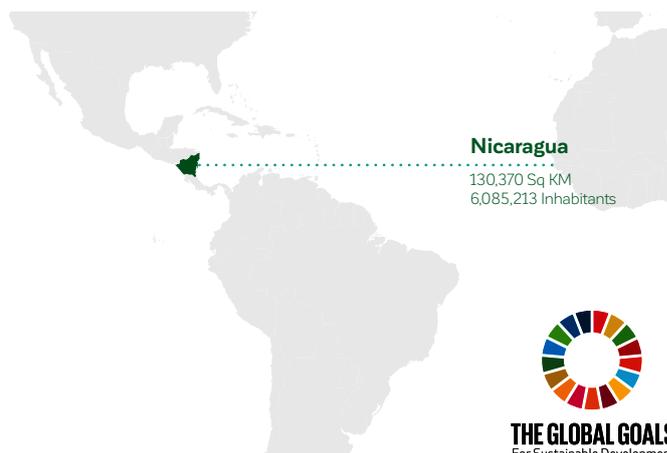
Banpro is the largest bank in Nicaragua and plays an important role in the economic development of Nicaragua with a portfolio mostly allocated to corporates (61%) and SMEs (6%). The objective of the green lines is to strengthen the bank's ability to serve its agribusiness clients and to stimulate green development and as such be a differentiator in the market.

Promerica Financial Corporation (PFC), one of the largest financial groups in Central America and a long-standing partner of FMO, holds 62% of Banpro. After the successful Green Line cooperation with Banpro, FMO and PFC co-designed a Green Line financing initiative, whereby green lines to PFC subsidiaries were provided in Ecuador, Costa Rica, Guatemala and El Salvador. In addition to financing, group wide technical assistance was set up to support PFC's subsidiaries in building their green loan books. Banpro has an important role in coaching and knowledge sharing about green lines across the Group subsidiaries, and a leadership role for the Group's sustainable banking ambitions.

FMO Loan

The first FMO green loan was signed with Banpro in 2014 to 'green' the value chains of four sectors: coffee, sugar, peanuts and rice. Since then, Banpro established a dedicated green team and managed to generate a well-diversified green portfolio. This has resulted in a broader understanding of green, allowing the portfolio to grow further.

By 2018, the green portfolio reached USD 85 mln. That increase was supported by a second green line from FMO to Banpro in which the Fund participates, in the form of a USD 30 mln loan that was fully utilized by Banpro to finance businesses in the agribusiness sector. One of the projects that was financed was the installation of a biodigester of a cassava processing plant, saving firewood and generating clean energy.



In perspective

Sustainable economic growth starts with creating opportunities for individuals. Helping entrepreneurs and businesses to flourish by offering them the means they need is key to what we do. Therefore, FMO works with financial institutions for a world where finance is sustainable and accessible to everyone.

FMO's strong focus on green lines is aligned with Sustainable Development Goals 13 Climate Action and 7 Affordable and Clean Energy. Allowing green lines to finance efforts to help businesses and individuals to invest towards a better path will help to achieve the Goals. Green products go hand in hand with profitable business opportunities, because they help businesses become more efficient, help them differentiate more and ultimately help achieve cost savings.

The continuation of green lines, together with technical assistance, will allow banks such as Banpro to grow its green portfolio and to refine its green product offering. In particular, the loan supports banks in being an agent of change for sustainable banking. Banpro has a leadership role for the Group's sustainable banking ambitions. It plays an important role in coaching and knowledge sharing about green lines across the Group subsidiaries. In this way, Banpro leads the group along the path of support for SDG 13.



The development of

Banpro	
 Offices	93
 Service points (ATMs, agencies, etc.)	4,011
 SME loans	<1,500
FMO investment	
FMO loan	USD 30 mln
Fund part	USD 2 mln

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The Fund Manager

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The Investment Advisor

FMO Investment Management BV ('FMO IM') is a MiFID licensed Dutch investment firm and 100% subsidiary of the Dutch development bank FMO NV. FMO IM advises on the loan portfolio at the request of the Fund Manager. All loans offered to the fund have successfully completed the investment process of FMO and have thus been added to FMO's own loan portfolio.

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Don't take any unnecessary risk. Read the Key Investor Information Document.

The FMO Privium Impact Fund, a Dutch Fund for Joint Account (fonds voor gemene rekening, or FGR) is included in the register held by the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, see www.afm.nl). This document is provided for information purposes only and should not be treated as an offer to buy or a solicitation of an offer to buy participations in the FMO Privium Impact Fund. Potential investors are advised to read the prospectus, including the supplement, and the key investor information document carefully and obtain (legal and tax) advice prior to an investment decision. The value of an investment fund is dependent on developments on the financial markets and can fluctuate strongly due to its investment policy. The value of your investments can fluctuate. Past performances provide no guarantee for the future. The performance overviews and/or performance objectives have been carefully prepared by Privium Fund Management. However, no rights can be derived from that information. The prospectus and supplement of the FMO Privium Impact Fund can be downloaded from www.priviumfund.com/funds. The prospectus and supplement of the FMO Privium Impact Fund are the only authorised documents for offering of shares of the fund and may only be distributed in accordance with the laws and regulations of each appropriate jurisdiction in which any potential investor resides.

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THIS IS A MANDATORY ANNOUNCEMENT