

## AGM 28 April 2022

### Minutes

Of the **52<sup>nd</sup> Annual General Meeting of Shareholders** of the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO") held on **Thursday 28 April** by video conference at **11.00 hours**.

#### 1. OPENING

**Mr D.J. van den Berg, Chairman**, opens the 52<sup>nd</sup> General Meeting of Shareholders of FMO. He mentions that shareholders' meetings normally must be held in one of the places specified in the Articles of Association however, that today FMO will make use of the emergency law COVID-19, which makes it possible to hold a shareholders' meeting completely or partially virtual. He notes that the meeting has been convened in accordance with all legal and statutory requirements and that the shareholders received their documents by registered mail and, if their email address are known, also by email. He asks Mrs Oosterbaan to inform the shareholders about the presence during the meeting.

**Mrs Oosterbaan** states that 25 shareholders are present or represented, who are jointly entitled to cast 370,333 votes or 92.6% of the issued capital.

**The Chairman** welcomes the shareholders and other attendees, in particular the representatives of the Ministry of Finance, Mrs B.E. Solleveld, Mr A.J. van Andel, Mrs. G.A.J. Jansen and Mr G.C.F. Verschuer on behalf of the state as holder of the A-shares. He also welcomed Mr F. Hottinga as representative of the Department of Sustainable Economic Development of the Ministry of Foreign Affairs. He also welcomes the representatives of the external auditor Ernst & Young Accountants LLP, Mr J.G. Kolsters and Mr K.J. Schoppink to whom shareholders could ask questions at agenda item 3.

**The Chairman** starts with a few household notices. The full session is in English. It is highly preferred that shareholders raise their questions or comments in English. If this is not possible, the Chairman will summarize their question or comment in English. Shareholders can use the 'raise your hand'-feature if they have any questions or comments during the meeting. In case of unanswered questions, the response will in principle be shared afterwards. For technical reasons, shareholders have already given voting instructions by means of the proxy they returned. Shareholders get the opportunity to change their voting instructions if after hearing the discussion they come to a different conclusion. Instructions will be given at the specific agenda items. The session is recorded for internal use only and no break is scheduled.

**The Chairman** introduces the other Supervisory Board members: Mr J.V. Timmermans, Vice-Chairman of the Supervisory Board and Chairman of the Audit and Risk Committee, Mr D.K. Agble, member of the Audit and Risk and Risk Committee, Mrs R.P.F. van Haeringen, Chair of the Selection, Appointment and Remuneration

Committee and member of the Impact Committee. Unfortunately, Mrs M. Demmers, Chair of the Impact Committee and member of the Selection, Appointment and Remuneration Committee, could not join the meeting due to illness.

**The Chairman** further welcomes the Management Board, Mr M..A.S. Jongeneel, Chief Executive Officer, Mrs F. Bouaré, Chief Risk & Finance Officer and Mr H. de Ruijter, Chief Investment Officer.

Also present is Mrs C.E.M. Oosterbaan, Corporate Secretary of FMO, whom he appoints as Secretary of the meeting.

**The Chairman** draws attention to the audio recording and, for some, the camera recording of the meeting, which are only used for taking the minutes. In accordance with the rules of good governance and the Articles of Association, the draft minutes of the meeting will be made available on request within two months after the end of the meeting and placed on the Company's website after which shareholders will have three months to respond to the draft minutes. The minutes will then be adopted by the Chairman and the Secretary of the meeting. The minutes will be sent to shareholders at their request.

## 2. PRESENTATION OF THE MANAGEMENT BOARD REGARDING THE FINANCIAL YEAR 2021

**The Chairman** says that the members of the Management Board will give a presentation about the 2021 Financial Year. He gives the floor to Mr Jongeneel.

**Mr Jongeneel** thanks the Chairman and says that he is very pleased to be at the meeting and welcomes the shareholders. He hopes they will have an engaging presentation about the results of last year and at the end he will also say a few words on what is about to come. It is important that FMO always keeps note of what is happening in the world around it and therefore he starts his presentation by highlighting a few things happening in the world around FMO and how they are connected. He shows three front pages of the Economist of last year. The first one highlights Omicron, inflation and China's slump. The second one is all about the wealth distribution in the world with the gap between the rich and the poor widening further, unfortunately, due to COVID-19. The last front page clearly was on climate. Of course, FMO is working hard on all topics, trying to bring its abilities to emerging markets, helping entrepreneurs, and fighting a lot of the negative impacts of these elements. For instance, COVID-19 has increased the gap between the poor and the rich, but FMO's sees that also climate change in the end will hit the poorest and the most vulnerable people in the world harder than those in a comfortable position in the Netherlands. It is important that in this context and complexity they try to make their efforts. He gives the floor to Mr De Ruijter to describe FMO's activities.

**Mr De Ruijter** zooms in on FMO's impact. FMO has three focus SDG's. With all its investments, FMO wants to contribute to SDG 8 and over 2021 FMO has invested a combined total of around € 1.9 billion across FMO's own books, public funds, and FMO also mobilized funds from other investors. With those investments, FMO has supported over 640,000 jobs. One example is the Winch energy project which FMO completed last year, financing 49 mini-grids which contribute to both direct and indirect local employment. As

for mobilized funds, last year FMO was able to scale up further the Emerging Markets Loans Fund which FMO manages together with NN Investment Partners. This fund was also recognized as “Fund of the Year - Private Debt” by environmental finance. Next to SDG 8, FMO’s focus is on Reduced Inequalities in climate actions. FMO invested in small-scale farming. Together with Rabobank, FMO invested in the IDH Farmfit Fund which lowers risks and costs for farmers, allowing them to get credit to exit the poverty cycle. FMO invested in small businesses for instance through its investment in the Lendable FinTech Credit Fund, allowing them to reach over 150,000 small businesses across Africa and Asia. And FMO invested in solar home systems to create access to energy by for instance joining the Energy Access Relief Fund together with partners that also work to provide relief to those access to energy companies which have been affected so much by the COVID-19 crisis. In terms of Climate action, also a lot happened. FMO was proud to close the Mobilizing Finance for Forests program and to make at the same time already last year the first investment in the &Green Fund to tackle deforestation. FMO managed to top up Climate Investor One and FMO contributed to the close of Climate Investor Two which is focused on water sanitations and oceans, particularly also with a climate change adaptation perspective. FMO made its clean energy commitment on phasing out fossil fuel energy and FMO managed to make one of the largest investments in a single country private equity fund for the Green Climate Fund focusing on climate change mitigation in particular, but also adaptation in India.

**Mr De Ruijter** zooms in a bit more on the different sectors. In the Agribusiness, Food and Water sector, FMO saw banks withdrawing and sees therefore an increase in its additionality in this sector. FMO also sees the opportunity for new climate change adaptation projects, for instance in the context of soil carbon sequestration. One of the things FMO did last year was to continue bringing its clients together for instance in the Africa Cheetah Roundtable, where FMO brings together some of Africa’s most promising and fast-growing agribusiness companies. This was a virtual roundtable last year, because of COVID-19. At the same time, FMO continues to work on food security, for instance through a transaction with one of the largest food conglomerates in Yemen to help secure flour and milk for people in Yemen. On forestry, FMO is working for instance in Laos with one of the large plantation companies, also from a perspective of climate change mitigation, adaptation in particular. FMO also invested in the IDH Farmfit Fund which he touched on before. In the Energy sector, FMO sees increasing availability for renewable energy generation projects in terms of finance. At the same time, a lot of those projects were put on hold because of COVID-19. So, for the longer term FMO is developing its new strategy, its energy transition strategy, whereby FMO also focuses on transmission, distribution, storage and decentralized or distributed energy solutions like mini-grids or solar home systems. FMO in particular was active last year in Burkina Faso where four projects came to construction and operation, in the solar industry in particular. In the Financial sector, where FMO aims to reach small businesses through intermediaries, typically liquidity is not so much the constraint. It is largely about sharing risks and finding new channels to reach underserved micro-, small- and medium-sized entrepreneurs. Last year, FMO worked for instance, in the first transaction in the financial sector, with the Dutch Fund for Climate and Development to support climate resilience of Bolivian farmers through a local microfinance institution. FMO also worked through the NASIRA program which saw increased demand because of also allowing COVID-19 affected small businesses into the program, for instance by a new guarantee facility in Jordan, where FMO worked together with alternative lenders to create access to finance for otherwise underserved MSMEs. FMO also worked together with Invest International to open up FMO’s financial institutions network, also for the benefit of Dutch businesses that seek local banking services.

Across the different sectors, FMO is working in Private Equity. FMO has seen continued strong demand for its Ventures Program, looking at technology-enabled models that can scale up in the future to create the impact FMO is looking for. FMO was proud to see one of its long-standing investees, the NMB-bank in Nepal to become the bank of the year in Asia. Also in Nepal, FMO saw the close of the Dolma Impact Fund II with a focus on renewable energy, healthcare and technology in particular. **Mr De Ruijter** concludes that a lot has happened and gives the floor back to Mr Jongeneel to look at the inside of the organization.

**Mr Jongeneel** says that resilience was the red line throughout the discussions on FMO's customers, but as shareholders could see in the Annual Report, resilience is also important for FMO's own organization. This has not been that easy, although there are a couple highlights. FMO had the launch of Invest International where forces of part of FMO and RVO are combined. FMO is now looking forward to having Invest International as a standalone entity focused on Dutch businesses across emerging markets. Secondly, a big project last year was the KYC remediation project. FMO is pleased that Charco & Dique confirmed that FMO really stepped up its game in this respect. FMO was able to remediate all the relevant files in a positive manner. Of course, a number of items had to be followed up, however, the whole framework that FMO implemented was appreciated. Also now, moving into business as usual, FMO started a separate department close to the investment teams because of the close cooperation in that area to together find financial economic crime. Thirdly, as all have experienced, working from home was a big part of COVID-19. It affected especially investment staff. They were not able to travel and see clients in person, which was a challenge but at the same time FMO was able to keep the business going as much as possible. This has played an important part and staff has made some blood, sweat and tears to make all this happen. **Mr Jongeneel** gets the question occasionally on what staff morale is currently like. FMO sees on the one hand that Corona is not completely out of the picture, but staff is able to travel again, pick up the work again and can see each other at the office. Unfortunately, this AGM is still virtual, but the Supervisory and Management Boards hope to change that too going forward. There is a sense of a fresh start, a new year, to roll up the sleeves and go at it again. The atmosphere is definitely picking up in a positive sense.

**Mr Jongeneel** then mentions a few other highlights of last year, including a lot of attention for diversity with FMO also signing a communique. Shareholders can see former CEO ad interim, Linda Broekhuizen, on the slide. FMO was lucky to have a sports event. **Mr Jongeneel** also recalls that he was appointed as CEO. Lastly, FMO started a Strategy 2030 exercise with a broad multistakeholder session with about 70 people joining from all kinds of stakeholders, from the Ministries, clients and NGOs. He hands over to Mrs Bouaré to further discuss FMO's performance in 2021.

**Mrs Bouaré** states that the volume of new investments increased slightly from € 1.89 billion to € 1.93 billion, and that FMO ended 2021 with a total committed portfolio of € 12.5 billion with € 8.3 billion on FMO's own books. The US dollar appreciation has influenced the volume of FMO's portfolio. Also, the market valuation of the equity portfolio was higher, which had an impact on the overall portfolio. FMO also noticed more prepayments combined with the lower volume of new investments. In terms of impact, FMO contributed to more than 644,000 direct and indirect jobs, as measured by the joint impact model. In terms of reducing inequality, FMO invested € 740 million in 2021, exceeding its target of € 596 million and making up 37% of its investment volume. This is primarily due to repeat deals. As FMO employees were not able to travel, FMO had to rely more on existing customers. 60% of new reduced inequality labelled investments contributed to inclusive business, where 24% was invested in the least developed countries and 50% were

inclusive business investments in least developed countries. The Green label committed portfolio increased by 6% compared to last year, ending the year at € 4.1 billion. The increase can be attributed to a higher volume of equity investments than expected, the appreciation of the US dollar and the higher valuation of the equity portfolio. The € 544 million FMO invested in green projects fell short of FMO's € 592 million target for green investments which are more or less coming from renewable energy with a majority in solar, FI green lines, but also from investments in sustainable agriculture and forestry. But FMO experienced lower market demand, travel and internal restrictions and fewer green investment opportunities in Financial Institutions, where demand was lower and where there was a greater concessional financial availability. This still made up 28% of FMO's total new investment volume, up 3% from 2020. Since 2020, FMO is reporting on its financed absolute GHG-emission using its JIM-model. The financed absolute GHG-emissions are reported in line with the global GHG-accounting and reporting standards for the financial industry, which is published by PCAF, the Partnership for Carbon Accounting Financials. In 2021, FMO's portfolio resulted in an estimate of more than 1.3 million tCO<sub>2</sub>e avoided GHG-emission, a decrease compared to the previous year. The most avoided emissions are coming from both FMO's debt and equity portfolio but on ongoing renewable energy projects, which accounted for 85% of total avoided emissions. FMO is continuously working on improving the quality of the data, which is important to FMO and will help to better align the portfolio to the 1.5 degree pathway.

FMO made a profit of € 491 million, a significant improvement compared to the loss of € 205 million in 2020, which was the result of unfavourable global market conditions related to the COVID-19 pandemic. Given the uncertainty about its economic effects at that time, FMO had to reflect this in the result. That was partially a depreciation of the PE-portfolio but also a reflection of increased loan impairments. Overall, despite the COVID-19 pandemic, FMO was able to maintain its portfolio quality with the NPL-ratio increasing to 9.5% compared to 9.1% in 2020. The increase of the NPLs came from specific projects in South Africa and Uganda, but also from country crises like Myanmar, partially offset by using the right to call on guarantees. Additionally, FMO's capital and liquidity buffer exceeded the minimum required by the Dutch Central Bank, but also the much higher internal requirements. FMO still received a triple A-rating and a stable outlook from both Fitch and Standard & Poor's, which shows that the diversification strategy of FMO's portfolio helps FMO to go through difficult times.

**Mrs Bouaré** then shows the composition of the profit. The regular income is composed of interest fees, dividend income and remuneration for services rendered. This is a key element for FMO because the PE-portfolio is more volatile. The regular income is more stable and ensures that FMO can cover its costs. The regular income decreased by € 17 million, caused by several elements. The net interest income decreased by € 10 million due to lower income on short-term assets and lower interest on impaired loans. The dividend income decreased by € 10 million, which is logical because the financial sector retained their profit to increase their capitalization level. The fee income of € 4 million is explained by higher prepayment fees. The operating expenses were € 30 million lower compared to 2020 because of the change of the pension scheme, from defined benefits to defined contribution. In accounting terms, this initially leads to a release of the pension obligation of € 22 million in 2021. For the following years this will be expensed every year. The other element that contributed to lower operating expenses is the fact FMO did provide € 6 million for the KYC remediation project in 2020, which reduced the expenses in 2021. With respect to the Result on Derivatives, as a result of the volatility in global interest and FX-rates, the Fair Value of FMO's funding and swap portfolio appreciated by € 6 million compared to € 0.5 million in 2020. With regard to loan impairments,

a substantial number of FMO's customers were downgraded in 2020 to reflect the impact of COVID-19, leading to € 87 million additional provisions. In 2021, most of FMO's customers were able to fulfil their financial obligations despite the initial negative outlook in 2020, which led to a release in FMO's impairment level.

The FX-result of the equity portfolio amounted to € 107 million in 2021, compared to minus € 118 million in 2020. **Mrs Bouaré** notes that an important part of FMO's portfolio is in USD. The EUR/USD moved from 1.22 to 1.14, a significant strengthening of the USD. The USD linked currencies also appreciated because of that. Whereas in 2020 there was a significant depreciation of FMO's PE-portfolio of € 159 million, given the impact of COVID-19, in 2021 there was a positive revaluation of € 252 million. Taxes are just a reflection of the other component of the P&L. The PE-portfolio is exempted because of the participation exemption making that the impact is even bigger. In 2022, FMO already observed some changes in the first quarter. **Mrs Bouaré** asks Mr Jongeneel to give shareholders an overview of the 2022 outlook.

**Mr Jongeneel** thanks Mrs Bouaré and says that FMO made its business plan at the end of last year with some serious bold ambitions, as FMO wants to continue its work which is needed more than ever, but then the war in Ukraine happened, which has a profound impact on the world. Although there are many different situations with violence, war or violations of human rights, Ukraine stands out in the first quarter. It definitely impacts the outlook for FMO, also financially. FMO has a serious portfolio of around 15 companies in the Ukraine with a total exposure of around € 250 million. FMO has been looking at this and will keep looking at this carefully, but FMO is expecting a serious hit of over € 150 million on FMO's Profit & Loss for this year. FMO monitors the situation carefully and tries to help its customers and FMO's employees support people in Ukraine on a more personal side. FMO has done some stress testing on the situation in Ukraine, not only looking at on the first order impact but also the secondary implications besides the direct region around Ukraine, where there are impacts for instance on food supplies and therefore also on the economy. This concerns FMO. He is positive on the resilience of FMO as such, because even the most severe stress scenarios show that FMO's capital and liquidity ratios stay above the required limits. Although FMO does not know how it exactly will play out, FMO is quite confident that its business continuity will not be hurt. Of course, there is a broader impact. Without going into details, FMO sees on the one hand an economic recovery but also a return of global inflation. There is still big question mark on the pandemic and China. FMO keeps a close eye on its different markets because they will not all move in the same direction. Climate remains a serious problem. FMO saw a positive impact from the pandemic for a moment, but FMO also sees it balancing back. **Mr Jongeneel** refers to the point he started his presentation with that everything is connected, and that complexity is increasing. FMO wonders what the situation in Ukraine will do with global emissions and how people will treat this. FMO does not know, but keeps close contact with its customers because they see it happening on the ground. FMO also looks at the macro-economic trends. Within all of this, FMO really feels it has a role to play and the three elements pointed out in the business plan in December are still relevant. The first point is around building back business. FMO believes it is in the position to help its customers in the market. FMO sees increasing demand, more in certain areas than in others. FMO will shift resources internally where it can. FMO has a role to play and wants to build its business back as much as it can to have a positive impact in the market where FMO works. It will not be easy. FMO has set itself serious targets for 2022 and will do what it can to meet those targets. Of course, Ukraine has an impact, but the underlying developments in the world around Reducing Inequalities and around Climate for instance do require a lot of attention. The second point in FMO's plans going forward is

adapting to regulatory requirements. KYC is a continuously evolving field, but there is more such as GDPR, and FMO also sees on Climate a lot of regulations coming its way, which is on the hand a good development and at the same time something FMO will need to adjust to and put more resources to, to ensure that FMO can actually measure the impact for FMO's clients and its portfolio as FMO moves forward. The third element is the acceleration of the organization development, which includes multiple items for which **Mr Jongeneel** referred to the Strategy 2030. FMO also must make step-ups on the digital side and the efficiency side, which FMO is planning to do. FMO will also continuously pay attention to the new ways of working, of how to integrate hybrid working going forward, with its clients but also among employees themselves, and FMO will also be working on the culture transition to the new normal, the next normal.

**Mr Jongeneel** concludes by summarizing the five main take aways. One, the world around FMO was marked by complexity and connectedness. In the end, all are, although distanced, in the same boat called earth. Secondly, FMO's customers showed tremendous resilience as the pandemic continued and FMO is proud of how they have been able to support them in this difficult journey. Thirdly, also for FMO's employees it was not an easy year with a lot of working from home, with KYC putting a lot of pressure on them and to always continue supporting customers, which they did. He is proud of how they dealt with that with resilience. Fourth, FMO's result was mixed on impact with some ups and downs, but financials bounced back strongly versus the year before. Finally, FMO is setting bold ambitions to make sure that the impact that FMO can make it also actually does make. This asks a lot from customers and employees, but he believes FMO owes it to its customers and end beneficiaries to do what they can. **Mr Jongeneel** ends the formal presentation and hands back to the Chairman.

**The Chairman** thanks Mr Jongeneel, Mrs Bouaré and Mr De Ruijter for their presentations. He then gives the shareholders the opportunity to ask questions or make comments about the Annual Report. He asks the shareholders to keep any questions about the Annual Accounts or Financial Statements until the next agenda item. **The Chairman** notes that there are no questions and continues with agenda item 3, the presentation of the external accountant, Ernst & Young Accountants LLP.

### 3. PRESENTATION AND Q&A EXTERNAL AUDITOR

**The Chairman** passes the floor to the accountant.

**Mr Kolsters** introduces himself. He is a partner at EY and has acted as the external auditor of FMO for 2021. This is his third year in this role. FMO has discharged him of his confidentiality obligations which allows him to speak about EY's audit process. He mentions the topics he would like to discuss and starts with the audit scope and approach. The audit scope is what EY has actually audited. EY has audited the consolidated and company-only Financial Statements. EY specifically looked at the Director's report and verified compliance with legal requirements and concluded whether there have been any material inconsistencies between the front part of the Annual Report and the Financial Statements. EY has performed a review of the interim Financial Statements as of 30 June 2021 and EY performed assurance procedures on the sustainability information included in the Financial Statements. EY audited FMO's prudential reporting which are the COREP and FINREP reports, and EY performed a number of other assurance engagements,

mainly related to the state funds and EU-funds that FMO manages on behalf of the state and the EU. The audit approach starts with understanding the business and the environment FMO operates in. As shareholders already heard, 2021 had its ups and downs and they were still coping with the effects of COVID-19. After understanding the business part, EY determines the materiality, assesses the Financial Statements and performs the audit in a top-down, risk-based approach, verifying the Financial Statements and looking at those areas where EY perceives the risk of a material misstatement highest. After that, EY assesses whether FMO's internal control measures are effective. In addition, EY performs certain substantive procedures. EY also looks at the going concern assumption, which is a key assumption in preparing the Financial Statements. Specifically, EY also touches upon compliance with laws and regulations, for example, the FEC enhancement program on which the CEO already commented. In his role of leading the engagement, he needs to make sure that his team is supported by specialists, for example in the field of IT or tax, but also in respect of valuations.

Given the good performance in 2021, the audit materiality on FMO's shareholders' equity increased slightly to € 34 million in 2021, from an amount of € 29 million in 2020. The benchmarks used for both years were the same and EY agreed with the Supervisory Board to report all audit differences in excess of € 750,000. The key audit matters were the impairment of loans to the private sector, the valuation of equity investments that are recorded at fair value, IT, the reliability and continuity of information technology and systems, and EY reported on the Joint Impact Model which FMO uses to report greenhouse gases and (in)direct jobs supported.

**Mr Kolsters** then addresses the topics which were discussed with the Audit and Risk Committee and the Supervisory Board. In the middle of the year, EY prepared an audit plan that sets out the areas where EY aims to spend the most time. At the end of 2021, EY reported its management letter, consisting of EY's recommendations from its work performed, especially on the internal control environment of the company. In March, EY reported its Audit Results Report, in which EY commented on accounting policies applied, on estimates and the quality of the estimates, and if EY identified any audit differences above the € 750,000 threshold. In August, EY issued an interim review report. Further EY issued the EY's independence letter which states that EY has complied with the applicable laws and regulations.

Fraud and non-compliance with laws and regulations are an important item in society and as such EY has also spent a significant amount of time making sure that FMO meets the standards in that area. On fraud risks, EY has together with its forensic specialists evaluated the fraud risk factors and then determined on which to spend most time. EY looked at the design and implementation of the internal control measures, and EY also assessed the key accounting estimates of management to ensure that they are meeting requirements and are unbiased. In terms of compliance with laws and regulations, it is important to differentiate between those with a direct and indirect impact on the Financial Statements. Direct impact, for example the IFRS-rules on which the Financial Statements have been prepared, but for example also tax. With respect to regulations with an indirect impact on the Financial Statements, EY paid attention to the AML and Wwft project, the financial and economic crime aspects of it, but also to the other rules that apply. In that respect it is important that disclosures included in the Financial Statements are transparent and appropriate.



In terms of the Directors' report, the front-end of the Annual Report, EY looks at two main elements. On non-financial information and diversity elements, EY assesses whether that information indeed is consistent with the information included in the Financial Statements and to make sure that no material errors are included. In addition to the normal procedures that EY performs in that respect, EY performed an additional assurance engagement, where EY provides reasonable assurance on the green-labelled investment volume, materiality matrix and diversity KPIs. And EY provided limited assurance on the other sustainability information included throughout the Director's report.

**Mr Kolsters** summarizes that EY issued an unqualified combined opinion on the 2021 Financial Statements and sustainability information, issued an interim review report in August 2021, and on the prudential reporting and the other assurance engagements, to the extent completed, EY also issued unqualified reports. **Mr Kolsters** hands the floor back to the Chairman.

**The Chairman** thanks Mr Kolsters and recognizes the presence of Mr Schoppink of EY as well. He then asks whether there were any questions or comments. The Chairman notes there are no questions and continues with agenda item 4.

#### 4. ADOPTION OF THE AUDITED ANNUAL ACCOUNTS 2021

**The Chairman** states that the Supervisory Board discusses the Annual Accounts in detail on the 10<sup>th</sup> of March, and - due to new regulations - the Annual Accounts were approved in a second meeting, about a week later. All members of the Management Board and all members of the Supervisory Board signed the Annual Accounts. The Supervisory Board recommends that the shareholders adopt the Annual Accounts. He asks whether there are any questions. **The Chairman** notes there are no further questions or comments and asks the shareholders whether they can agree with the proposal to adopt the 2021 Annual Accounts. He notes that the shareholders have already given a proxy to vote according to their instructions. He provides the shareholders with the opportunity to change their voting instructions and provides further instructions. **The Chairman** then turns to the Secretary of the meeting.

**The Secretary** states that none of the shareholders have changed their voting instructions. A very small percentage of shareholders abstained from voting and 100% of the votes cast were in favour of the proposal.

**The Chairman** concludes that the Annual Accounts 2021 have been adopted. He thanks the shareholders and moves on to agenda item 5.

#### 5. DIVIDEND POLICY / PROFIT APPROPRIATION

##### 5.a. Reservation and Dividend Policy

**The Chairman** states that the reservation and dividend policy is on the agenda for discussion to comply with article 18 paragraph 4 sub b of the articles of association. The current policy was adopted at the General

Meeting of Shareholders on 8 May 2013 and is summarized in the annotated agenda sent to the shareholders. **The Chairman** explains that the current pattern can be summarized as follows: In accordance with the 1998 Agreement with the State, FMO reserves part of the annual profit and adds it to the Contractual Reserve. The profit remaining after this reservation is distributable. It has been decided in 2013, that 100% of the distributable profit will be used as the pay-out ratio. It has been noted in the policy that it may be proposed in the future not to pay a dividend if this cannot reasonably be expected, for example if this does not fit the circumstances within FMO's capital management policy. **The Chairman** notes that this policy applies to the year 2021.

The European Central Bank (ECB) decided on 23 July 2021 not to extend its recommendation that all banks limit dividends beyond September 2021. Instead, supervisors will assess the capital and distribution plans of each bank as part of the regular supervisory process. The Dutch Central Bank has adopted this decision in August 2021. Therefore, FMO has asked DNB, and DNB did not express objections to paying the proposed dividend.

**The Chairman** then asks whether there were any questions about the dividend policy. He notes that there are no questions.

## 5.b. Determination of the profit appropriation and dividend 2021

**The Chairman** states that a net profit of € 490.7 million was achieved for the 2021 financial year. Under the Agreement with the State of the Netherlands, an amount of € 477.9 million must be added to the Contractual Reserve. This part of the profit is therefore not distributable. The distributable part of the net profit is rounded off at € 12.8 million. In principle, the current Reservation and Dividend policy assumes a pay-out percentage of 100% of the distributable part of the net annual profit. There were no circumstances in 2021 that should lead to a deviation from the percentage of 100%. It is therefore proposed that the distributable part of the profit of € 12.8 million will be distributed in full. The dividend per share thus amounts to € 32.08.

**The Chairman** asks the shareholders, if there are no further questions or comments, whether they could agree with the proposal to distribute an amount of € 32.08 per share, rounded up to € 12.8 million as a dividend. He notes that the shareholders have already given a proxy to vote on their behalf with voting instructions. He provides the shareholders with the opportunity to change their voting instructions and provides further instructions. **The Chairman** turns then to the Secretary of the meeting.

**The Secretary** states that none of the shareholders changed their voting instructions and that 100% of the votes cast are in favour of the proposal.

**The Chairman** notes that the shareholders can agree with this proposal. He requests the shareholders to check the IBAN account number stated on the reply form sent to them. He informs the shareholders that the dividend will be transferred to this account number, unless they inform Mrs Oosterbaan to do otherwise.

## 6. DISCHARGE MANAGEMENT BOARD

**The Chairman** states that it is proposed to discharge each member of the Management Board in office during the financial year 2021 for the performance of his or her duties during 2021. He then asks whether there are any questions or comments. He gives the floor to **Mrs Solleveld** of the Ministry of Finance.

**Mrs Solleveld** thanks the Chairman for the opportunity to say a few words. On behalf of the Dutch State, she shares her appreciation for the efforts of the Management Board and the Supervisory Board during last year. Similar to 2020, the year 2021 was impacted by the COVID-19 pandemic, which resulted in working from home, travel restrictions and uncertainty about the development of market conditions. Next to that, the KYC remediation project required a lot of resources during last year. Therefore, there were quite a few challenges for FMO in 2021. Despite these challenges, FMO has been able to continue its support to existing customers, create new partnerships and mobilize new investments. The positive result of last year is encouraging. At the same time, FMO needs to focus on its commercial activities and ESG-risk management to ensure that it can meet its ambition in portfolio growth and the realization of impact in a sustainable manner. More recently, the conflict in Ukraine has caught the attention of the Ministry. As the Ministry has understood from the MB, this conflict will seriously affect development finance in the region and therefore FMO. FMO will need to be involved hands on, to keep adding value in the region and fulfilling its mandate but also by helping development partners to mitigate the investment risk involved. The Ministry of Finance is confident that the MB and SB will make the right choices during the period ahead and that FMO will be able to make a difference in 2022. The Ministry of Finance would like to discharge both the Management Board and the Supervisory Board.

**The Chairman** thanks Mrs Solleveld for her supportive comments. He asks the shareholders, if there are no further questions or comments, whether they could agree to this proposal. He notes that the shareholders have already given a proxy to vote on their behalf with voting instructions. He provides the shareholders with the opportunity to change their voting instructions and provides further instructions. **The Chairman** then turns to the Secretary of the meeting.

**The Secretary** states that none of the shareholders changed their voting instructions. She mentions that a very small percentage of shareholders had abstained from voting, but that 100% of the votes cast are in favour of the proposal.

**The Chairman** notes that the shareholders agreed with this proposal and thanks the shareholders. The Chairman then continues with agenda item 7.

## 7. DISCHARGE SUPERVISORY BOARD

**The Chairman** states that it is proposed to discharge each member of the Supervisory Board in office during the financial year 2021 for the performance of his or her duties during 2021. He asks whether there are any questions or comments. He notes there are none and asks the shareholders whether they could agree with this proposal. He notes that the shareholders had already given a proxy to vote on their behalf with voting

instructions. He provides the shareholders with the opportunity to change their voting instructions and provides further instructions. **The Chairman** then turns to the Secretary of the meeting.

**The Secretary** states that none of the shareholders changed their voting instructions. She mentions that a very small percentage of the shareholders has abstained from voting and that 100% of the votes cast were in favour of the proposal.

**The Chairman** notes that the shareholders agreed with this proposal and thanks the shareholders.

**The Chairman** then continues with agenda item 8.

## 8. REAPPOINTMENT OF THE EXTERNAL AUDITOR

**The Chairman** states that, last but not least, the Supervisory Board nominates and proposes to reappoint Ernst & Young Accountants LLP as the auditor of FMO, to audit the annual accounts for each of the financial years 2022 up to and including 2024, including the acknowledgment of the reappointments of Ernst & Young Accountants LLP for previous years, in accordance with article 2:393 of the Dutch Civil Code, to report about the outcome of this audit to the Management Board and the Supervisory Board and to issue auditor's reports for each financial year about the true and fair view of the annual accounts.

The nomination by the Supervisory Board for the reappointment of Ernst & Young Accountants LLP is the result of an assessment performed by the Audit and Risk Committee of the Supervisory Board. The Audit and Risk Committee has advised positively, after considering amongst others independence, quality, relationship, team composition, maximum terms of engagement, and fee.

**The Chairman** asks the shareholders, if there are no further questions or comments, whether they could agree with this proposal. He notes that the shareholders have already given a proxy to vote on their behalf with voting instructions. He provides the shareholders with the opportunity to change their voting instructions and provides further instructions. **The Chairman** then turns to the Secretary of the meeting.

**The Secretary** states that none of the shareholders changed their voting instructions. She mentions that also in this case a very small percentage of shareholders has abstained from voting and that 100% of the votes cast are in favour of the proposal.

**The Chairman** notes that the shareholders agreed with this proposal and thanks them.

**The Chairman** then continues with agenda item 9.

## 9. ANY OTHER BUSINESS

**The Chairman** starts with an update. As announced several times, the intention is to extend the number of Management Board members from three to five. As a result, the Supervisory Board has been searching for two new Management Board members. Besides that, the SB has been searching for a new Supervisory Board member, as Mrs Thessa Menssen left as per the first of January of this year. **The Chairman** informs

the shareholders that the SB made good progress and that in due time hopes to nominate a Supervisory Board candidate for appointment by the General Meeting of Shareholders and to inform the General Meeting on the two Management Board candidates before their appointment by the Supervisory Board. To this end, FMO aims to organize an Extraordinary General Meeting of Shareholders in the summer. **The Chairman** asks the other participants in the meeting whether there is any other business. He notes no virtual hands were raised and moves on to agenda item 10.

## 10. CLOSING

**The Chairman** notes that there are no further questions, thanks all for attending the meeting in this way and closes the 52<sup>nd</sup> Annual General Meeting of Shareholders of FMO.

w.s. D.J. van den Berg

w.s. C.E.M. Oosterbaan

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D.J. van den Berg, Chairman

Catharina E.M. Oosterbaan, Secretary