FMO

Entrepreneurial
Development
Bank

MASSIF

Annual Report 2024

Government of the Netherlands

FMO manages the following funds on behalf of the Dutch government: the Access to Energy Fund (AEF), Building Prospects (BP), MASSIF, the Dutch Fund for Climate and Development (DFCD). The total committed portfolio of these funds (excluding grants) amounts to €1,267 million as per December 31, 2024. FMO also manages a $33.5 million "Mobilising Finance for Forests" programme on behalf of the Dutch Government, which is co-funded by the UK government. The term "fund" as used in this annual report refers to a program in the form of a subsidy received from the Dutch government that is managed by FMO, unless reference is made to an investment made under a program.

Front and back photos are from MASSIF investee Accretive Cleantech Finance Private Limited (“Ecofy”). Ecofy is a non-banking financial institution set up in India, with the aim to finance the green transition by originating loans to ‘green’ sectors including Retail EV’s, rooftop solar and SME loans for improving energy efficiency.

MASSIF enhances financial inclusion for small and medium entrepreneurs, hereby supporting growth of responsible businesses that create jobs, provide income and improve livelihoods where it is needed most

LETTER FROM THE MB OF THE FUND MANAGER

Stepping up

At the heart of FMO's strategy lies the commitment to enable entrepreneurs to increase inclusive and sustainable prosperity. Looking back at 2024, we must acknowledge several concerning trends: rising geopolitical turmoil and weakening institutional foundations threaten global stability and solidarity, disproportionately affecting the most vulnerable people. Additionally, we are witnessing the public withdrawal of several major financial players from their climate and environmental, social and governance (ESG) commitments. In this context, FMO calls on the financial sector to remain resolute in advancing sustainable investment strategies. Financial institutions play a pivotal role in driving local economic growth, reducing inequality, and driving meaningful climate action. Investing in access to (green) energy, food and finance creates long-term value, something FMO has demonstrated consistently over 50 years of impactful and profitable investments.

Amidst these challenges, FMO recognizes the urgent need to step up even more. However, meaningful change cannot be achieved alone, strong partnerships are essential. By working together, we can drive sustainable investments, create economic opportunities in our markets, support Dutch businesses, and build a more resilient, inclusive future.

The strengths of partnerships

By providing crucial financial support and mobilizing additional funding for underserved regions, FMO has continued to make a tangible impact in 2024. The strength of our partnerships - evident in the success of initiatives such as the SDG Loan Fund and European Commission guarantees - enable us to expand programs like NASIRA and the FMO Ventures Program. These programs contribute to local livelihood options for the one billion young people who will try to enter the job market over the next decade - a majority living in emerging markets. We are also grateful for the increased funding and support for the Dutch Fund for Climate and Development (DFCD Aya) from the Dutch government and the European Commission, and for Mobilising Finance for Forests (MFF) from both the Dutch and UK governments.

MASSIF in 2024 devoted significant attention to being able to continue to support its clients, end beneficiaries, and micro, small and medium-sized enterprises in the future and to play its part in FMO’s Strategy 2030. For example, by advancing innovative transactions, continuing to invest in fragile countries as well as ‘Green label’ transactions which is also in line with the ‘best effort’ ambition that was communicated to the Ministry of Foreign Affairs in 2023. Highlights include the Local Currency Bond for Société Générale Madagascar, the Green Label Equity investment in Ecofy in India, the first NASIRA guarantee in Ethiopia and the new commitment to the FMO Ventures 2.0 program.

Market creation

To help close the financing gap for achieving the SDGs, and while recognizing the limited business opportunities available to us and other impact investors, we have further expanded our market creation efforts in 2024 to develop bankable business opportunities and foster ecosystems that drive sustainable local economic growth. These efforts also strengthen our contributions to the Global Gateway goals and support Dutch trade opportunities. Also here, partnerships remain central to our endeavors, with initiatives such as Aria, Impact Invest Nepal, CASA Plus, and the EU’s €25 million fund for investments in Young Businesses in Africa all playing pivotal roles.

Looking ahead

In a volatile global landscape, FMO faces three key long-term challenges: a scarcity of investment-ready companies, limited availability of concessional funding, and increasing regulatory requirements. We remain committed to our 2030 ambitions and will increase our efforts to stay on track.

We will in particular focus on RI-labeled investments, especially in LDCs and on Green investments. Crucial next steps include the Market Creation initiative, onboarding of new EFSD+ programs and our increased cooperation with the Dutch and UK governments. As we reflect on the past year and prepare for the challenges ahead, we recognize that our achievements would not have been possible without our partners, and we extend our heartfelt gratitude to them for their trust and collaboration over the past year. We remain dedicated to deliver on the impact and trust that our partners place on us. At FMO, we believe that doing makes the difference, and that amidst the global turmoil, stepping up is a must.

The Hague, 25 April 2024

On behalf of the Management Board
Franca Vossen, Chief Risk Officer
Huib-Jan de Ruijter, Co-Chief Investment Officer
Michael Jongeneel, Chief Executive Officer
Peter Maila, Co-Chief Investment Officer

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AT A GLANCE

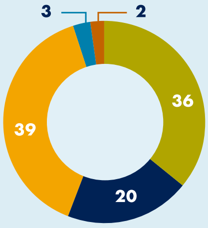
Set up in 2006 and managed on behalf of the Dutch Ministry of Foreign Affairs, MASSIF is FMO's financial inclusion fund. MASSIF enhances financial inclusion for micro-entrepreneurs and small- and medium-sized enterprises (MSMEs) that are disproportionately affected by a lack of access to financial services. The Fund supports intermediaries that reach out to MSMEs in fragile and low-income countries, MSMEs in rural areas and those dependent on agriculture, women-and-youth owned MSMEs, and intermediaries providing access to productive goods and services for underserved individuals in the poorest social-economic segments.

Achievements portfolio as per 31-12-2024

Total committed portfolio

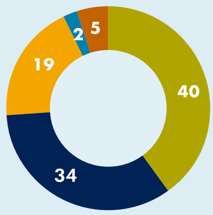
€492mln

Portfolio by product
(in % as of 31 Dec 2024)



- Loans
- Direct Equity
- Fund Investments
- Mezzanine
- Guarantees

Portfolio by customer type
(in % as of 31 Dec 2024)



- Financial Institution
- Investment Fund
- Microfinance Institutions
- Corporate
- Other diverse sectors

150
Total investments

24
Capacity Development projects

€111 mln
Disbursements

123%
Revolvability

37,481
Direct jobs supported in individually supported MSME's

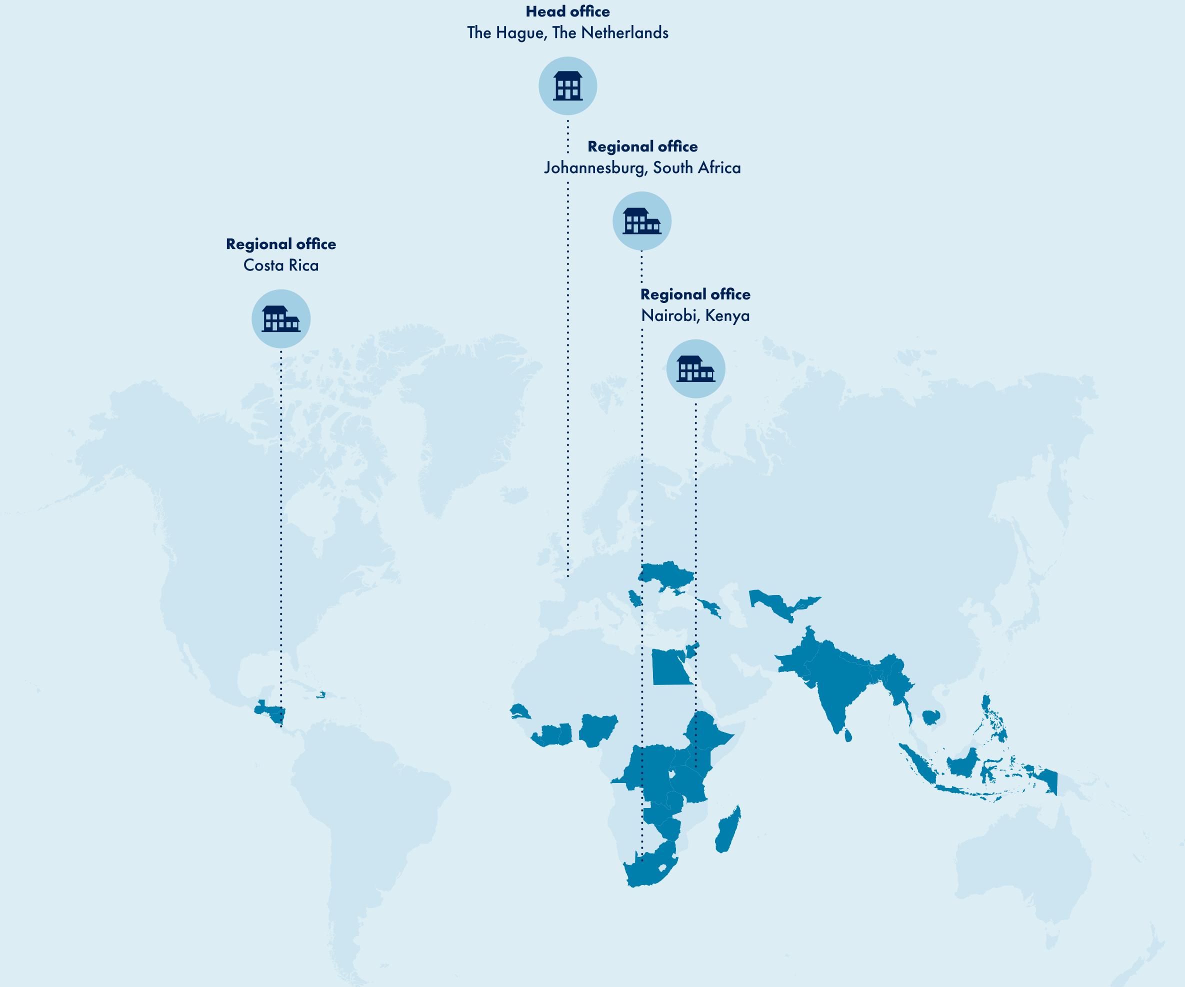
Of which women
15,721

Of which youth
6,949

18.366.427
Number of MSME's that obtain financial services

19
New investments with FMO Green or RI label

1 The figures provide a glance at the achievements of the MASSIF portfolio. Number of MSME's that obtain financial services (number of SME loans + number of micro loans) are results reported by the companies and funds within the portfolio. Number of improved or introduced new products are reported as the number of new investments with a Reducing Inequalities or Green label (according to FMO's labelling methodology). Direct jobs supported in individually supported MSME's are estimated by the Joint Impact Model. These figures are attributed to the size of MASSIF's investment as agreed with the Dutch government. The figures shown do not include new investments from 2024, as the most recent impact data available from clients pertains to the reporting year that concluded in 2023.



Total committed portfolio by region (per 31 December 2024)

Latin America & the Caribbean	Africa	Europe & Central Asia	Asia	Global
€26mln	**€215mln**	**€47mln**	**€116mln**	**€88mln**

Total committed portfolio

€492mln

Highlights

MASSIF in 2024 devoted significant attention to being able to continue to support its clients, end beneficiaries, and micro, small and medium-sized enterprises in the future and to play its part in FMO's Strategy 2030. For example, by advancing innovative transactions, investing in fragile countries as well as 'Green label' transactions which is also in line with the 'best effort' ambition that was communicated to the Ministry of Foreign Affairs in 2023.

Local Currency Bond for Société Générale in Madagascar

MASSIF funded FMO's participation as an anchor investor in the sustainability-linked bond issuance of Société Générale Madagascar, which is aligned with the ICMA Green Bond Principles. The $10 million MASSIF financing is earmarked exclusively for renewable energy use of proceeds. With this transaction MASSIF contributes to local (capital) market development as well as the Green agenda in Madagascar, a Low Income, Fragile and Unbanked country as per the country list in the MASSIF The Next Frontier Strategy.

Green Label Equity investment in Ecofy in India

MASSIF and Building Prospects invested jointly in Accretive Cleantech Finance Private Limited ("Ecofy") investing INR 450 million each. Ecofy is a non-banking financial institution set up in India in 2022. It aims to finance the green transition by originating loans to 'green' sectors including Retail EV's, rooftop solar and SME loans for improving energy efficiency. Ecofy is active across India targeting climate positive segments/businesses.

Continued commitment to FMO Ventures

Following on to the existing Ventures Program ("FVP 1.0") for which MASSIF has provided part of the funding, Ventures 2.0 (FVP2), the new FMO Ventures Program, has gone live in October 2024 denoting another $200 million program to be invested over 5 years in early-stage startup or scale-up companies with a tech component in the sectors of FinTech, AgriTech and CleanTech. MASSIF has agreed to a €20 million contribution overall to FVP2, expected to be deployed. Access to Energy Fund and Building Prospects also contribute to FVP2 funding.

Market Creation Platform

In October 2023, the Dutch Ministry of Foreign Affairs allocated €22 million to MASSIF for market creation initiative, in line with FMO's strategy. By December 31, 2024, €3.2 million had been committed to three projects, with several disbursements made. Throughout the reporting period, significant progress was achieved in intervention origination and execution, program management, and the design of the market creation platform.

Financial performance

For the year ending 31 December 2024, MASSIF's loss was primarily driven by significant revaluation losses on equity investments and increased capacity development expenses. As a result, the fund reported a loss of €22.8 million. On a positive note, the net interest income showed an improvement compared to the previous year, and there was a positive net result on impairments.

Production

Production 2024

Accretive Cleantech Finance Private Limited - INR 450 million Equity

Accretive Cleantech Finance Private Limited, currently known as "Ecofy", is a non-banking financial institution established in India in 2022. Its mission is to finance the green transition by originating loans to green sectors, including retail electric vehicles (EVs), rooftop solar, and SME loans for improving energy efficiency. Ecofy operates across India, targeting customers in the retail sector and SMEs. Ecofy is promoted by Eversource Capital, a climate impact investor and partner of FMO. The company's mission is to increase the adoption of environmentally friendly products at the retail level by improving access to finance. MASSIF's funding of INR 450 million will be used to support Ecofy's growth, focusing on individual clients and SMEs, with an emphasis on catering to the less privileged.

African Rivers Fund IV LP - $12.5 million Equity

African Rivers Fund IV ("ARF IV" or "the Fund") is a 2024-vintage $135 million fund providing debt, mezzanine, and equity investments in MSMEs across Central and Eastern Africa, including Angola, the Democratic Republic of Congo ('DRC'), Kenya, Uganda, and Zambia. ARF IV is the fourth fund managed by XSML Capital. The Fund aims to provide scarce risk capital to small and medium-sized companies operating in frontier markets such as the DRC and Uganda. It will build a diversified portfolio of approximately 40-50 investees, with average target investments between $2-3 million. MASSIF's funding of $12,5 million will empower local entrepreneurs and help establish the Fund as a valuable partner for fostering local prosperity.

Banco de Antigua Sociedad Anonima - $15 million Debt (in local currency equivalent)

Banco de Antigua is a Guatemalan bank that has microentrepreneurial loans as one of its focus areas. As of FY2023, it has total assets of $239 million and a loan portfolio valued at $162 million. MASSIF is extending a loan of $15 million (in local currency equivalent), which includes a $8 million committed tranche and $7 million uncommitted tranche that was activated in September 2024 . These funds will be lent to microentrepreneurs in rural areas of Guatemala and therefore contributes to improving rural livelihoods and reducing inequalities.

BFV-Société Générale- $10 million Debt

Société Générale Madagascar ('SGM') is the largest bank in Madagascar. As a subsidiary of the globally operating Société Générale S.A., SGM started its operations in Madagascar in 1998 after acquiring a formerly state-owned local bank. SGM supports its clients as a universal bank by leveraging the group's global reach and wide range of products and services to individuals, SMEs, and corporates. SGM has an extensive network of agents, branches, and ATMs spread across Madagascar, enabling access to finance to end-clients. MASSIF'S $10 million financing is earmarked exclusively for renewable energy use of proceeds, providing essential capital to advance the Green agenda in Madagascar.

Fido Solutions Limited - $10 million Equity

Fido Solutions ('FIDO') is a digital lender operating in Ghana and Uganda, dedicated to empowering individuals and small businesses across Africa. The company offers small-ticket, short-term credit and a variety of other financial products. By leveraging technology, FIDO utilizes alternative data and artificial intelligence (AI) to assess creditworthiness, enabling them to serve over 650,000 customers. This allows individuals, even those without a formal financial track record, to gain instant access to credit based on a credit score calculated by FIDO. MASSIF's $10 million equity investment will support FIDO's loan book growth in Ghana and Uganda, as well as facilitate its expansion into additional African countries. As an innovative digital lender, FIDO is driving financial inclusion for underserved populations, particularly first-time borrowers and women.

Financiera FAMA, S.A. - $5 million Debt (in local currency equivalent)

Financiera FAMA is the second-largest microfinance institution in Nicaragua. Founded in 1991, FAMA's mission is to enhance access to finance for micro-entrepreneurs in Nicaragua's urban areas. FAMA has been a client of FMO since 2007, when it transitioned from an NGO to a regulated MFI. MASSIF has provided a new $7 million facility (in local currency equivalent) to support FAMA in continuing to fund clients in underserved regions of Nicaragua. The objective of this financing is to expand access to financial services for micro, small, and medium-sized enterprises (MSMEs). The total $7 million transaction consisted of a committed tranche of $5 million and an uncommitted tranche of $2 million (which expired in January 2025 unactivated).

JSC MFO Crystal - $15 million Debt (in local currency equivalent)

JSC Microfinance Organization Crystal ('Crystal') is Georgia's fourth-largest microfinance lender, serving 60,000 customers through 36 branches with a loan portfolio of $60 million. Crystal is expanding rapidly, both in terms of balance sheet growth and outreach, particularly by extending its branch network in rural areas across the country. MASSIF's $15 million loan (in local currency equivalent), of which initially $10 million committed and $5 million uncommitted (but activated at the end of 2024), is facilitating the organization's growth and thereby contributing to improved access to finance for Georgian micro-businesses, especially in rural areas—one of MASSIF's key focus themes.

Watu Credit Uganda Limited - $5 million Debt

Watu Credit Limited is a customer-centric company that provides lease-to-own asset financing for motorcycles and three-wheelers used as taxis, creating income-generating opportunities for predominantly young male borrowers in rural areas across East Africa. MASSIF's funding will be used for on-lending to self-employed individuals, specifically to expand Watu's youth- and rural-focused MSME mobility portfolio in Uganda.

SAFCO Microfinance Company (Private) Limited – $1.65 million Debt

SAFCO Microfinance Company Private Limited ('SMCL') is a for-profit, non-deposit-taking microfinance institution licensed and regulated by the Securities and Exchange Commission of Pakistan (SECP). It provides affordable microfinance services to unbanked and low-income entrepreneurs in Sindh province, where the SAFCO franchise has been active since 1986. This deal is funded from the MASSIF-DFC Co-financing facility: MASSIF has provided $1,65 million of financing, together with $3,35 million of the U.S. International Development Finance Cooperation ('DFC'). MASSIF's funding will support portfolio growth in women and rural financing, thereby promoting financial inclusion and gender equality.

VIH Capital Pte. Ltd. – $7.5 million Debt

VIH Capital Pte. Ltd. ('VIHC') is a wholly owned subsidiary of Validus Investment Holdings Pte Ltd (VIHPL), a Peer-to-Peer (P2P) digital lending platform serving SMEs in four countries across the Southeast Asia (SEA) region. Its mission is to bridge the significant financing gap for SMEs, and enable their growth, job creation, and contribution to local economic development.This deal is funded from the MASSIF-DFC Co-financing facility: MASSIF has provided $7.5 million of financing, together with $7,5 million of the U.S. International Development Finance Cooperation ('DFC'). MASSIF's funding will be dedicated to SME financing in Indonesia, supporting sustainable ecosystems and fostering financial inclusion. A substantial portion of its loan portfolio focuses on rural SMEs and businesses owned by young entrepreneurs under the age of 35. MASSIF disbursed a total of $5 million, with the remaining $2.5 million expiring and being canceled in October 2024.

Ardshinbank CJSC - AMD 272 million NASIRA Guarantee

Ardshinbank CJSC is one of Armenia's leading banks, offering a comprehensive range of banking services. With a strong presence across micro, small, and medium-sized enterprises (MSMEs), corporates and retail, the bank benefits from an extensive network of 62 branches nationwide. The AMD 272 million NASIRA Guarantee will support Ardshinbank's efforts to expand its MSME portfolio, with a particular focus on empowering young and women entrepreneurs by funding their income-generating business activities.

Cooperative Bank of Oromia - ETB 29 million NASIRA Guarantee

Cooperative Bank of Oromia ('COOP') is the fourth-largest bank in Ethiopia. Established in 2004, the bank initially focused on the agricultural sector and cooperatives. COOP has since launched the country's first digital lending app and developed alternative banking channels, including mobile money and agency networks. It is also one of the few banks in Ethiopia actively lending to MSMEs and the agricultural sector. The ETB 29 million NASIRA guarantee will support COOP in its efforts to expand lending to micro, small, and medium-sized enterprises (MSMEs) and the agricultural sector, particularly in rural areas.

First City Monument Bank Limited - NGN 10 billion NASIRA Guarantee

First City Monument Bank Ltd. ('FCMB') is a wholesale banking group with a growing small and medium-sized enterprise (SME) banking business, established in 1982 and headquartered in Lagos, Nigeria. The Bank is an existing MASSIF client, to which in 2024 additional funding in a total amount of NGN 1.1 mld was committed. This will allow the bank to expand its funding to agricultural, youth, and women-owned SMEs. The NASIRA guarantee will support FCMB to further grow its business towards the so-called underserved SMEs.

FirstRand Bank Limited (FRB) - ZAR 32 million NASIRA Guarantee

FirstRand Bank Limited is a wholly owned subsidiary of FirstRand Limited. The bank provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa and offers niche products in certain inter-national markets. FMO will provide FRB with a ZAR 32 million NASIRA portfolio guarantee covering loans provided to Micro, Small, and Medium-sized Enterprises (MSMEs). The NASIRA guarantee aims to support FNB's strategy to increase its lending to MSME entrepreneurs.

I and M Bank (Rwanda) PLC - RWF 658 million NASIRA Guarantee

Incorporated in 1963, I&M bank (Rwanda) Plc is the oldest bank in Rwanda and offers the full range of personal business, institutional and corporate banking products throughout its locations. FMO is providing a RWF 658 million NASIRA portfolio guarantee. The facility provides credit risk sharing for I&M Rwanda's MSME portfolio with a focus on MSME loans to women youth, and agriculture clients. With this guarantee in place, FMO will be supporting I&M Rwanda to increase their lending to MSMEs.

JSC Credo Bank - GEL 1.23 million NASIRA Guarantee

JSC Credo Bank is a Georgian financial institution that has been operating under a banking license since March 2017. FMO is providing a GEL 1.23 million NASIRA guarantee to strengthen the bank's portfolio. This support enables Credo Bank to offer improved products and services to key NASIRA beneficiaries, including young enterprises in agricultural value chains, female-led businesses, and micro-enterprises.

JSC TBC Bank - GEL 2.52 million NASIRA Guarantee

JSC TBC Bank is the leading financial group in Georgia, offering a comprehensive range of financial products and services across all client segments. As one of the region's top financial institutions, TBC provides nationwide retail, corporate and investment banking (CIB), as well as micro, small, and medium-sized enterprise (MSME) banking services. To further expand TBC's financing initiatives for Georgian MSMEs, FMO is providing a GEL 2.52 million NASIRA guarantee. The focus will be on underbanked segments, including young entrepreneurs, start-ups, women-owned and women-led businesses, and rural agribusiness enterprises, which face the greatest challenges in accessing funding.

	Connekt 4 SAS - €0.24 million Ventures Progam 2 Hub2 is a finech company that provides mobile wallet accessibility and payment services in Francophone Africa. Hub2's solution contributes to the payment landscape in Africa, thereby promoting financial inclusion and stimulating economic growth. Hub2 will be able to benefit from being introduced to FMO's network of (micro)finance institutions and FinTechs across Africa as well as to potential future investors.
	EA Foods Limited - $0.25 million Ventures Program 2 EA Foods Limited ('EAF') is a food logistics and distribution company in Tanzania, leveraging technology to optimize the fresh fruit and vegetable supply chain. EAF sources produce from over 8,800 smallholder farmers and supplies primarily to informal retailers, shops, restaurants, and supermarkets in larger cities. The Company is developing an integrated platform that optimizes the supply chain for selected crops that are both high in demand and domestically grown, thus improving quality and reducing food waste. The investment proceeds will support the Company's growth needs, helping to fund its operations and capital investments in logistics infrastructure and software development.
	Tagaddod B.V. - $0.13 million Ventures Program 2 Tagaddod B.V. is an Egyptian start-up that collects and filters used cooking oil from restaurants, households, and factories through a fully digitized process and supplies it to global sustainable fuel producers. The investment will enable the Company to further expand their digitized sourcing process for Used Cooking Oil and other Waste Oils. Ultimately, this will support reducing and recycling waste products for a more sustainable fuel production, whilst providing additional revenue for restaurants, households and aggregators.
	TechCoop Investment & Technology PTE. LTD. - $0.58 million Ventures progam 2 TechCoop Investment & Technology Pte. Ltd. is a technology-enabled agricultural B2B platform in Vietnam that aims to digitize transactions, bridge the working capital gap, and connect and provide access to the market across the agricultural supply chain. TechCoop provides integrated trade, digital trade credit, and advisory solutions to Vietnam's agricultural small- and medium-sized enterprises (SMEs) and farmer cooperatives across export-driven supply chains. The investment proceeds will be used to support the Company's growth, helping fund the scaling of its operations and further software and product development for the cross-border digital platform, enabling the successful export of agricultural SMEs and farmer cooperatives.

Sales and exits

In 2024, MASSIF successfully completed the exit of MF Banka, a bank based in Bosnia & Herzegovina that services the MSME sector, where MASSIF has been an investor since 2015. The bank plays an important role for small entrepreneurs in Bosnia, thereby supporting SDG 8.

Production capacity development

Contracts CD 2024

Palestine for Credit and Development (Faten) – $250,000 Development Contribution

Working closely with other financiers including EBRD, Triple Jump and US Government-financed consultants, FMO provided Palestine for Credit and Development (Faten) with an emergency grant to support a three-month interest moratorium for MSMEs, following a directive from the Palestinian Monetary Authority. The project assisted 409 businesses, helping stabilize and even increase employment, with jobs rising from 714 at the baseline to 773 at closure, while no bankruptcies were reported. Women-led businesses accounted for 27% of beneficiaries, and 27 businesses operated in refugee settlements. The support extended across Jenin, Nablus, Quds, Ramallah, and Tulkarem, covering sectors like agriculture, tourism, handicrafts, and services. This grant played a crucial role in mitigating the adverse effects of political turmoil on Palestinian MSMEs.

Dvara KGFS Ltd - €8,230 Technical assistance

FMO mobilized a consulting team from Microfinanza Rating SRL to support Dvara KGFS in the adherence to Client Protection Principles and ensure adoption through the obtention of the CERISE+SPTF certification. Dvara obtained the gold recognition, the highest level of achievement, which means that Dvara currently meets the most rigorous standards of client protection.

SAFCO Microfinance Company (Private) Limited - €39,872 Technical Assistance

Via support of DAI Global UK, this project contributes to expanding SAFCO's operations in both rural and urban regions in Pakistan, specifically from Sindh's 13 districts to Punjab, Pakistan's largest province population-wise. Specific measures, focused on digital transformation and robust cybersecurity, are critical enablers for SAFCO to scale its services and introduce new market responsive products and offerings.

FPM SA - $2,000,000 Repayable Development Contribution

The funding objective is to increase financial inclusion in the Democratic Republic of Congo, a frontier market with only 6-7% of the adult population having a bank account, by providing access to finance to MSME's via local financial institutions that have reach in remote and rural areas. FPM plays a vital role in financial inclusion, particularly by expanding access to financial services for MSME's including in the remote areas of the DRC, where banks and larger SME financing institutions are often absent. Its strong relationships with international donors and investors uniquely position it to provide essential support to local MFIs and SACCOs that face challenges in accessing affordable capital directly.

Banco de Antigua S.A. - €150,099 Technical Assistance

With support of ACCION International, this project will support Banco de Antigua S.A. in working towards fulfilling two of its strategic goals: Process robotisation, specifically automating the credit analysis process, and enabling a cloud-based data warehouse. Both goals increase the efficiency of the company and improve customer service

Watu Credit Limited - €30,000 Development Contribution

The project will support Watu to develop a well-structured job grading system that is tied to the compensation and benefits framework for employees and the tax implications for the new system across Watu's geographical footprint. The project is expected to support the professionalisation of Watu's activities whilst contributing to its growth.

Cooperative Bank of Oromia S.C. - €67,425 Technical Assistance

This project, carried out by the Frankfurt School of Finance and Management, will benefit Coop through the performance of a comprehensive assessment of the root causes of non-compliance in its credit operations, risk management, and KYC processes. This assessment will guide the creation of an action plan, which Coop's team will implement to ensure effective implementation of their existing policies.

Stichting Impact-Linked Fund - $500,000 Development Contribution

This program pilots an impact incentive mechanism that couples impact linked finance and technical assistance, and is designed to increase financial inclusion of women by fintech companies. This objective strongly supports the finding from the Massif 2021 evidence study that highlighted that little is known about the ability of fintech interventions to effectively serve women-owned MSME's and about the role gender earmarked funds can play in catalysing investments in this segment. The findings from this pilot will be instrumental in the evidencing the business case of supporting fintech innovations that include an earmarked gender angle, as well as deployment of incentive-based innovative finance products to stimulate investments in strategic themes and sectors.

IMF Baobab RDC S.A. - €24,040 Technical Assistance

The project consists of a complete assessment of the customer's policies and practices regarding Client Protection, allowing IMF Baobab RDC to identify areas of opportunity and develop an action plan to bridge the gaps in their operations. IMF Baobab RDC is a prospective FMO client.

Accion Venture Lab, L.P. - $100,000 Partnership Development Contribution

This project supports Accion Venture Labs to organize another edition of the CEO Forum and Fintech for Inclusion Summit. The event is a unique platform for fintech startups, investors, funders, financial intermediaries, and changemakers focused on leveraging technology to advance financial inclusion.

Lendable MSME Fintech Credit Fund II - €16,350 Technical Assistance

The objective of the project, carried out by Microfinanza Rating SRL, is to perform a complete assessment of the customer's policies and practices regarding Client Protection, allowing it to identify areas of opportunity and develop an action plan to bridge the gaps in their operations.

Asia Clean Energy Partners Limited. - $123,100 Technical Assitance

The project "Study: Gender-responsive transition finance for MSMEs" aims to promote gender-responsive transition finance for Micro, Small, and Medium Enterprises (MSMEs) in India and Vietnam. The main activity involves assessing the current landscape of transition finance and developing a practical guide for financial institutions to provide gender-responsive transition finance to MSMEs, thereby supporting sustainable and inclusive economic growth.

Impact Investing Ghana LBG - €150,000 Partnership Development Contribution

Impact Investing Ghana (IIGh) is a local private sector led initiative convening all necessary stakeholders to catalyse impact investing in Ghana and across West Africa. IIGh works across the financial services sector and with all asset classes to increase the quality and volume of impact investing and to build the financial ecosystem in Ghana and West Africa. This FMO project follows on the initial project that IIGh started as part of the FMO Ventures Program (FVP), the entrepreneurial ecosystem building component of the FVP TA-Facility with the objective of supporting more local entities in prioritized markets.

Sanasa Development Bank PLC - €64,025 Technical Assistance

The main objective of the "Customer profiling and value chain financing with a gender lens" project, carried out by 'Value for Women' is to ensure that Sanasa Development Bank (SDB Bank) does not leave women customers behind in their new segment focus and service offering. This project aims to support SDB Bank in increasing the number of women customers reached, the percentage of women customers represented in the portfolio, and the average deposit and loan size of women customers compared to men.

SANASA Development Bank PLC - €183,908 Development Contribution

The main objective of the Strategic Transformation project is to assist SANASA Development Bank PLC (SDB) in expanding its reach across Sri Lanka by leveraging its ties to the cooperative sector. The project involves designing and implementing strategic initiatives to improve business continuity, strengthen agricultural banking capabilities, and develop customer value propositions. This project enhances financial accessibility for underserved rural communities, thereby fostering economic development, and creating job opportunities in Sri Lanka.

Advans International S.A.S. - €190,000 Technical Assistance

The Climate Risk Pilot Advans Pilot project aims to enhance climate resilience in Ghana by supporting Advans International S.A.S. in revising or adopting new climate risk products focused on flood risks and creating emergency response procedures. The project, carried out by Milliman, involves market research, product adaptation, and the development of emergency response procedures to help Advans' clients manage climate risks effectively. By integrating these solutions into their business model, Advans aims to support their clients in maintaining stability and continuity in the face of climate-related challenges.

Milliman Inc. - €145,000 Technical Assistance

The main goal of the Climate Resilience Pilot Program is to enhance the resilience of communities to climate change impacts through targeted interventions and capacity-building activities. The program involves developing and implementing climate adaptation strategies, conducting community training sessions, and establishing monitoring and evaluation frameworks to assess the effectiveness of these interventions. By improving the ability of communities to adapt to climate change, this program helps foster financial inclusion by ensuring that vulnerable populations have the knowledge and resources needed to withstand and recover from climate-related shocks, thereby reducing their economic vulnerability.

Insitor Impact Asia Fund II Pte. Ltd. - $250,000 Development Contribution

The primary goal of the Insitor Delegated Technical Assistance Facility project is to support the portfolio companies of Insitor Impact Asia Fund II in Cambodia, India, and Pakistan by providing external advisory services to reduce their risk profile, improve their likelihood of success, and scale their impact. The primary activities involve optimizing the business model, overseeing core business operations, and enhancing both social and environmental impact.

Fido Solutions Limited - €19,000 Technical Assistance

The project involves an in-depth assessment of Digital Finance Services (DFS) standards and client protection systems across Fido Ghana and Fido Uganda to identify compliance gaps. It includes defining concrete action plans for both Fido Ghana and Fido Uganda to address these gaps and improve their social performance and client protection practices.

Joliba Capital Fund I L.P - €16,638 Technical Assistance

The project "Deepening roots in fertile soil: Solidifying and deepening gender commitments" aims to support Joliba Capital in operationalizing and implementing selected actions from the Gender Action Plan which was developed in Phase I of the project in 2023. The project will be carried out by Value for Women. Activities include developing guidance documents, updating policies, creating scanning and screening tools, and conducting training sessions to embed gender-inclusive practices at both the fund and portfolio levels. By enhancing gender inclusion, the project promotes equitable opportunities and access to resources, ultimately contributing to broader economic participation.

GPCA Global Private Capital Association

Global Private Capital Association - €105,000 Technical Assistance

The 'GPCA Task Order - Next Gen Partners Program' aims to cultivate the next generation of Private Equity Funds' leadership by providing targeted support and resources. The main activities include mentorship programs, capacity-building workshops, and networking events designed to foster collaboration and knowledge sharing among partners. By empowering these partners with the necessary skills and connections, this initiative promotes financial inclusion by enabling a diverse range of organizations to participate in and benefit from the financial ecosystem. GPCA supports end-beneficiaries by building fund manager capacity in fragile contexts and emerging economies, providing guidance and information to help fund managers choose investments that benefit both investors and the communities they operate within, and promoting impact investing.

GPCA Global Private Capital Association

Global Private Capital Association - €10,545 Technical Assistance

The primary objective of the GPC Conference Training 2024 was to provide comprehensive training sessions aimed at enhancing the skills and knowledge of participants in Know Your Customer and Anti Money Laundering practices. The activities included an interactive workshop, and expert-led discussion designed to foster a deeper understanding of KYC and AML practices and their practical applications. This project promotes financial inclusion by equipping participants with essential skills in Know Your Customer (KYC) and Anti-Money Laundering (AML) practices, thereby enhancing their ability to ensure secure and accessible financial services for all.

AFMF, L.P.

ASEAN Frontier Markets Fund L.P. (AFMF) - $250,000 Development Contribution

The main objective of the project, carried out by EMIA, is to support SMEs and early-stage companies in Cambodia and Laos by providing scarce equity financing and contributing to the growth of entrepreneurial communities. The main activity involves establishing a Business Improvement Facility (BIF3) that provides financial assistance for AFMF portfolio companies to engage third-party advisors and other relevant service providers to support portfolio companies with Core Business support, Risk Management and Impact creation. This project supports high-growth potential SMEs that face challenges obtaining traditional bank loans due to insufficient collateral or cash flow, thereby promoting financial inclusion.

VISIONFUND microfinance

VisionFund Microfinance Institution S.C. - €8,175 Technical Assistance

The objective of the project is to perform a complete assessment of the customer's policies and practices regarding Client Protection, allowing it to identify areas of opportunity and develop an action plan to bridge the gaps in their operations. The project with MicroFinanza Rating in benefit of VisionFund Ethiopia was not fully implemented as the client decided to cancel the transaction due to differing perspectives with the investment team.

LIST OF ABBREVIATIONS

AC	Amortized Cost
AFS	Available For Sale
ALCO	Asset and Liability Committee
CD	Capacity Development
CPP(s)	Client Protection Principles
DFI	Development finance institution
DGIS	Directorate-General for International Cooperation
EAD	Exposure at Default
ECL	Expected Credit Loss
ESG	Environmental, social and governance
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden
FV	Fair Value
FVOCI	Fair Value Through Other Comprehensive Income
FVPL	Fair Value Through Profit or Loss
GHG	Green House Gas
IASB	International Accounting and Standards Board
IFRS	International Financial Reporting Standards
FRC	Financial Risk Committee
LCY	Local currency
LGD	Loss Given Default
LIC	Low income country
MB	Management Board
MSME	Micro, small and medium-sized enterprises
NPL	Non-Performing Loans - loans in default
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PD	Probability of Default
PE	Private Equity
PIM	Public Investment Management team within FMO
SDGs	Sustainable Development Goals
SPPI	Solely Payments of Principal and Interest
WMSME	Women-owned micro, small and medium-sized enterprises

Read more about	
FMO	www.fmo.nl/
ODA	www.rijksbegroting.nl/system/files/10/odaenoesodac-criteria.pdf
OECD	www.oecd.org/
SDGs	sustainabledevelopment.un.org

Annual accounts

Statement of financial position

At December 31, 2024

	Notes	2024	2023
Assets			
Banks	(1)	6,039	5,363
Short-term deposits	(2)	58,340	102,200
Loan portfolio	(3)		
- of which: Amortized cost		121,338	78,693
- of which: Fair value through profit or loss		19,977	21,415
Equity investments	(5)	205,908	219,269
Investments in associates	(6)	8,789	10,463
Other financial assets at FV	(7)	21,875	24,601
Other receivables	(8)	791	1,411
Accrued income	(9)	43	19
Total assets		**443,100**	**463,434**
Liabilities			
Current account with FMO	(10)	694	5
Other liabilities	(11)	49	22
Accrued liabilities	(12)	9,988	10,319
Provisions	(13)	767	639
Total liabilities		**11,498**	**10,985**
Fund capital			
Contribution DGIS previous years	(14)	352,840	352,840
Contribution DGIS current year	(14)	2,000	-
Total contribution DGIS		**354,840**	**352,840**
Initial contribution FMO		7,778	7,778
Total contribution FMO	**(14)**	**7,778**	**7,778**
Translation reserve		1,447	807
Other reserves	(14)	68,697	68,697
Undistributed results previous years	(14)	22,327	61,095
Net profit / (loss)	(14)	-23,487	-38,768
Total fund capital		**431,602**	**452,449**
Total liabilities and fund capital		**443,100**	**463,434**
Effective guarantees issued	(22)	5,552	3,636
Irrevocable facilities	(22)	77,758	94,437
Total subsidy allocated to MASSIF and MCP		436,096	414,096
Total subsidy withdrawn from DGIS		347,096	345,096
"Total subsidy available"		**89,000**	**69,000**
Subsidy received by G-20 SME Finance Challenge		7,744	7,744

Statement of comprehensive income

At December 31

	Notes	2024	2023
Income			
Interest income from financial instruments measured at AC		8,260	5,163
Interest income from financial instruments measured at FVPL		5,530	5,370
Net interest income	**(15)**	**13,790**	**10,533**
Fee and commission income	(16)	260	197
Results from equity investments	(18)	-24,558	-10,471
Dividend income	(17)	1,191	2,854
Results from financial transactions	(19)	4,839	-16,263
Other operating income	(20)	9	-
Total income		**-4,469**	**-13,150**
Expenses			
Remuneration FMO		-10,775	-10,073
Capacity development expenses		-8,610	-6,299
Evaluation expenses		-497	-178
Other operating expenses		-1,385	-1
Total expenses	**(21)**	**-21,267**	**-16,551**
Impairments on			
Loans	(3)	4,659	-9,465
Loan commitments		114	-79
Guarantees issued		-215	-368
Total impairments		**4,558**	**-9,912**
Results on associates			
Share in the result of associates	(6)	-2,309	845
Net profit / (loss)		**-23,487**	**-38,768**
Other comprehensive income			
Translation reserve		640	-341
Other comprehensive income		**640**	**-341**
Total comprehensive income / (loss)		**-22,847**	**-39,109**

Statement of changes in fund capital

At December 31

	Contributed Fund capital	Contribution FMO	Translation reserve	Other reserves	Undistributed results previous years	Net profit / (loss)	Total fund capital
Net balance at January 1, 2023	**352,840**	**7,778**	**1,148**	**68,697**	**42,033**	**19,062**	**491,558**
Exchange differences on translating associates	-	-	-341	-	-	-	-341
Transfer net profit/(loss) PY to Undistr. Results	-	-	-	-	19,062	-19,062	-
Results current year	-	-	-	-		-38,768	-38,768
Net balance at December 31, 2023	**352,840**	**7,778**	**807**	**68,697**	**61,095**	**-38,768**	**452,449**
Net balance at January 1, 2024	**352,840**	**7,778**	**807**	**68,697**	**61,095**	**-38,768**	**452,449**
Contributed Fund Capital	2,000	-	-	-	-	-	2,000
Exchange differences on translating associates	-	-	640	-	-	-	640
Transfer net profit/(loss) PY to Undistr. Results	-	-	-	-	-38,768	38,768	-
Results current year	-	-	-	-		-23,487	-23,487
Net balance at December 31, 2024	**354,840**	**7,778**	**1,447**	**68,697**	**22,327**	**-23,487**	**431,602**

Statement of cash flows

At December 31

	Notes	2024	2023
Cash from operating activities			
Inflows			
Interest received on loans		9,806	8,094
Repayments on loans	(3)	50,060	52,468
Repayments on development contributions		-	-
Sales of equity instruments (book value)		28,411	5,253
Results from equity investments		-12,776	2,239
Results from sale to FMO		-	-
Dividends and fees received		1,295	2,470
Other received amounts		4,530	46,370
Outflows			
Disbursements on loans	(3)	-78,303	-34,854
Investments in equity instruments and associates	(5),(6)	-26,828	-23,643
Disbursements on development contributions		-5,955	-6,051
Other financial assets investment		-2,912	-1,165
Management fees FMO		-12,188	-10,073
Other paid amounts		-3,641	-183
Net cash from operating activities		**-48,501**	**40,925**
Cash flow financing activities			
Contribution DGIS current year	(14)	2,000	-
Net cash from financing activities		**2,000**	**-**
Net change in cash & cash equivalent		**-46,501**	**40,925**
Position of cash at January 1 [1]		107,558	69,525
Foreign exchange translation		2,627	-2,892
Position of cash at end of period [1]		**63,684**	**107,558**

1 Cash includes current account with FMO.

Summary of material accounting policies

General information

MASSIF ("the Fund") was established in 2006 by the Dutch Ministry of Foreign Affairs to provide risk capital and local currency financing to financial intermediaries in developing countries who in turn serve micro- and small scale entrepreneurs and lower income households. FMO executes the Fund at the risk and expense to itself (2.16% equity) and the Dutch State (97.84% equity). The total subsidy received to date amounts to €352.8 million. The anticipated end date of the Fund is December 2026.

Basis of preparation

The annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These annual accounts are based on the 'going concern' principle.

These annual accounts have been prepared under the historical cost convention, except for:

- Equity investments, short-term deposits and other financial assets that are mandatorily measured at fair value through profit or loss;
- A part of the loan portfolio is mandatorily measured at fair value (refer to business model assessment and contractual cash flow assessment in this chapter below).

The material accounting policies adopted are set out below.

Adoption of new standards, interpretations and amendments

There are no new standards, interpretations or amendments adopted that have an impact on MASSIF.

Issued but not yet adopted standards

MASSIF has assessed recently completed amendment and standard development projects expected to be effective from 2025 to 2027, MASSIF does not expect these amendments and new standards to have a significant impact on its financial statements.

Significant estimates, assumptions and judgements

In preparing the annual accounts in conformity with IFRS, management is required to make estimates and assumptions affecting reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment is inherent to the formation of estimates. Although, these estimates are based on management's best knowledge of current events and actions, actual results could differ from such estimates and the differences may be material to the annual accounts. The most relevant estimates and assumptions relate to:

- The determination of the fair value of financial instruments based on generally accepted modeled valuation techniques;
- The determination of the expected credit loss allowance in accordance with IFRS 9;

Information about judgements made in applying accounting policies are related to the following:

- Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest;
- The inputs and calibration of the ECL model which include the various formulas and the choice of inputs, aging criteria and forward-looking information;

Foreign currency translation

The Fund uses the euro as the unit for presenting its annual accounts. All amounts are denominated in thousands of euros unless stated otherwise. In accordance with IAS 21, foreign currency transactions are translated to euro at the exchange rate prevailing on the date of the transaction. At the statement of financial position date, monetary assets and liabilities are reported using the closing exchange rate. Non-monetary assets that are not measured at cost denominated in foreign currencies are reported using the exchange rate that existed when fair values were determined.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in the statement of profit or loss under 'Results from financial transactions'.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value. When a gain or loss for non-monetary financial asset is recognized through FVOCI (fair value through other comprehensive income), any foreign exchange component of the gain or loss is also recognized through FVOCI.

When preparing the annual accounts, the Fund's share in associates is translated at the exchange rates at the reporting date, while income and expense items are translated at weighted average rates for the period. Differences resulting from the use of closing and weighted average exchange rates, and from revaluation of an entity's opening net asset value at closing rate, are recognized directly in the translation reserve within the Fund's capital. These translation differences are maintained in the translation reserves until disposal of the associate.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Fair value of financial instruments

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the fair value of an instrument is measured by using the quoted price in an active market for that instrument. If there is no quoted price in an active market, valuation techniques are used that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

In the performance of the fair value assessment for equity instruments, the exposure and impact of climate and environmental risks on the relevant investee companies are considered according to current and near-term climatic and environmental conditions, as appropriate, in developing a reasonable estimate of the fair value for these equity instruments.

Amortized cost and gross carrying amount

The amortised cost (AC) of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The *gross carrying amount* of a financial asset is the AC of a financial asset before adjusting for any expected credit loss allowance.

Financial assets – Classification

On initial recognition, a financial asset is classified as measured at amortized cost (AC), fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI)

A financial asset is measured at AC if it meets both of the following conditions and is not classified as at FVPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A debt instrument is classified as (and) measured at FVOCI only if it meets both of the following conditions and is not classified as at FVPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For equity investments that are not held for trading an irrevocable election exists (on an instrument-by-instrument basis) to present subsequent changes in fair value in OCI.

All financial assets not classified and measured at AC or FVOCI as described above are measured at FVPL. In addition, on initial recognition the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at AC or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transaction costs related to financial assets, not measured at FVPL, are directly added to its fair value for initial recognition and therefore attributed directly to its acquisition.

Business model assessment

The Fund has made an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information that is considered includes:

- How the performance of the portfolio is evaluated and reported to management of the Fund;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets whose performance is based on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Contractual cash flow assessment

For the purpose of the contractual cash flow assessment, related to solely payments of principal and interest (SPPI), 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund has considered the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund has considered among others:

- Contingent events that would change the amount and timing of cash flows – e.g. prepayment and extension features, loans with performance related cash flows;
- Features that modify the consideration for the time value of money – e.g. regulated interest rates, periodic reset of interest rates;
- Loans with convertibility and prepayment features;
- Terms that limit the Fund's claim to cash flows from specified assets – e.g. non-recourse assets;
- Contractually linked instruments.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Fund accounts for the Day 1 profit or loss.

Reclassification

In rare circumstances, financial assets can be reclassified after initial recognition. This happens if the business model for managing financial assets has changed and this change is significant to the Fund's operations.

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks, current account with maintained with FMO and short-term deposits that usually mature in less than three months from the date of acquisition. Short-term deposits consist of money market funds, which are measured at FVPL. These financial instruments are very liquid with high credit rating, and which are subject to an insignificant risk of changes in fair value. There is no restriction on these financial instruments and the Fund has on demand full access to the carrying amounts. Unrealized gains or losses on the money market funds (including foreign exchange results) are reported in the 'Results from financial transactions'.

Loans

Loans originated by the Fund include loans to the private sector in developing countries for the account and risk of the Fund.

Loans on the statement of financial position of the Fund include:

- Loans measured at AC which comply with the classification requirements for AC as indicated in the section Financial assets – classification. These loans are initially measured at cost, which is the fair value of the consideration paid plus incremental direct transaction costs incurred. Subsequently, the loans are measured at AC using the effective interest rate method.
- Loans mandatorily measured at FVPL which do not comply with the classification requirements for AC as indicated in the section Financial assets – classification. These are measured at fair value with changes recognized in the statement of profit or loss.

Equity investments

Equity investments on the statement of financial position of the Fund include:

- Equity investments are measured at FVPL. The Fund has a long-term view on these equity investments, usually selling its stake within a period of 5 to 10 years. Therefore, these investments are not held for trading and are measured at fair value with changes recognized immediately in the statement of profit or loss;
- Equity investments designated as at FVOCI. The designation is made since these are held for long-term strategic purposes. These investments are measured at fair value. Dividends are recognized as income in profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in the fair value reserve (OCI) and are never reclassified to the statement of profit or loss.

Other financial assets at FV

Other financial assets reflect the Dutch State's investment in the Ventures Program. The Ventures Program is a structured entity and is a co-investment between FMO, the Dutch Government and the European Commission. Following the specific conditions the investment of the State Funds in the asset is classified as “Other financial assets at fair value”.

These financial assets are accounted for at fair value through profit or loss. The underlying equity investments (financial assets) in the Ventures Program are measured mandatorily at FVPL and the valuation of these assets form the basis of the value attributable to the program's co-investors. Refer to the 'Fair value of financial assets and liabilities' note for the description of the valuation technique applied to these financial liabilities.

Revaluation of other financial assets is reported under 'Results from financial transactions'.

Financial assets – Impairment

The Fund estimates an allowance for expected credit losses for all financial assets, loan commitments and financial guarantee contracts issued (off balance items) in scope of IFRS 9 impairment assessment.

No impairment loss is recognized on equity investments.

Impairment stages: loans, banks and off-balance sheet items

The Fund groups its loans into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

- Stage 1 – Performing loans: when loans are first recognized, an allowance is recognized based on a 12-month expected credit loss;

- Stage 2 – Underperforming loans: when a loan shows a significant increase in credit risk, an allowance is recorded for the lifetime expected credit loss;
- Stage 3 – a lifetime expected credit loss is recognized for these loans. In addition, in Stage 3, interest income is accrued on the AC of the loan net of allowances.

ECL measurement

The Fund's ECL model is primarily an expert based model and this model is benchmarked with other external sources if possible.

ECL measurement Stage 1 and Stage 2

IFRS 9 ECL allowance reflects unbiased, probability-weighted estimates based on loss expectations resulting from default events over either a maximum 12-month period from the reporting date or the remaining life of a financial instrument. The method used to calculate the ECL allowances for Stage 1 and Stage 2 assets are based on the following parameters:

- PD: the Probability of Default is an estimate of the likelihood of default over a given time horizon. The Fund uses a scorecard model based on quantitative and qualitative indicators to assess current and future clients and determine PDs. The output of the scorecard model is mapped to the Moody's PD master scale based on idealized default rates. A point in time adjustment is made to these PDs using a z-factor approach to account for the business cycle;
- EAD: the Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, scheduled by contract or otherwise, expected drawdowns and accrued interest from missed payments;
- LGD: the Loss Given Default is an estimate of the Fund's loss arising in the case of a default at a given time. It is based on the difference between the contractual cash flows due and any future cashflows or collateral that the Fund would expect to receive;
- Z-factor: the Z-factor is a correction factor to adjust the client PDs for current and expected future conditions. The Z-factor adjusts the current PD and PD two years into the future. GDP growth rates per country from the IMF, both current and forecasted, are used as the macro-economic driver to determine where each country is in the business cycle. Client PDs are subsequently adjusted upward or downward based on the country where they are operating.

Macro economic scenarios in PD estimates

In addition to the country-specific Z-factor adjustments to PD, the Fund applies probability-weighed scenarios to calculate final PD estimates in the ECL model. The scenarios are applied globally and are based on the vulnerability of emerging markets to prolonged economic downturn. The scenarios and their impact are based on IMF data and research along with historical default data in emerging markets.

The three scenarios applied are:

- Positive scenario: Reduced vulnerability to an emerging market economic downturn;
- Base scenario: Vulnerability and accompanying losses based on the Fund's best estimate from risk models;
- Downturn scenario: Elevated vulnerability to an emerging market economic downturn.

ECL measurement Stage 3

The calculation of the expected loss for Stage 3 is different when compared to the Stage 1 and Stage 2 calculation. Reason for this is that loan-specific impairments provide a better estimate for Stage 3 loans in the Fund's diversified loan portfolio. The following steps are taken which serve as input for the Financial Risk Committee (FRC) to decide about the specific impairment level:

- Calculate probability weighted expected loss based on multiple scenarios including return to performing (and projected cash flows), restructuring, and write-off or sale;
- Based on these probability weights, a discount curve is generated and the discounted cashflow (DCF) model is used to determine the percentage to be applied on the outstanding amount of a loan;
- Take expected cash flows arising from liquidation processes and "firm offers" into account. The cashflows arising from these processes and "firm offers" serve as a cap for the provision (or a floor for the value of the loan).

Staging criteria and triggers

Financial instruments classified as low credit risk

The Fund considers all financial instruments with an investment grade rating (BBB- or better on the S&P scale or F10 or better on Fund's internal scale) to be classified as low credit risk. For these instruments, the low credit risk exemption is applied and irrespective of the change of credit risk (as long as it remains investment grade) a lifetime expected credit loss will not be recognized. This exemption lowers the monitoring requirements and reduces operational costs. This exemption is applied for 'Current Accounts with FMO'.

No material significant increase in credit risk since origination (Stage 1)

All loans which have not had a significant increase in credit risk since contract origination are allocated to Stage 1 with an ECL allowance recognized equal to the expected credit loss over the next 12 months. The interest revenue of these assets is based on the gross amount.

Significant increase in credit risk (Stage 2)

IFRS 9 requires financial assets to be classified in Stage 2 when their credit risk has increased significantly since their initial recognition. For these assets, a loss allowance needs to be recognized based on their lifetime ECLs. The Fund considers whether there has been a significant increase in credit risk of an asset by comparing the lifetime probability of default upon initial recognition of the asset against the risk of a default occurring on the asset as at the end of each reporting period. Interest revenue for these financial assets is based on the gross amount. This assessment is based on either one of the following items:

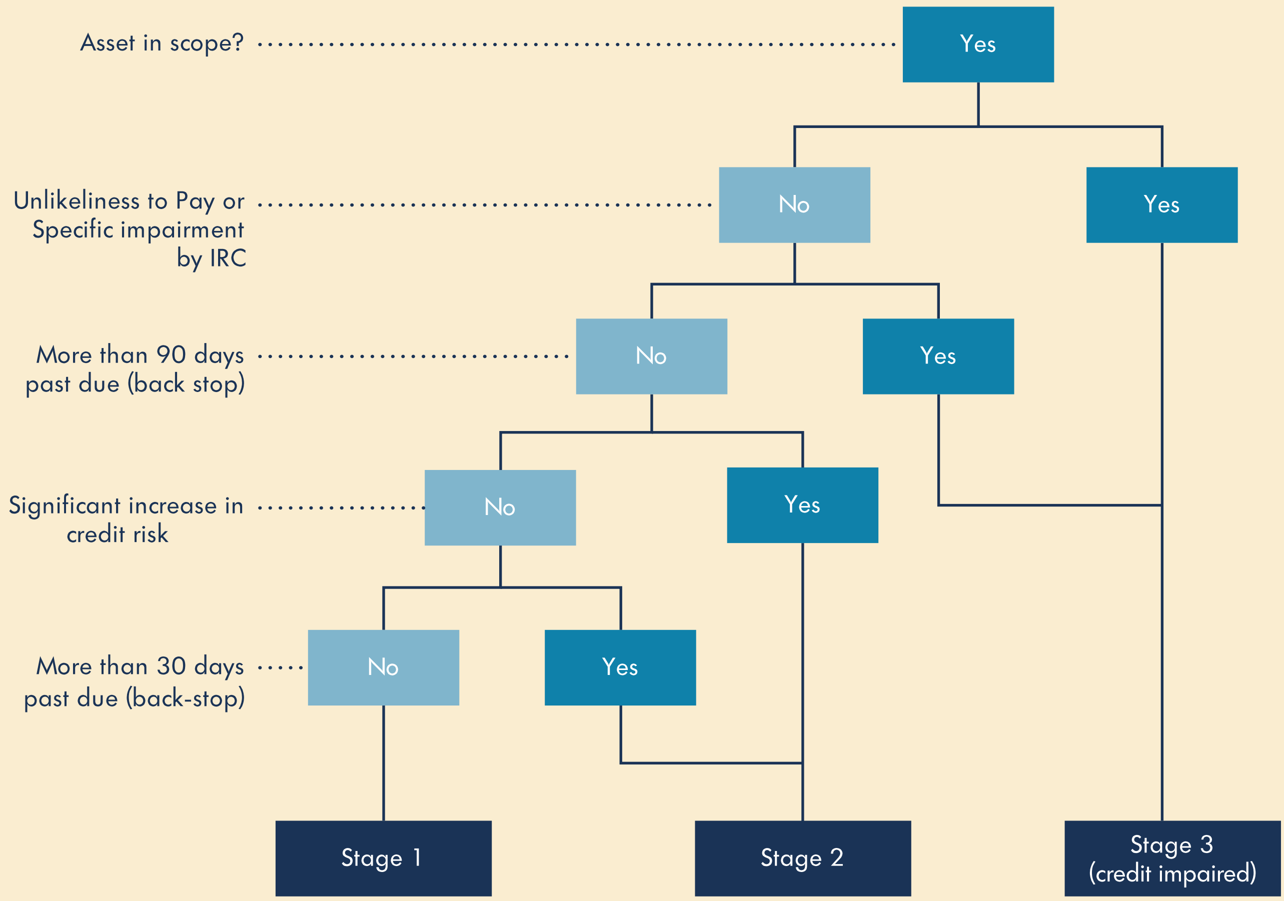
- The fact that an early warning signal has triggered financial difficulty following a transfer to the watchlist;
- The fact that the financial asset is 30 days past due or more on any material obligation to the Fund, including fees and excluding on charge expenses (unless reasonable information and supportable information is available demonstrating that the client can service its debt).

Definition of default (Stage 3)

A financial asset is considered as default when any of the following occurs:

- The client is past due more than 90 days on any material obligation to the Fund, including fees (excluding on-charged expenses);
- The Fund judges that the client is unlikely to pay its credit obligation to the Fund due to occurrence of credit risk deterioration and the FRC or Credit department decides on a specific impairment on individual basis. The triggers for deciding on specific impairment include among others bankruptcy, days of past due, central bank intervention, distressed restructuring or any material adverse change or development that is likely to result in a diminished recovery of debt;

The following diagram provides a high level overview of the IFRS 9 impairment approach at the Fund.



Reverse staging

Reversed staging relates to criteria which trigger a stage transfer to Stage 1 for loans which are in Stage 3 or Stage 2. The following conditions must apply for a transfer to stages representing lower risk:

- Loans in Stage 2 will only revert to Stage 1 when there is no indication of financial difficulty and the exposure is removed from the watchlist, the regulatory forbearance probation period of minimum two years has passed and no material amounts are past due for more than 30 days
- Loans in Stage 3 will revert to Stage 2 when the specific impairment is released, there are no obligations past due for more than 90 days and all regulatory probation periods have passed.

Climate and environmental (C&E) risk impact assessment

The Fund has set up a process to evaluate climate and environmental related risks on individual customers, both at origination and throughout monitoring via an internal tool, as part of the credit process. Through this process, the Fund aims to ensure that higher risk transactions undergo further assessments and appropriate measures (when feasible) are taken to address and manage climate-related and environmental risks throughout the investment cycle. As part of the annual monitoring cycle of the Fund's customers, reviews will take place to assess whether the assessments are still up to date and where needed adjusted. The performance of climate risk assessments as part of our investment process is considered to be an important mitigant for our credit risk in relation to C&E risks.

Given the current understanding of climate and environmental risks and their impact within the Fund, the Fund does not currently consider such risks in its ECL assessment directly. Central tendencies for the calibration of PDs do include a best-effort correction for uncertainty with a 10% increase of the assumed long-term average default rate to account for uncertainties from a variety of factors that could be considered to account for Climate-related and Environmental risks. Additionally, a review of past defaults found little direct impact of Climate-related and Environmental risks on defaults, with most issues being related to questions of governance and ability of a company to adapt; such factors are captured in the Fund's current rating model.

Written-off financial assets

A write-off is made when a claim is deemed non-collectible, when the Fund has no reasonable prospects of recovery after, among others, enforcement of collateral or legal enforcement with means of lawsuits. Furthermore, a write-off is performed when the loan is being forgiven by the Fund. There are no automatic triggers, which would lead to a write-off of the loan; specific impaired loans are assessed on individual basis depending on their circumstances. Generally, when the impairment percentage exceeds 95%, the FRC is advised to consider a write-off.

Write-offs are charged against previously booked impairments. If no specific impairment is recorded on basis of FRC decision making from the past, the write-off is included directly in the profit and loss account under 'Impairments'.

Modification of financial assets

The Fund has defined specific events-based triggers, related to the type of restructuring being carried out in order to determine whether a specific change in contractual terms gives rise to derecognition or modification, instead of relying only on a quantitative threshold related to differences in net present value (NPV).

Modification of terms and conditions arise from lending operations where the Fund enters into arrangements with clients, which implies modifications to existing contractual cash flows or terms and conditions. Such arrangements are usually initiated by the Fund when financial difficulty occurs or is expected with a borrower. The purpose of such an arrangement is usually to collect original debt over different terms and conditions from the borrower. Modifications may include extending the tenor, changing interest rate percentages or their timing, or changing of interest margin.

During the modification assessment, the Fund will evaluate whether the modification event leads to a derecognition of the asset or to a modification accounting treatment. Generally, loans that are sold to a third party or are written off lead to a derecognition. When existing debt is converted into equity, a derecognition of the debt will occur and be recognized again on the statement of financial position as equity. For modifications in interest percentages or tenor changes of existing amortized cost loans that do not pass the SPPI test, the loan will also be derecognised and will be recognised as new loans on the Fund's statement of financial position according to the new classification.

When modification measures relate to changes in interest percentages or extensions of tenors and the loan is at amortized cost, the Fund will recalculate the gross carrying amount of the financial asset by discounting the modified expected cash flows using the original effective interest rate and recognizes the difference in the gross carrying amount as a modification gain or loss in profit and loss. However, when the NPV of the original loan is substantially different than the NPV of the modified loan, the original loan is derecognized and re-recognized on the statement of financial position. The Fund considers a variance of greater than 10% as substantially different.

Modification of contractual terms versus forbearance

Forbearance is not an IFRS term, but relates to arrangements with clients which imply modifications to existing terms and conditions due to financial difficulties of the client. Financial difficulties include, among others, prospects of bankruptcy or central bank intervention. Forbearance must include concessions to the borrower such as release of securities or changes in payment covenants that implies giving away payment rights. Forbearance measures do not necessarily lead to changes in contractual cash flows (e.g. waiver of specific covenant breaches).

Theoretically modification of contractual cash flows or terms and conditions, does not necessarily apply to clients in financial difficulties or performed due to potential higher credit risk. However for the Fund, a modification of the contractual terms is usually initiated when financial difficulty occurs or is expected. Therefore only in exceptional cases, changes in modifications of contractual terms not following from credit risk related triggers, will not lead to forbearance e.g. in case of an environmental covenant breach. For the Fund, generally modifications will follow from financial difficulties of the borrower and will be classified as forborne assets.

Investment in associates

Equity investments in companies in which the Fund has significant influence ('associates') are accounted for under the equity accounting method. Significant influence is normally evidenced when the Fund has from 20% to 50% of a company's voting rights unless:

- The Fund is not involved in the company's operational and/or strategic management by participation in its Management, Supervisory Board or Investment Committee; and
- There are no material transactions between The Fund and the company; and
- The Fund makes no essential technical assistance available.

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased after the date of acquisition to recognize the Fund's share of the investee's results or other results directly recorded in the equity of associates.

Investments in associates are reviewed and analyzed on at least a semi-annual basis. A net investment in an associate is impaired or impairment losses occur where there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the net investment and the loss event has an impact on the estimated future cash flows from the net investment that can be reliably estimated. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is considered as the primary objective evidence of impairment, in addition to other observable loss events. The Fund considers a difference between fair value and its cost of more than 10% as significant and greater than one year as prolonged. In the event of an impairment on one of these investments, the impairment is recognized in the profit and loss account under 'Share in the results on associates'.

Provisions

Provisions are recognized when:

- The Fund has a present legal or constructive obligation as a result of past events; and
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate of the amount of the obligation can be made.

Provisions are recognised for loan commitments and guarantees.

Guarantees

Issued financial guarantee contracts are measured at the higher of:

- The IFRS 9 ECL allowance or the amount of the provision under the contract; and
- The amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies as set out in sections 'Net interest income: interest income and expense' and 'Fee and commission income and expense'. These fees are recognized as revenue on an accrual basis over the period committed.

Provisions resulting from guarantees are included in the 'Provisions' line item.

The Fund applies the same methodology as loans for measurement of ECL allowance of guarantees. Refer to policies above.

Fund Capital

Fund capital represents the total net assets of the Fund that are attributable to the Fund's investors at the balance sheet date. The amounts are classified as equity in accordance with IAS 32.

Contributed Fund Capital

The contributed capital contains the subsidies provided by the Dutch State to finance the portfolio of loans and equity investments.

The Fund Capital is revolvable (100% revolvability) when the current value of assets is equivalent or the sum of the capital put into the Fund by the funding party.

Translation reserve

The assets, liabilities, income and expenses of foreign operations and associates are translated using the closing and weighted average exchange rates. Differences resulting from the translation are recognized in the translation reserve.

Other reserves

Other reserves includes the reserve adjustments that arose out of the transition to IFRS 9 from IAS 39 in the financial year beginning 1 January 2018. This includes the transfer of previous available-for-sale reserves as well differences in measurement arising on transition.

Undistributed results previous years

The undistributed results consist of the part of the annual results that the Fund is accumulating to maintain the recoverability of the Fund.

Net interest income: interest income and expense

Interest income and interest expenses from financial instruments measured at AC are recognized in the profit and loss account for all interest-bearing financial instruments on an accrual basis using the 'effective interest' method based on the fair value at inception. Interest income and interest expenses also include amortized discounts and premiums on financial instruments.

When a financial asset measured at AC is credit-impaired and regarded as Stage 3, interest income is calculated by applying the effective interest rate to the net carrying value of the financial asset. If the financial asset is no longer credit-impaired, the calculation of interest income reverts to the gross basis.

Interest income from loans measured at FVPL is recognized under 'Interest income from financial instruments measured at FVPL'.

Fee and commission income and expense

The Fund earns fees from a diverse range of services. The revenue recognition for financial service fees depends on the purpose for which the fees are charged and the basis of accounting for the associated financial instrument. Fees that are part of a financial instrument carried at fair value are recognized in the profit and loss account. Fee income that is part of a financial instrument carried at AC can be divided into three categories:

1. *Fees that are an integral part of the effective interest rate of a financial instrument (IFRS 9)*
   These fees (such as front-end fees) are generally treated as an adjustment to the effective interest rate. When the facility is not used and the commitment period expires, the fee is recognized at the moment of expiration. However, when the financial instrument is to be measured at fair value subsequent to its initial recognition, the fees are recognized as interest-income;
2. *Fees earned when services are provided (IFRS 15)*
   Fees charged by the Fund for servicing a loan (such as administration fees and agency fees) are recognized as revenue when the services are provided. Portfolio and other management advisory and service fees are recognized in line with the periods and the agreed services of the applicable service contracts;
3. *Fees that are earned on the execution of a significant act (IFRS 15)*
   These fees (such as arrangement fees) are recognized as revenue when the significant act has been completed.

Dividend income

Dividends are recognized in dividend income when a dividend is declared. The dividend receivable is recorded at declaration date.

Results from equity investments

Gains and losses in valuation of the equity investment portfolio are recognized under 'Results from equity investments'. These gains and losses include foreign exchange results of equity investments which are measured at fair value.

Results from financial transactions

Results from financial transactions include foreign exchange results (excluding foreign exchange results related to equity investments measured at fair value) driven by changes in the market. Furthermore, the valuation gains and losses related to loans measured at fair value and the investment in the Ventures Program are recognized in the profit and loss immediately under 'Results from financial transactions'.

Capacity development expenses and contributions

Development contributions disbursed to recipients are recognized as an expense in the profit and loss account when the Fund incurs an irrevocable obligation to disburse the amount. Development contributions which contain repayment rights which meet the recognition criteria of an asset are treated in accordance with the policy on financial assets described above. Development contributions which do not contain a right to payment that meets the asset recognition criteria are recognized as an expense in the profit and loss account when the Fund incurs an irrevocable obligation to disburse the amount.

Taxation

The MASSIF programme contributes to the overall income of the Ministry of Foreign Affairs and this income is considered business income subject to corporate income tax. No separate tax calculation is performed for MASSIF in the preparation of the annual financial statements. The results of the Fund are included in the Ministry's overall calculation of tax payable. The Ministry’s overall calculation of tax payable is not allocated back to the Fund as an expense.

Statement of cash flows

The statement of cash flows is presented using the direct method.

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Fund is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECL allowances are disclosed in Note 21.

Notes to the annual accounts

1. Banks

	2024	2023
Banks	6,039	5,363
Balance at December 31	**6,039**	**5,363**

The cash on bank accounts can be freely disposed of. All bank accounts are classified as Stage 1.

2. Short-term deposits

Short-term deposits are liquid accounts and are subject to an insignificant risk of changes in fair value. The Fund has on demand full access to the carrying amounts. Short-term deposits consist of money market funds, which are measured at FVPL. Short-term deposits have a maturity of less than three months.

	2024	2023
Money market funds	58,340	102,200
Balance at December 31	**58,340**	**102,200**

3. Loans portfolio

Loans originated by the Fund include loans to the private sector in developing countries for the account and risk of the Fund.

	Loans measured at AC	Loans measured at FVPL	Total 2024
Balance at January 1, 2024	**117,166**	**21,415**	**138,581**
Disbursements	75,051	3,252	78,303
Loan Consolidation	-75	-	-75
Repayments	-43,311	-6,674	-49,985
Write-offs / disposed	-3,736	-913	-4,649
Changes in amortizable fees	-156	-	-156
Changes in fair value	-	2,079	2,079
Changes in accrued income	341	-358	-17
Exchange rate differences	6,808	1,176	7,984
Balance at December 31, 2024	**152,088**	**19,977**	**172,065**
Impairment	-30,750	-	-30,750
Total balance at December 31, 2024	**121,338**	**19,977**	**141,315**

	Loans measured at AC	Loans measured at FVPL	Total 2023
Balance at January 1, 2023	142,984	27,050	170,034
Disbursements	28,973	5,881	34,854
Loan Participation/Sale Post Disbursement	-	-	-
Repayments	-43,647	-8,821	-52,468
Write-offs / disposed	-7,305	-1,592	-8,897
Derecognized and/or restructured loans	-98	-	-98
Changes in amortizable fees	29	-9	20
Changes in fair value	-	-387	-387
Changes in accrued income	-2,285	-3	-2,288
Exchange rate differences	-1,485	-704	-2,189
Balance at December 31, 2023	**117,166**	**21,415**	**138,581**
Impairment	-38,473	-	-38,473
Total balance at December 31, 2023	**78,693**	**21,415**	**100,108**

The following table summarizes the loans segmented by sector:

2024

Loans segmented by sector	Stage 1	Stage 2	Stage 3	Fair value	Total
Financial Institutions	74,800	19,253	19,867	12,324	126,244
Energy	-	-	-	-	-
Agribusiness	7,418	-	-	7,653	15,071
Net balance at December 31	**82,218**	**19,253**	**19,867**	**19,977**	**141,315**

2023

Loans segmented by sector	Stage 1	Stage 2	Stage 3	Fair value	Total
Financial Institutions	45,358	6,694	20,485	16,384	88,921
Energy	-	-	-	-	-
Agribusiness	6,156	-	-	5,031	11,187
Net balance at December 31	**51,514**	**6,694**	**20,485**	**21,415**	**100,108**

2024

Loans segmented by geographical area	Stage 1	Stage 2	Stage 3	Fair value	Total
Africa	31,302	2,503	12,658	10,457	56,920
Asia	12,909	975	7,209	6,875	27,968
Latin America & the Carribbean	8,416	15,775		-	24,191
Europe & Central Asia	10,471	-	-	-	10,471
Non - region specific	19,120	-	-	2,645	21,765
Net balance at December 31	**82,218**	**19,253**	**19,867**	**19,977**	**141,315**

2023

Loans segmented by geographical area	Stage 1	Stage 2	Stage 3	Fair value	Total
Africa	24,420	2,377	11,119	9,372	47,288
Asia	2,921	4,317	9,221	4,792	21,251
Latin America & the Carribbean	6,533	-	145	-	6,678
Europe & Central Asia	8,743	-	-	6,837	15,580
Non - region specific	8,897	-	-	414	9,311
Net balance at December 31	**51,514**	**6,694**	**20,485**	**21,415**	**100,108**

	2024	2023
Gross amount of loans to companies in which FMO has equity investments	-	1,042
Gross amount of subordinated loans	13,137	15,042

For definition and more details on non-performing loans, we refer to section 'Credit Risk' within the Risk Management paragraph.

The movements in the gross carrying amounts and ECL allowances for the loans at AC are as follows:

Changes in loans to the private sector at AC in 2024	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	Gross carrying amount	**ECL allowance**	**Gross carrying amount**	**ECL allowance**	**Gross carrying amount**	**ECL allowance**	**Gross carrying amount**	**ECL allowance**
At December 31, 2023	**52,314**	**-800**	**7,346**	**-652**	**57,506**	**-37,021**	**117,166**	**-38,473**
Additions	74,963	-1,220	-	-159	87		75,050	-1,379
Exposures derecognised or matured / lapsed (excluding write-offs and modifications)	-33,438	598	-1,383	9	-8,491	4,757	-43,312	5,364
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-1,954	21	1,954	-21	-	-	-	-
Transfers to Stage 3	-	-	-3,081	250	3,081	-250	-	-
Modifications of financial assets (including derecognition)	-13,623	-	13,548	-	-	-	-75	-
Changes in risk profile not related to transfers	-	388	-	182	-	98	-	668
Amounts written off	-	-			-3,736	3,736	-3,736	3,736
Changes in amortizable fees	-114	-	-109	-	67	-	-156	-
Changes in accrued income	1,155	-	186	-	-909	-	432	-
Foreign exchange adjustments	3,997	-69	1,199	-16	1,523	-581	6,719	-666
At December 31, 2024	**83,300**	**-1,082**	**19,253**	**-407**	**49,128**	**-29,261**	**152,894**	**-30,750**

Changes in loans to the private sector at AC in 2023	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	Gross carrying amount	**ECL allowance**	**Gross carrying amount**	**ECL allowance**	**Gross carrying amount**	**ECL allowance**	**Gross carrying amount**	**ECL allowance**
At December 31, 2022	75,287	-855	12,956	-275	54,741	-34,238	142,984	-35,368
Additions	20,833	-601	3,089	-139	-	-	23,922	-740
Exposures derecognised or matured / lapsed (excluding write-offs and modifications)	-25,814	32	-6,545	85	-7,086	3,597	-39,445	3,714
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-2,285	99	2,285	-99	-	-	-	-
Transfers to Stage 3	-13,548	100	-	-	13,548	-100	-	-
Modifications of financial assets (including derecognition)	8	-	-4,307	-	5,051	-	752	-
Changes in risk profile not related to transfers	-	399	-	-235	-	-12,699	-	-12,535
Amounts written off	-	-	-	-	-7,305	7,305	-7,305	7,305
Changes in amortizable fees	-30	-	32	-	28	-	30	-
Changes in accrued income	-188	-	139	-	-2,237	-	-2,286	-
Foreign exchange adjustments	-1,949	26	-303	11	766	-886	-1,486	-849
At December 31, 2023	**52,314**	**-800**	**7,346**	**-652**	**57,506**	**-37,021**	**117,166**	**-38,473**

Total impairments on loans in the profit and loss account	**2024**	**2023**
Additions	-1,379	-740
Exposure derecognised or matured/lapsed (excluding write - offs)	5,364	-3,591
Changes in risk profile (including changes in accounting estimates)	-1,433	-5,230
Recoveries (written off loans)	-	-
Other	2,107	96
Balance at December 31	**4,659**	**-9,465**

4. ECL allowances - assessment

ECL allowances are calculated for Banks, Loans at private sector at AC (including off balance loan commitments) and Guarantees Given to customers. The movement in ECL allowances for each of these items is presented in their relevant notes.

To demonstrate the sensitivity of the SICR criteria, the tables below present the distribution of stage 2 impairments by the criteria that triggered the migration to stage 2.

December 31, 2024

ECL allowance - Stage 2 trigger assessment	Loans to private sector	Guarantees	Loan commitments	Total
More than 30 days past due	-	-	-	-
Forbearance	-	-	-	-
Deterioration in credit risk rating - financial difficulties	-407	-18	-	-425
Total	**-407**	**-18**	**-**	**-425**

December 31, 2023

ECL allowance - Stage 2 trigger assessment	Loans to private sector	Guarantees	Loan commitments	Total
More than 30 days past due	-	-	-	-
Forbearance	-	-	-	-
Deterioration in credit risk rating - financial difficulties	-652	-21	-	-673
Total	**-652**	**-21**	**-**	**-673**

The following table shows the values of the IMF GDP forecasts used in each of the economic scenarios for the ECL calculations for 2024 and 2025. The upside and downside scenario calculations are derived from the base case scenario, adjusted based on an indicator of public debt to GDP in emerging markets.

The macroeconomic scenarios' model was updated following the publication of the new macroeconomic outlook data by the International Monetary Fund (IMF) in 2024. The updates of the model based on more optimistic GDP forecast, caused new point-in-time adjustments to probability of defaults in the impairment model, leading to a release in combined stage-1 and stage-2 impairment charge.

IMF GDP % Growth Forecasts	2024	2025
Guatemala	3.5%	3.6%
Georgia	7.6%	6.0%
Ethiopia	6.1%	6.5%
Madagascar	4.5%	4.6%
Myanmar	1.0%	1.1%
Zimbabwe	2.0%	6.0%
India	7.0%	6.5%
The Palestine Territories [1]	n/a	n/a
Nicaragua	4.0%	3.8%
Indonesia	5.0%	5.1%

1 IMF had no forecasts of GDP growth rates available for the Palestine Territories.

Note that macroeconomic scenarios have been updated by using the latest available information by the IMF, as published in October 2024.

31-Dec-24	Total unweighted amount per ECL scenario	Probability	Loans to the private Sector	Guarantees	Total
ECL Scenario:					
Upside	32,999	2%	648	12	660
Base case	33,618	50%	16,489	320	16,809
Downside	34,680	48%	16,324	323	16,647
Total		**100%**	**33,460**	**655**	**34,115**

31-Dec-23	Total unweighted amount per ECL scenario	Probability	Loans to the private Sector	Guarantees	Total
ECL Scenario:					
Upside	42,281	2%	838	8	846
Base case	42,918	50%	21,256	203	21,459
Downside	44,108	48%	20,965	207	21,172
Total		**100%**	**43,059**	**418**	**43,477**

5. Equity investments

The equity investments in developing countries are for the Fund's account and risk. The movements in fair value of the equity investments are summarized in the following table. Equity investments are measured at FVPL.

	Equity measured at FVPL
Net balance at January 1, 2024	**219,269**
Purchases and contributions	26,828
Reclassification from loans	-
Return of Capital	-15,826
Changes in fair value	-24,363
Net balance at December 31, 2024	**205,908**

	Equity measured at FVPL
Net balance at January 1, 2023	**213,593**
Purchases and contributions	23,643
Reclassification from loans	-
Return of Capital	-6,727
Changes in fair value	-11,240
Net balance at December 31, 2023	**219,269**

The following table summarizes the equity investments segmented by sector:

	2024	2023
Financial Institutions	102,923	117,756
Energy	2,005	2,192
Agribusiness	3,614	2,597
Multi-Sector Fund Investments	85,932	82,491
Infrastructure, Manufacturing and Services	11,434	14,233
Net balance at December 31	**205,908**	**219,269**

6. Investments in associates

The movements in net book value of the associates are summarized in the following table:

	2024	2023
Net balance at January 1	10,463	9,955
Purchases and contributions	-	-
Share in net results	-2,309	845
Exchange rate differences	635	-337
Net balance at December 31	**8,789**	**10,463**

Investments in associates are valued based on the equity accounting method.

The following table summarizes the associates segmented by sector.

	2024	2023
Financial Institutions	8,789	10,463
Net balance at December 31	**8,789**	**10,463**

The following table summarizes the share in the total assets, liabilities, total income and total net profit/loss of the associates

Associate	Carrying amount	Economic ownership %	Total assets	Total liabilities	Total income	Total profit/ loss
Teak Tree Investments	4,418	40%	4,418	-	-	-
SFC Finance Limited	4,371	31%	10,013	5,640	927	-88

7. Other financial assets

	2024	2023
Other financial assets at FV [1]	21,875	24,601
Balance at December 31	**21,875**	**24,601**

1 Other financial assets at FV relate to FMO's Ventures Program

8. Other receivables

	2024	2023
Receivables related to equity disposals and dividends	646	1,183
Fee receivables	145	228
Balance at December 31	**791**	**1,411**

9. Accrued income

	2024	2023
Suspense account	3	-
Accrued income guarantee fee	40	19
Balance at December 31	**43**	**19**

10. Current accounts (liabilities)

	2024	2023
Current account FMO	694	5
Balance at December 31	**694**	**5**

11. Other liabilities

	2024	2023
Amortized costs related to guarantees	49	22
Balance at December 31	**49**	**22**

12. Accrued liabilities

	2024	2023
Bank suspense account	136	412
Accrued costs capacity development	9,852	7,019
Prepayments Ventures/Nasira	-	888
Prepayment Market Creation Platform	-	2,000
Balance at December 31	**9,988**	**10,319**

13. Provisions

	2024	2023
Allowance for loan commitments	127	232
Allowance for guarantees	640	407
Balance at December 31	**767**	**639**

14. Contributed fund capital and reserves

	2024	2023
Contributed Fund Capital	352,840	352,840
Initial contribution FMO	7,778	7,778
Contribution DGIS current year	2,000	-
Balance at December 31	**362,618**	**360,618**

The fund capital is revolvable (100% revolvability) when the current value of assets is equivalent or above the sum of the capital put into the fund by shareholders.

	2024	2023
Other reserves	68,697	68,697
Balance at December 31	**68,697**	**68,697**

Undistributed results	**2024**	**2023**
Balance at January 1	22,327	61,095
Net profit / (loss)	-23,487	-38,768
Balance at December 31	**-1,160**	**22,327**

15. Net interest income

Interest income

	2024	2023
Interest on loans measured at AC	8,110	4,741
Interest income related to banks	150	422
Total interest income from financial instruments measured at AC	8,260	5,163
Interest on loans measured at FVPL	1,500	862
Interest on short-term deposits	4,030	4,508
Total interest income from financial instruments measured at FVPL	5,530	5,370
Total interest income	**13,790**	**10,533**

16. Net fee and commission income

	2024	2023
Administration fees	67	79
Guarantee fees related to unfunded risk participants	153	24
Other fees (arrangement, cancellation and waiver fees)	40	94
Net fee and commission income	**260**	**197**

17. Dividend income

Dividend income relates to income from equity investments.

	2024	2023
Dividend income direct investments	1,001	2,739
Dividend income fund investments	190	115
Total dividend income	**1,191**	**2,854**

18. Results from equity investments

	2024	2023
Results from equity investments:		
Unrealized results from FX conversions - cost price	12,664	-5,607
Unrealized results from FX conversions - capital results	-3,473	539
Unrealized results from capital results	-33,554	-6,175
Results from Fair value re-measurements	**-24,363**	**-11,243**
Results from sales & distributions:		
Realized results	-13,212	-3,937
Release unrealized results	13,017	4,709
Net results from sales	**-195**	**772**
Total results from equity investments	**-24,558**	**-10,471**

19. Results from financial transactions

	2024	2023
Results on sales and valuations of FVPL loans	1,165	-1,479
Foreign exchange results	9,312	-5,349
Results on Ventures Program	-5,638	-9,435
Total results from financial transactions	**4,839**	**-16,263**

20. Other operating income

	2024	2023
Other operating income	9	-
Total other operating income	**9**	**-**

21. Expenses

	2024	2023
Remuneration FMO	-10,775	-10,073
Capacity development expenses	-8,610	-6,299
Evaluation expenses	-497	-178
Other operating expenses	-1,385	-1
Total operating expenses	**-21,267**	**-16,551**

Remuneration FMO relates to management fees paid to FMO.

Capacity development expenses relate to contracted contributions to beneficiaries in terms of the fund's objectives. Evaluation costs relate to expenses made during frequent investigations and controls of existing investments and costs related to due diligence of new projects.

22. Off-Balance Sheet information

To meet the financial needs of borrowers, the Fund enters into various irrevocable commitments (loan commitments, equity commitments and guarantee commitments) and contingent liabilities. These contingent liabilities consist of financial guarantees, which commit the Fund to make payments on behalf of the borrowers in case the borrower fails to fulfill payment obligations. Though these obligations are not recognized on the balance sheet, they do obtain Credit Risk similar to loans to private sector. Therefore, provisions are calculated for financial guarantees and loan commitments according to ECL measurement methodology.

The outstanding amount for financial guarantees issued by the Fund is as follows:

	2024	2023
Contingent liabilities		
Effective guarantees issued	5,552	3,636
Total guarantees issued	**5,552**	**3,636**

As agreed with the Dutch Ministry of Foreign Affairs, the fund shall maintain 1 euro for each euro of guarantee issued. The total amount of cash as per 31 December 2024 is adequately covering the total guarantees issued and hence meets the requirement set out by the Dutch Ministry of Foreign Affairs.

Nominal amounts for irrevocable facilities are as follows:

	2024	2023
Irrevocable facilities		
Contractual commitments for disbursements of:		
- Loans	19,430	32,030
- Development contributions	-	45
- Equity investments and associates	53,535	60,445
Contractual commitments for financial guarantees given	4,793	1,917
Total irrevocable facilities	**77,758**	**94,437**

The movement in exposure for the financial guarantees issued (including contractual commitments) and ECL allowance is as follows:

Movement financial guarantees in 2024	Stage 1		Stage 2		Stage 3		Total	
	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance
At January 1, 2024	4,339	-19	581	-21	633	-367	5,553	-407
Additions	7,323	-34	28	-3	-	-	7,351	-37
Exposures matured (excluding write-offs)	-2,167	3	-426	22	-251	105	-2,844	130
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-398	3	-	-	398	-3	-	-
Changes to models and inputs used for ECL calculations	-	3	-	-13	-	-297	-	-307
Foreign exchange adjustments	78	4	52	-3	155	-20	285	-19
At December 31, 2024	**9,175**	**-40**	**235**	**-18**	**935**	**-582**	**10,345**	**-640**

Movement financial guarantees in 2023	Stage 1		Stage 2		Stage 3		Total	
	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance
At January 1, 2023	3,966	-23	-	-	-	-	3,966	-23
Additions	4,023	-23	-	-	187	-	4,210	-23
Exposures matured (excluding write-offs)	-1,978	10	-53	-	-	-	-2,031	10
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-743	5	743	-5	-	-	-	-
Transfers to Stage 3	-467	4	-	-	467	-4	-	-
Changes to models and inputs used for ECL calculations	-	4	-	-16	-	-363	-	-375
Foreign exchange adjustments	-462	4	-109	-	-21	-	-592	4
At December 31, 2023	**4,339**	**-19**	**581**	**-21**	**633**	**-367**	**5,553**	**-407**

The movement in exposure for the loan commitments is as follows:

Movement of loans commitments in 2024	Stage 1		Stage 2		Stage 3		Total	
	Nominal amount	ECL allowance	Nominal amount	ECL allowance	Nominal amount	ECL allowance	Nominal amount	ECL allowance
At January 1, 2024	25,316	-232	-	-	-	-	25,316	-232
Additions	100,118	-429	-	-112	-	-	100,118	-541
Exposures derecognised or matured (excluding write-offs)	-111,991	587	-	110	-	-	-111,991	697
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-		-	-
Changes to models and inputs used for ECL calculations	-	-44	-	1	-		-	-43
Amounts written off	-	-	-	-	-	-	-	-
Foreign exchange adjustments	965	-9	-	1	-	-	965	-8
At December 31, 2024	**14,408**	**-127**	**-**	**-**	**-**	**-**	**14,408**	**-127**

Movement of loans commitments in 2023	Stage 1		Stage 2		Stage 3		Total	
	Nominal amount	ECL allowance	Nominal amount	ECL allowance	Nominal amount	ECL allowance	Nominal amount	ECL allowance
At January 1, 2023	16,291	-175	120	-2	-	-	16,411	-177
Additions	44,261	-363	4,942	-58	-	-	49,203	-421
Exposures derecognised or matured (excluding write-offs)	-31,381	302	-8,150	158	-	-	-39,531	460
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-3,085	52	3,085	-52	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-55	-	-44	-	-	-	-99
Amounts written off	-	-	-	-	-	-	-	-
Foreign exchange adjustments	-770	7	3	-2	-	-	-767	5
At December 31, 2023	**25,316**	**-232**	**-**	**-**	**-**	**-**	**25,316**	**-232**

23. Analysis of financial assets and liabilities by measurement basis

The significant accounting policies summary describes how the classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized. The following table gives a breakdown of the carrying amounts of the financial assets and financial liabilities by category as defined in under IFRS 9 and by balance sheet heading.

December 31, 2024	FVPL - mandatory	Amortized cost	Total
Financial assets measured at fair value			
Short-term deposits	58,340	-	58,340
Loans to the private sector	19,977	-	19,977
Equity investments	205,908	-	205,908
Other financial assets at FV	21,875	-	21,875
Total	**306,100**	**-**	**306,100**
Financial assets not measured at fair value			
Banks	-	6,039	6,039
Loans to the private sector		121,338	121,338
Other receivables	-	791	791
Accrued income	-	43	43
Total	**-**	**128,211**	**128,211**
Financial liabilities not measured at fair value			
Current accounts	-	694	694
Other liabilities	-	49	49
Accrued liabilities	-	9,988	9,988
Provisions	-	767	767
Total	**-**	**11,498**	**11,498**

December 31, 2023	FVPL - mandatory	Amortized cost	Total
Financial assets measured at fair value			
Short-term deposits	102,200	-	102,200
Loans to the private sector	21,415	-	21,415
Equity investments	219,269	-	219,269
Other financial assets at FV	24,601	-	24,601
Total	**367,485**	**-**	**367,485**
Financial assets not measured at fair value			
Banks	-	5,363	5,363
Loans to the private sector	-	78,693	78,693
Current accounts	-	-	-
Other receivables	-	1,411	1,411
Accrued income	-	19	19
Total	**-**	**85,486**	**85,486**
Financial liabilities not measured at fair value			
Current accounts		5	5
Other liabilities	-	22	22
Accrued liabilities	-	10,319	10,319
Provisions	**-**	**639**	**639**
Total	**-**	**10,985**	**10,985**

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on lowest level input that is significant to the fair value measurement as a whole, as follows:
Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation process

For recurring and non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy, the Fund has a valuation process in place to decide its valuation policies and procedures and analyze changes in fair value measurement from period to period.

The Fund's fair value methodology and governance over its methods includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. The responsibility of ongoing measurement resides with the relevant departments. Once submitted, fair value estimates are also reviewed and challenged by the Financial Risk Committee (FRC). The FRC approves the fair values measured including the valuation techniques and other significant input parameters used.

Valuation technique

When available, the fair value of an instrument is measured by using the quoted price in an active market for that instrument (level 1). A market is regarded as active if transactions of the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, valuation techniques are used that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Valuation techniques include:

- Recent broker / price quotations
- Discounted cash flow model

- Option-pricing models

The techniques incorporate current market and contractual prices, time to expiry, yield curves and volatility of the underlying instrument. Inputs used in pricing models are market observable (level 2) or are not market observable (level 3). A substantial part of fair value (level 3) is based on net asset values.

Equity investments are measured at fair value when a quoted market price in an active market is available or when fair value can be estimated reliably by using a valuation technique. The main part of the fair value measurement related to equity investments (level 3) is based on net asset values of investment funds as reported by the fund manager and are based on advanced valuation methods and practices. When available, these fund managers value the underlying investments based on quoted prices, if not, multiples are applied as input for the valuation. For the valuation process of the equity investments we further refer to the accounting policies within these Annual Accounts as well as section 'Equity Risk', part of the Risk Management chapter. The determination of the timing of transfers is embedded in the quarterly valuation process, and therefore recorded at the end of each reporting period.

Other financial assets carried at FVPL represent amounts attributable to the Dutch State in return for their co-investment in the FMO Ventures Program. The amount attributable to co-investors is based on a predefined value sharing waterfall which utilizes the values of the underlying investments in the program. The underlying investments in the program are valued using the existing equity investment fair valuation techniques described in the paragraphs above. The waterfall calculation defines the timing and amount of distributions to respective co-investors and is therefore applied to estimate the fair values of the related financial asset.

The table below presents the carrying value and estimated fair value of financial assets and liabilities not measured at fair value.

Carrying value financial assets	**2024**		**2023**	
At December 31	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Banks	6,039	6,039	5,363	5,363
Loans to the private sector at AC	121,338	112,385	78,693	76,266
Total non fair value financial assets	**127,377**	**118,424**	**84,056**	**81,629**

The following table gives an overview of the financial instruments measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

December 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVPL				
Short-term deposits mandatory at FVPL	58,340	-	-	58,340
Loans to the private sector mandatory at FVPL	-	-	19,977	19,977
Equity investments	13,041	-	192,867	205,908
Other financial assets at FV	-	-	21,875	21,875
Total financial assets at fair value	**71,381**	**-**	**234,719**	**306,100**

1 The valuation of the Other financial assets is related to VC and the valuation is derived from the waterfall.

December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVPL				
Short-term deposits mandatory at FVPL	102,200	-	-	102,200
Loans to the private sector mandatory at FVPL	-	-	21,415	21,415
Equity investments	13,036	-	206,233	219,269
Other financial assets at FV	-	-	24,601	24,601
Total financial assets at fair value	**115,236**	**-**	**252,249**	**367,485**

The following table shows the movements of financial assets measured at fair value based on level 3.

	Loans to the private sector	Equity investments	Total
Balance at January 1, 2024	**21,415**	**206,233**	**227,648**
Total gains or losses		-	
• In profit and loss (changes in fair value)	2,079	-33,426	-31,347
Purchases/disbursements	3,252	26,828	30,080
Sales/repayments	-6,674	-15,823	-22,497
Write-offs	-913	-	-913
Accrued income	-358	-	-358
Exchange rate differences	1,176	9,055	10,231
Changes in amortizable fees	-	-	-
Reclassification Loans versus Equity	-	-	-
Other	-	-	-
Balance at December 31, 2024	**19,977**	**192,867**	**212,844**

	Loans to the private sector	Equity investments	Total
Balance at January 1, 2023	**27,050**	**207,716**	**234,766**
Total gains or losses			
• In profit and loss (changes in fair value)	-387	-13,299	-13,686
Purchases/disbursements	5,881	23,643	29,524
Sales/repayments	-8,821	-6,724	-15,545
Write-offs	-1,592	-	-1,592
Accrued income	-12	-	-12
Exchange rate differences	-704	-5,103	-5,807
Changes in amortizable fees	-	-	-
Reclassification Loans versus Equity	-	-	-
Other	-	-	-
Balance at December 31, 2023	**21,415**	**206,233**	**227,648**

Type of debt investment	Fair value at December 31, 2024	Valuation technique	Range (weighted average) of significant unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Loans	2,645	Discounted cash flow model	Based on client spread	A decrease/increase of the used spreads with 1% will result is a higher/lower fair value of approx. €0.3m
	2,500	ECL measurement	Based on client rating	An improvement / deterioration of the Client Rating with 1 notch will result 1.7% increase/decrease
	162	Credit impairment	n/a	n/a
Debt Funds	14,670	Net Asset Value	n/a	n/a
Total	**19,977**			

Type of equity investment	Fair value at Dec 31, 2023	Valuation technique	Range (weighted average) of significant unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Private equity fund investments	117,471	Net Asset Value	n/a	n/a
Private equity direct investments	43,509	Book multiples	1.0	A decrease/increase of the book multiple with 10% will result in a lower/higher fair value of €4 million.
	-	Put option	The guaranteed floor depends on several unobservable data such as IRR, EBITDA multiples, book multiples and Libor rates	A decrease/increase of the used unobservable data with 10% will result in a lower/higher fair value of €0 million.
	31,887	Firm offers	Based on offers received from external parties	n/a
Total	**192,867**			

24. Related party information

Dutch Government:

The Dutch Ministry of Foreign Affairs, Directoraat-generaal internationale Samenwerking sets up and administers the investments funds (“State Funds”), including MASSIF, according to the Dutch Government’s development agenda. Directoraat-generaal internationale Samenwerking is the main contributor to MASSIF, providing funding upon FMO’s request.

The Dutch development bank FMO supports sustainable private sector growth in developing and emerging markets by leveraging its expertise in agribusiness, food & water, energy, financial institutions, Dutch business focus areas to invest in impactful businesses. FMO is a public-private partnership, with 51% of FMO’s shares held by the Dutch State and 49% held by commercial banks, trade unions and other members of the private sector. FMO has a triple A rating from both Fitch and Standard & Poor’s.

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (“FMO”)

FMO has been entrusted by the Dutch Government to execute the mandates of the State Funds: Currently MASSIF, Building Prospects, Access to Energy – I and Dutch Fund for Climate and Development Land Use Facility are under FMO’s direct management; the execution of Access to Energy – II and the other facilities of the Dutch Fund for Climate and Development are performed by third parties under FMO’s supervision.

FMO charges a management fee to the Dutch Ministry of Foreign Affairs and it is reimbursed accordingly from MASSIF’s subsidy amount (2024: €10.1 million; 2023: €10.1 million). FMO is also a minor contributor to the fund with a total contribution of €7.8 million in 2024 (2023: €7.8 million).

25. Subsequent events

There has been no significant subsequent event between the balance sheet date and the date of approval of these accounts which should be reported by the Fund.

Risk management

Organization of risk management

For FMO, acting in its role as Fund Manager (hereafter 'FMO'), to be able to carry out the Fund's strategy, it is essential to have an adequate risk management system in place to identify, measure, monitor and mitigate financial risks. MASSIF (hereafter 'the Fund') has a pre-defined risk appetite translated into limits for group, customer, country, region and currency exposures. Limit usages are monitored on a monthly basis and for each proposed transaction.

The Fund Manager reviews each transaction and provides consent to eligible proposals. The Investment Committee, comprising of senior representatives of several departments, reviews financing proposals for new transactions. Each financing proposal is assessed in terms of specific counterparty, product risk as well as country risk. All financing proposals are accompanied by the advice of the Credit department. This department is responsible for credit risk assessment of both new transactions and the existing portfolio. For small exposures, the Credit department has the authority to review new transactions.

In addition, financial exposures in emerging markets are subject to a periodic review, which are in general executed annually. Exposures that require specific attention are reviewed by the Financial Risk Committee (FRC). The larger and higher risk exposures are accompanied by the advice of the Credit department. If the Financial Risk Committee concludes that a customer has difficulty in meeting its payment obligations, the customer is transferred to the Special Operations department – responsible for the management of distressed assets – where it is intensely monitored.

The Fund actively seeks to take risk stemming from debt and equity investments in private institutions in developing countries. This risk profile is supported by maintaining prudent levels of capital and liquidity and strong diversification of the portfolio across regions and sectors.

Capital management

The Fund's aim is to optimize development impact. This can only be achieved with a sound financial framework in place, combining a healthy long-term revolvability of ≥100% and sound capital adequacy. Therefore, FMO seeks to maintain a strong capital position for the Fund. The Fund's structure is based on a contribution from the Dutch government (97.84%) and a contribution from FMO (2.16%). Total contribution for MASSIF from the Dutch government is €352.8 million on 31 December 2024. FMO contributed €7.8 million to the Fund. Total fund capital – which is the sum of the contribution by the government, the contribution by FMO, undistributed results from previous years, results from the current year is €431.6 million in 2024 (2023: €452.4 million).

Financial risk

Credit risk

Definition

Credit risk is defined as the risk that the bank will suffer an economic loss because a customer fails to meet its obligations in accordance with agreed terms.

Risk appetite and governance

Credit risk is the main risk within the Fund and occurs in two areas of its operations: (i) credit risk in investments in emerging markets and off-balance instruments such as loan commitments and guarantees; and (ii) credit risk in the treasury portfolio, only consisting of bank accounts and money market instruments.

Credit risk management is important when selecting and monitoring projects. In this process, a set of investment criteria per sector and product is used that reflects minimum standards for the required financial strength of fund's customers. This is further supported by credit risk models that are used for risk quantification, calculations of expected credit loss allowance, and the determination of economic capital use per transaction. Funding decisions depend on the risk profile of the customer and financing instrument. As part of regular credit monitoring, Fund customers are subject to annual reviews at a minimum. Customers that are identified as having financial difficulties fall under an intensified monitoring regime to proactively manage loans before they become non-performing, including quarterly portfolio monitoring meetings. For distressed assets, the Special Operations department actively manages workout and restructuring.

FMO has set internal appetite levels for non-performing exposures and specific impairments on loans. If any of the metrics exceed the appetite levels, Credit will assess the underlying movements and analyze trends per sector, geography, and any other parameter. Credit will also consider market developments and peer group benchmarks. Based on the analysis, Credit will propose mitigating measures to the FRC. If any of the indicators deteriorate further, the Risk department will be involved to assess to what extent the trend is threatening fund's capital and liquidity ratios.

Exposures and credit scoring

The Fund offers loans in emerging market countries. Strong diversification within the Fund's emerging market portfolio is ensured through stringent limits on individual counterparties (single customer limit of 7.5% of the Fund's capital, and economic group limit of 10% of the Fund's capital), countries (20% of the Fund's capital), continents (40% of the Fund's capital, and at least 40% in Africa), local currency (20% of the Fund's capital) and in fund investments (40% of the Fund's capital).

The following table shows MASSIF's total gross exposure to credit risk at year-end. The exposures, including derivatives, are shown gross, before impairments and the effect of mitigation using third-party guarantees, master netting, or collateral agreements. Regarding derivative financial instruments, only the ones with positive market values are presented. The maximum exposure to credit risk decreased during the year to € 269.2 million at year-end 2024 (2023: €289.2 million).

Maximum exposure to credit risk

	2024	2023
On balance		
Banks	6,039	5,363
Short-term deposits	58,340	102,200
Loans to private sector		
- of which: Amortized cost	152,842	117,719
- of which: Fair value through profit or loss	21,430	24,906
Other receivables	791	1,411
Total on-balance	**239,442**	**251,599**
Off-balance		
Contingent liabilities	5,552	3,636
Irrevocable facilities	24,223	33,992
Total off-balance	**29,775**	**37,628**
Total credit risk exposure	**269,217**	**289,227**

Credit risk from loans in emerging market countries arises from a combination of counterparty risk, country risk and product specific risks. These types of risk are assessed during the credit approval and credit review process and administrated via internal scorecards. The lending process is based on formalized and strict procedures. Decisions on authorizations depend on both the amount of economic capital and the risk profile of the financing instrument. For distressed assets, the Special Operations department applies an advanced workout and restructuring approach.

The CRR models are based on quantitative and qualitative factors and are different for respective customer types. The models for banks and non-banking financial institutions use factors including the financial strength of the customer, franchise value, and the market and regulatory environment. The model for corporates uses factors including financial ratios, governance, and strategy. The project finance model uses factors such as transaction characteristics, market conditions, political and legal environment, and financial strength of the borrower.

Based on these scores, FMO assigns ratings to each customer on an internal scale from F1 (lowest risk) to F20 (default) representing the probability of default. This rating system is equivalent to the credit quality rating scale applied by Moody's and S&P. Likewise, the loss given default is assigned by scoring various dimensions of the product-specific risk and incorporating customer characteristics. The probability of default and loss given default scores are also used as parameters in the IFRS9 expected credit loss model. Please refer to the 'Significant accounting policies' section, for details of the expected credit loss calculation methodology.

Credit quality analysis

In addition to on balance loans, irrevocable facilities (off-balance) represent commitments to extend finance to customers and consist of contracts signed but not disbursed yet which are usually not immediately and fully drawn.

The following tables provide insights in the credit risk allocation of loan portfolio, loan commitments and financial guarantees according to internal ratings.

Loans to the private sector at December 31, 2024 Indicative counterparty credit rating scale of S&P	Stage 1	Stage 2	Stage 3	Fair Value	Total
F1-F10 (BBB- and higher)	-	-	-	-	-
F11-F13 (BB-,BB,BB+)	43,823	-	-	9,662	53,485
F14-F16 (B-,B,B+)	29,492	16,241	-	10,242	55,975
F17 and lower (CCC+ and lower)	10,095	3,572	49,169	1,526	64,362
Sub-total	**83,860**	**19,813**	**49,169**	**21,430**	**174,272**
Less: amortizable fees	-560	-153	-41	-	-754
Less: ECL allowance	-1,082	-407	-29,261	-	-30,750
FV adjustments	-	-	-	-1,453	-1,453
Carrying value	**82,218**	**19,253**	**19,867**	**19,977**	**141,315**

Loans commitments at December 31, 2024 Indicative counterparty credit rating scale of S&P	Stage 1	Stage 2	Stage 3	Other 1)	Total
F1-F10 (BBB- and higher)	-	-	-	-	-
F11-F13 (BB-,BB,BB+)	9,662	-	-	-	9,662
F14-F16 (B-,B,B+)	7,246	-	-	5,022	12,268
F17 and lower (CCC+ and lower)	-	-	-	-	-
Total nominal amount	**16,908**	**-**	**-**	**5,022**	**21,930**
ECL allowance	-127	-	-	-	-127
Total	**16,781**	**-**	**-**	**5,022**	**21,803**

1 Other loan commitments consist of transactions for which no ECL is calculated.

Financial guarantees at December 31, 2024 Indicative counterparty credit rating scale of S&P	Stage 1	Stage 2	Stage 3	Total
F1-F10 (BBB- and higher)	1,556	-	-	1,556
F11-F13 (BB-,BB,BB+)	7,109	-	-	7,109
F14-F16 (B-,B,B+)	290	-	-	290
F17 and lower (CCC+ and lower)	220	235	935	1,390
Sub-total	9,175	235	935	10,345
ECL allowance	-40	-18	-582	-640
Total	**9,135**	**217**	**353**	**9,705**

Loans to the private sector at December 31, 2023 Indicative counterparty credit rating scale of S&P	Stage 1	Stage 2	Stage 3	Fair Value	Total
F1-F10 (BBB- and higher)	-	-	-	-	-
F11-F13 (BB-,BB,BB+)	30,603	-	-	14,879	45,482
F14-F16 (B-,B,B+)	21,271	-	-	6,559	27,830
F17 and lower (CCC+ and lower)	870	7,387	57,588	3,468	69,313
Sub-total	**52,744**	**7,387**	**57,588**	**24,906**	**142,625**
Less: amortizable fees	-430	-41	-82	-	-553
Less: ECL allowance	-800	-652	-37,021	-	-38,473
FV adjustments	-	-	-	-3,491	-3,491
Carrying value	**51,514**	**6,694**	**20,485**	**21,415**	**100,108**

Loans commitments at December 31, 2023 Indicative counterparty credit rating scale of S&P	Stage 1	Stage 2	Stage 3	Other 1)	Total
F1-F10 (BBB- and higher)	-	-	-	-	-
F11-F13 (BB-,BB,BB+)	-	-	-	-	-
F14-F16 (B-,B,B+)	25,316	-	-	6,713	32,030
F17 and lower (CCC+ and lower)	-	-	-	-	-
Total nominal amount	**25,316**	**-**	**-**	**6,713**	**32,030**
ECL allowance	-232	-	-	-	-232
Total	**25,084**	**-**	**-**	**6,713**	**31,798**

1 Other loan commitments consist of transactions for which no ECL is calculated.

Financial guarantees at December 31, 2023 Indicative counterparty credit rating scale of S&P	Stage 1	Stage 2	Stage 3	Total
F1-F10 (BBB- and higher)	-	-	-	-
F11-F13 (BB-,BB,BB+)	4,339	190	-	4,529
F14-F16 (B-,B,B+)	-	392	-	392
F17 and lower (CCC+ and lower)	-	-	633	633
Sub-total	4,339	582	633	5,554
ECL allowance	-19	-21	-367	-407
Total	**4,320**	**561**	**266**	**5,147**

Non-performing exposures

A customer is considered non-performing when it is not probable that the customer will be able to pay his payment obligations in full without realization of collateral or calling on a guarantee, regardless of the existence of any past-due amount or the number of days past due.

This situation is considered to have occurred when one or more of the following conditions apply:

- The customer is past due more than 90 days on any outstanding facility;
- An unlikeliness to pay (UTP) trigger is in place that automatically leads to NPE;
- An impairment analysis, done upon a UTP trigger that possibly leads to NPE, results in an impairment higher than 12.5% on any outstanding facility;
- There are additional criteria for a customer to enter NPE status in case of Forbearance. If a customer with (No) Financial Difficulty - Forbearance status under probation is extended additional forbearance measures/ concessions or becomes more than 30 days past-due, it shall be classified as non-performing. This only applies if the customer has been non-performing while it was forborne.

- NPE is applied at customer level.

Unlikely to pay triggers - specific impairment
(Stage 3)

OR

More than 90 days past due but not impaired
(Stage 3)

OR

Economically performing loans but in probation period due to Regulatory Standards:
Initially forborne impaired,
but at reporting period not impaired
(Stage 3)

=

Non-Performing exposures

The Fund's NPL ratio decreased from 42.8% in 2023 to 29.1% in 2024. In 2024 there were three write-offs for an aggregate amount of €4.6 million (2023: €8.9 million).

Loans past due and impairments 2023

	Stage 1	Stage 2	Stage 3	Fair value	Total
Loans not past due	83,860	19,813	7,019	21,430	132,122
Loans past due:					-
-Past due up to 30 days	-	-	-	-	-
-Past due 30-60 days	-	-	-	-	-
-Past due 60-90 days	-	-	-	-	-
-Past due more than 90 days	-	-	42,150	-	42,150
Subtotal	**83,860**	**19,813**	**49,169**	**21,430**	**174,272**
Less: amortizable fees	-560	-153	-41	-	-754
Less: ECL allowance	-1,082	-407	-29,261	-	-30,750
Less: FV adjustments	-	-	-	-1,453	-1,453
Carrying amount	**82,218**	**19,253**	**19,867**	**19,977**	**141,315**

Loans past due and impairments 2023

	Stage 1	Stage 2	Stage 3	Fair value	Total
Loans not past due	47,180	9,749	14,503	24,906	96,338
Loans past due:					
-Past due up to 30 days	5,564	-	-	-	5,564
-Past due 30-60 days	-	-	-	-	-
-Past due 60-90 days	-	-	-	-	-
-Past due more than 90 days	-	-	40,723	-	40,723
Subtotal	**52,744**	**7,387**	**57,588**	**24,906**	**142,625**
Less: amortizable fees	-430	-41	-82	-	-553
Less: ECL allowance	-800	-652	-37,021	-	-38,473
Less: FV adjustments	-	-	-	-3,491	-3,491
Carrying amount	**51,514**	**6,694**	**20,485**	**21,415**	**100,108**

Stage 3 credit impairment distributed by regions and sectors

At December 31, 2024	Financial Institutions	Energy	Agribusiness	Multi-sector Funds Investment	Infrastructure, Manufacturing, Services	Total
Africa	19,668	-	-	-	-	19,668
Asia	9,593	-	-	-	-	9,593
Latin America & the Caribbean	-	-	-	-	-	-
Europe & Central Asia	-	-	-	-	-	-
Non-region specific	-	-	-	-	-	-
Total	**29,261**	**-**	**-**	**-**	**-**	**29,261**

Stage 3 credit impairment distributed by regions and sectors

At December 31, 2023	Financial Institutions	Energy	Agribusiness	Multi-sector Funds Investment	Infrastructure, Manufacturing, Services	Total
Africa	26,093	-	-	-	-	26,093
Asia	8,066	-	-	-	-	8,066
Latin America & the Caribbean	2,863	-	-	-	-	2,863
Europe & Central Asia	-	-	-	-	-	-
Non-region specific	-	-	-	-	-	-
Total	**37,022**	**-**	**-**	**-**	**-**	**37,022**

Modified financial assets

Changes in terms and conditions usually include extending the maturity, changing the interest margin and changing the timing of interest payments. When the terms and conditions are modified due to financial difficulties, these loans are qualified as forborne. Refer to paragraph related to 'Modification of financial assets' in the Accounting Policies chapter.

The watch-list process and the Credit department review modified loans periodically. When a loan is deemed no longer collectible, it is written off against the related loss allowance.

The following table provides a summary of the Fund's forborne assets, both classified as performing and not, as of December 31.

	2024		
	Loans to the private sector (Amortised Cost)	**Loans to the private sector (Fair value)**	**Total**
Performing	103,673	19,904	123,577
of which: performing but past due > 30 days and <=90 days	-	-	-
of which: performing forborne	3,572	-	3,572
Non Performing	49,169	1,526	50,695
of which: non performing forborne	19,092	1,526	20,618
of which: impaired	17,730	-	17,730
Gross exposure	**152,842**	**21,430**	**174,272**
Less: amortizable fees	-754	-	-754
Less: ECL allowance	-30,750	-	-30,750
Plus: fair value adjustments	-	-1,453	-1,453
Carrying amount at December 31	**121,338**	**19,977**	**141,315**

	2023		
	Loans to the private sector (Amortised Cost)	**Loans to the private sector (Fair value)**	**Total**
Performing	60,131	21,438	81,569
of which: performing but past due > 30 days and <=90 days	-	-	-
of which: performing forborne	17,826	1,428	19,254
Non Performing	57,588	3,468	61,056
of which: non performing forborne	15,153	1,428	16,581
of which: impaired	15,153	-	15,153
Gross exposure	**117,719**	**24,906**	**142,625**
Less: amortizable fees	-553	-	-553
Less: ECL allowance	-38,473	-	-38,473
Plus: fair value adjustments	-	-3,491	-3,491
Carrying amount at December 31	**78,693**	**21,415**	**100,108**

There were no movements of gross outstanding amount and ECL impact of Stage 2 and Stage 3 loans that were restored during 2024.

Equity risk

Definition

Equity risk is the risk that the fair value of an equity investment decreases. It also includes exit risk, which is the risk that the Fund's stake cannot be sold for a reasonable price and in a sufficiently liquid market.

Risk appetite and governance

The fund has a long-term view on its equity portfolio, usually selling its equity stake within a period of 5 to 10 years. The fund can accommodate an increase in the average holding period of its equity investments and wait for markets to improve before pursuing an exit. The equity investment portfolio consists of direct investments, largely in the financial institutions and energy sectors, co-investments with aligned partners (mainly in cooperation with funds), and indirect investments in private equity funds. Equity investments are approved by the Investment Committee. In close cooperation with the Credit and Finance departments, the Private Equity department assesses the valuation of equity investments on a periodic basis, which are approved by the FRC. Diversification across geographical area, sector, and equity type across the total portfolio is evaluated before new investments are made. Based on this performance and the market circumstances, direct exits are pursued by involving intermediaries. In the case of co-investments, our fund managers initiate the exit process as they are in the lead. Exits are challenging due to the limited availability of liquidity in some markets and the absence of well-developed stock markets. The total outstanding equity portfolio including investments in associates on December 31, 2024, amounted to €214.7 million (2023: €229.7 million).

Equity portfolio including Associates distributed by region and sector

At December 31, 2024	Financial Institutions		Energy		Agribusiness		Multi-Sector Fund Investments		Infrastructure, Manufacturing, Services		Total	
	Direct	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**
Africa	14,033	4,801	-	2,005	-	3,614	-	54,758	11,434	-	25,467	65,178
Asia	14,865	-	-	-	-	-	-	27,185	-	-	14,865	27,185
Latin America & the Caribbean	1,093	-	-	-	-	-	-	65	-	-	1,093	65
Europe & Central Asia	15,579	-	-	-	-	-	-	2,956	-	-	15,579	2,956
Non-region specific	40,221	21,120	-	-	-	-	-	968	-	-	40,221	22,088
Total	**85,791**	**25,921**	**-**	**2,005**	**-**	**3,614**	**-**	**85,932**	**11,434**	**-**	**97,225**	**117,472**

Equity portfolio including Associates distributed by region and sector

At December 31, 2023	Financial Institutions		Energy		Agribusiness		Multi-Sector Fund Investments		Infrastructure, Manufacturing, Services		Total	
	Direct	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**	**Direct**	**Funds**
Africa	4,344	4,931	-	2,192	-	2,597	-	53,857	14,233	-	18,577	63,577
Asia	9,435	1,090	-	-	-	-	-	26,092	-	-	9,435	27,182
Latin America & the Caribbean	9,391	-	-	-	-	-	-	362	-	-	9,391	362
Europe & Central Asia	17,086	3,822	-	-	-	-	-	1,297	-	-	17,086	5,119
Non-region specific	57,500	20,620	-	-	-	-	-	883	-	-	57,500	21,503
Total	**97,756**	**30,463**	**-**	**2,192**	**-**	**2,597**	**-**	**82,491**	**14,233**	**-**	**111,989**	**117,743**

The risk of building an equity portfolio is driven by two factors:

- ○ Negative value adjustments due to currency effects (EUR/USD and USD/local currencies), negative economic developments in emerging markets (EM), and specific investee-related issues. This would negatively affect the profitability of the fund.
  ○ Liquidity of the portfolio – in case the fund is not able to liquidate (part) of its maturing equity portfolio by creating sufficient exits for its direct and co-investment portfolio. This is also reflected in the fund portfolio where some fund managers have to hold longer to their portfolio due to the lack of good exit opportunities.

Concentration risk

Definition

Concentration risk is the risk that the fund's exposures are too concentrated within or across different risk categories. Concentration risk may trigger losses large enough to threaten the fund's health or ability to maintain its core operations or trigger a material change in our risk profile.

Risk appetite and governance

Strong diversification within the fund's emerging market portfolio is ensured through stringent limits on individual counterparties (single and group risk limits), sectors, countries, and regions. These limits are monitored by Risk, reviewed regularly, and approved by the FRC, the Managing Board, and the Supervisory Board. Diversification across countries, sectors, and individual counterparties is a key strategy to safeguard the credit quality of the portfolio.

Country, regional and sector exposures

Country risk arises from country-specific events that adversely impact the Fund's exposure in a specific country. Within FMO country risk is broadly defined. It includes all relevant factors that have a common impact on the Fund's portfolio in a country such as economic, banking and currency crises, sovereign default and political risk events. The assessment of the country rating is based on a benchmark of external rating agencies and other external information.

In the fund's risk appetite, the country risk exposure is set at a maximum of 20% of the total assets.

The assessment of the country rating (F-rating scoring in line with internal credit risk rating) is based on a benchmark of external rating agencies and other external information. The average of the long-term foreign currency ratings of Moody's, S&P and Fitch is used (debt and issuer rating). If none of the aforementioned ratings is available, then the average among OECD and IHS medium-term ratings is used.

The following tables present how the Fund's loan portfolio is concentrated according to country ratings. The comparison with FMO demonstrates that loan portfolio of the Fund is concentrated in countries with higher ratings and is relatively prone to higher credit risk.

The following tables present how the Fund's loan portfolio is concentrated according to country ratings.

Overview country ratings

Indicative external rating equivalent 2024	MASSIF (%)	FMO-A (%)
F9 and higher (BBB and higher ratings)	4.5	4.6
F10 (BBB-)	4.6	8.8
F11 (BB+)	-	3.8
F12 (BB)	20.3	11.9
F13 (BB-)	2.4	23.2
F14 (B+)	5.3	9.2
F15 (B)	21.5	10.9
F16 (B-)	27.3	16.4
F17 and lower (CCC+ and lower ratings)	14.1	11.2
Total	**100.0**	**100.0**

Overview country ratings

Indicative external rating equivalent 2023	MASSIF (%)	FMO-A (%)
F9 and higher (BBB and higher ratings)	3.0	3.8
F10 (BBB-)	-	7.2
F11 (BB+)	-	2.9
F12 (BB)	10.7	8.6
F13 (BB-)	9.0	18.5
F14 (B+)	24.6	13.1
F15 (B)	10.1	17.9
F16 (B-)	22.3	13.9
F17 and lower (CCC+ and lower ratings)	20.3	14.1
Total	**100.0**	**100.0**

Gross exposure of loans distributed by region and sector

	Financial Institutions	Energy	Agribusiness	Multi-Sector Fund Investments	Infrastructure, Manufacturing, Services	Total
At December 31, 2024						
Africa	73,398	-	4,080	-	-	77,478
Asia	34,263	-	4,425	-	-	38,688
Latin America & the Caribbean	21,362	-	3,432	-	-	24,794
Europe & Central Asia	10,677	-	-	-	-	10,677
Non-region specific	19,335	-	3,300	-	-	22,635
Total	**159,036**	**-**	**15,237**	**-**	**-**	**174,272**
At December 31, 2023						
Africa	71,407	-	3,053	-	-	74,460
Asia	26,565	-	3,933	-	-	30,498
Latin America & the Caribbean	6,387	-	3,230	-	-	9,617
Europe & Central Asia	16,716	-	-	-	-	16,716
Non-region specific	9,043	-	2,291	-	-	11,334
Total	**130,118**	**-**	**12,507**	**-**	**-**	**142,625**

Single and group risk exposures

In the fund risk appetite the maximum customer exposure for MASSIF is set at 7.5% of the total assets.

Counterparty credit risk

Counterparty credit risk in the treasury portfolio stems from bank account holdings and placements in money market funds to manage the liquidity in the Fund. The Risk department approves each obligor to which the Fund is exposed through its treasury activities and sets a maximum limit to the credit exposure of that obligor. Depending on the obligor's short and long-term rating, limits are set for the total and long-term exposure. The Fund pursues a conservative investment policy.

Liquidity risk
Definition
Liquidity risk is defined as the risk for fund not being able to fulfill its financial obligations due to insufficient availability of liquid means.

Risk appetite and governance
The Fund aims to maintain adequate liquidity buffers, enough to support the implementation of the Fund’s development agenda and impact objectives while avoiding putting pressure on Dutch Ministry of Foreign Affairs DGIS subsidy budget allocated to the Fund. To realize this ambition, the Fund benefits from the experience of FMO’s treasury and risk management functions in managing the liquidity risk, which primarily involves periodical forecasting of the Fund’s liquidity position under normal and stress scenarios. During these periodical exercises, the assumptions underlying the liquidity model are reviewed. Changes in expected cashflows, stemming from updated portfolio management strategies and changes in the Fund’s operating environment, are reflected in the said assumptions. As a result of the forecasting activity, the predicted liquidity shortfall is avoided through arrangements in investments portfolio. If possible this is done through the utilisation of the subsidies available from the budget allocated to the Fund by the Dutch Ministry of Foreign Affairs DGIS (‘beschikkingsruimte’); and lastly, through the request of a loan from FMO, not exceeding 10% of the Fund’s net committed portfolio. In requesting subsidies that will be made available to the Fund’s utilization from Dutch Ministry of Foreign Affairs, the Fund administrators strictly follow the Ministry's directives.

Market risk
Market Risk is the risk that the value and/or the earnings of the bank decline because of unfavorable market movements. At FMO, this includes interest rate risk and currency risk.

Interest rate risk in the banking book
Definition
Interest rate risk is the risk of potential loss due to adverse movements in interest rates. Changing interest rates mainly influence the fair value of fixed interest balance sheet items and affect fund's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income (NII).

Credit spread risk is the risk driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump-to-) default risk.

Risk appetite and governance
FMO has no trading book and all assets (loans and investments) are part of the banking book. FMO’s policy is to match assets and liabilities within defined limits. As the loan portfolio is more granular, loans are pre-funded and new funding is obtained periodically and matched to the asset portfolio in terms of expected maturity and interest rate sensitivity. Interest rate risk arises from the residual tenor mismatch, mismatch in fixed rate assets funded by floating rate liabilities, and differences in reference rates or currencies resulting in basis risk. FMO has little optionality in its portfolio and has no material exposure to rates-driven prepayment risk. The volatility of the market value of assets and liabilities over the holding period due to interest rate movements is of less concern as these are held until maturity.

Interest rate risk management falls under the responsibility of the FRC. The Treasury department acts as the first line and is responsible for the day-to-day management of interest rate risk and daily transactions. The quantification, monitoring and control of market risk is the responsibility of the Risk department as second line.

FMO considers the liquidity investment portfolio, assets accounted at fair value and amortized cost and the funding portfolio as the main balance sheet items sensitive to credit spread risk. For liabilities, credit spread risk would relate to the FMO’s own credit risk.

Interest rate risk is monitored using earnings-based metrics and value-based metrics.

Earnings-based methods capture short-term effects of interest rate refixing or repricing that may impact NII. The following two metrics are used for this purpose.

- - The interest rate gap provides a static overview of the full balance sheet's repricing and refinancing characteristics. The gap is monitored over different time buckets with limits in place per bucket and on a cumulative level, for all currencies (aggregate and currency-by-currency).
  - NII at Risk provides a dynamic projection of net interest income sensitivity to yield curve shocks. FMO monitors NII at Risk on a two-year forward-looking basis and applies different scenarios simultaneously that also allow for identification of basis risk.

Economic value methods capture changes in net present values of assets, liabilities and off-balance sheet items to changes in yield curves. Value-based metrics measure long-term effects of interest rate changes over the full tenor of the balance sheet. The following economic value metrics are calculated:

- - Basis Point Value (BPV) provides the change in market value of assets, liabilities and interest-rate risk sensitive off-balance items for a one basis point change in yield curves. Limits are in place for the whole balance sheet, and for main currencies (EUR and USD) separately.
  - Delta Economic Value of Equity (delta EVE) provides changes in the economic value of the shareholder's equity, given certain shift in yield curves. The impact of a 200 basis-points parallel shifts and SA-IRRRB scenarios are reported.

Exposures

The interest rate risk limits were not breached in 2024. The following table summarizes the interest repricing characteristics for Fund's assets and liabilities.

Interest re-pricing characteristics

December 31, 2024	<3 months	3-12 months	1-5 years	>5 years	Non-interest-bearing	Total
Assets						
Banks	6,039	-	-	-	-	6,039
Short-term deposits	58,340	-	-	-	-	58,340
Derivative financial instruments1	-	-	-	-	-	-
Loans to the private sector						-
-of which: Amortized cost	17,285	84,979	19,074	-	-	121,338
-of which: Fair value through profit or loss	2,301	1,072	13,035	3,569	-	19,977
Equity investments	-	-	-	-	205,908	205,908
Investments in associates	-	-	-	-	8,789	8,789
Other receivables	-	-	-	-	791	791
Accrued income	-	-	-	-	43	43
Other financial assets at FV	-	-	-	-	21,875	21,875
Total assets	**83,965**	**86,050**	**32,109**	**3,569**	**237,406**	**443,100**
Liabilities and Fund Capital						-
Current account with FMO	-	-	-	-	694	694
Other liabilities	-	-	-	-	49	49
Accrued liabilities	-	-	-	-	9,988	9,988
Provisions	-	-	-	-	767	767
Fund Capital	-	-	-	-	431,602	431,602
Total liabilities and Fund capital	**-**	**-**	**-**	**-**	**443,100**	**443,100**
Interest sensitivity gap 2024	**83,965**	**86,050**	**32,109**	**3,569**	**-205,694**	**-**

Interest re-pricing characteristics

December 31, 2023	<3 months	3-12 months	1-5 years	>5 years	Non-interest-bearing	Total
Assets						
Banks	5,363	-	-	-	-	5,363
Short-term deposits	102,200	-	-	-	-	102,200
Derivative financial instruments	-	-	-	-	-	-
Loans to the private sector						
-of which: Amortized cost	9,045	39,039	30,608	-	-	78,693
-of which: Fair value through profit or loss	-	722	19,788	905	-	21,415
Equity investments	-	-	-	-	219,269	219,269
Investments in associates	-	-	-	-	10,463	10,463
Other receivables	-	-	-	-	1,411	1,411
Accrued income	-	-	-	-	19	19
Other financial assets at FV	-	-	-	-	24,601	24,601
Total assets	**116,608**	**39,761**	**50,396**	**905**	**255,763**	**463,434**
Liabilities and Fund Capital						
Current account with FMO	-	-	-	-	5	5
Other liabilities	-	-	-	-	22	22
Accrued liabilities	-	-	-	-	10,319	10,319
Provisions	-	-	-	-	639	639
Fund Capital	-	-	-	-	452,449	452,449
Total liabilities and Fund capital	**-**	**-**	**-**	**-**	**463,434**	**463,434**
Interest sensitivity gap 2023	**116,608**	**39,761**	**50,396**	**905**	**-207,671**	

Currency risk
Definition
Currency risk is defined as the risk that changes in foreign currency exchange rates have an adverse effect on the value of the Fund's financial position and future cash flows.

Risk appetite and governance
The Fund offers debt, equity and guarantee instruments denominated in USD, EUR and partly in emerging market currencies, while the main source of funding to the Fund, subsidies received from Dutch Ministry of Foreign Affairs is in EUR. The Fund targets to invest in USD as a risk-averse alternative to investing in local currencies when possible; additionally, cash inflows denominated in local currencies are converted to hard currencies when received. Due to its commitment to the implementation of the Fund's development agenda and impact objectives, the Fund does not exclusively look for investments that counter-balance this currency risk exposure in its portfolio; the Fund also does not use derivatives and other financial instruments to hedge against the currency risk, and avoids bearing the cost of these engineered measures. The Fund does not take active positions in any currency for the purpose of making a profit.

Exposures
Individual and total open currency positions were within risk appetite in 2024. The table below illustrates that the currency risk sensitivity gap per December 2024 is largely part of fund's equity investments and investments in associates.

Currency risk exposure (at carrying values)

December 31, 2024	EUR	USD	GTQ	GEL	Other	Total
Assets						
Banks	3,843	2,196	-	-	-	6,039
Current account with FMO						
Short-term deposits	28,767	29,573	-	-	-	58,340
Derivative financial instruments	-	-	-	-	-	-
Loan portfolio						-
-of which: Amortized cost	-	57,742	15,919	10,613	37,064	121,338
-of which: Fair value through profit or loss	3,440	16,375	-	-	162	19,977
Equity investments	74,438	115,933	-	-	15,537	205,908
Investments in associates	-	8,789	-	-	-	8,789
Other financial assets at FV	20,937	938	-	-	-	21,875
Other receivables	-	762	-	4	25	791
Accrued income	43	-	-	-	-	43
Total assets	**131,468**	**232,308**	**15,919**	**10,617**	**52,788**	**443,100**
Liabilities and Fund Capital						**-**
Current account with FMO	694					694
Other liabilities	-	49	-	-	-	49
Accrued liabilities	8,371	1,617	-	-	-	9,988
Provisions	-	384	-	1	382	767
Fund Capital	431,602	-	-	-		431,602
Total liabilities and Fund capital	**440,667**	**2,050**	**-**	**1**	**382**	**443,100**
Currency sensitivity gap 2024		230,258	15,919	10,616	52,406	
Currency sensitivity gap 2024 excluding equity investments and investments in associates		105,536	15,919	10,616	36,869	-

Currency risk exposure (at carrying values)

December 31, 2023	EUR	USD	HNL	GEL	Other	Total
Assets						
Banks	2,564	2,799	-	-	-	5,363
Short-term deposits	29,867	72,333	-	-	-	102,200
Derivative financial instruments	-	-	-	-	-	-
Loan portfolio						
-of which: Amortized cost	-	49,735	-	8,786	20,172	78,693
-of which: Fair value through profit or loss	1,743	19,497	-	-	175	21,415
Equity investments	93,728	108,832	8,451	-	8,258	219,269
Investments in associates	-	10,463	-	-	-	10,463
Other financial assets at FV	24,601	-	-	-	-	24,601
Other receivables	538	839	-	-	34	1,411
Accrued income	19	-	-	-	-	19
Total assets	**153,060**	**264,498**	**8,451**	**8,786**	**28,639**	**463,434**
Liabilities and Fund Capital						
Current account with FMO	5	-	-	-	-	5
Other liabilities	-	22	-	-	-	22
Accrued liabilities	9,448	871	-	-	-	10,319
Provisions	-	607	-	-	32	639
Fund Capital	452,449	-	-	-	-	452,449
Total liabilities and Fund capital	**461,902**	**1,500**	**-**	**-**	**32**	**463,434**
Currency sensitivity gap 2023		262,998	8,451	8,786	28,607	
Currency sensitivity gap 2023 excluding equity investments and investments in associates		143,703	0	8,786	20,349	

Sensitivity of profit & loss account and capital to main foreign currencies

December 31, 2024

Change of value relative to the euro	Sensitivity of profit & loss account
USD value increase of 10%	23,026
USD value decrease of 10%	-23,026
GTQ value increase of 10%	1,592
GTQ value decrease of 10%	-1,592
GEL value increase of 10%	1,062
GEL value decrease of 10%	-1,062

Sensitivity of profit & loss account and capital to main foreign currencies

December 31, 2023

Change of value relative to the euro	Sensitivity of profit & loss account
USD value increase of 10%	26,300
USD value decrease of 10%	-26,300
HNL value increase of 10%	845
HNL value decrease of 10%	-845
GEL value increase of 10%	879
GEL value decrease of 10%	-879

The sensitivities employ simplified scenarios. The sensitivity of profit and loss account and shareholders' equity to possible changes in the main foreign currencies is based on the immediate impact on the financial assets and liabilities held at year-end. This includes the effect of hedging instruments.

Strategic risk

Environmental, social and governance risk

Definition

ESG risk is defined as the risk that our investments realize adverse impacts on people and the environment, and/or contribute to corporate governance practices, that are inconsistent with FMO policy commitments. FMO is exposed to ESG risk via our investment selection (the risks associated with our investments, which include the investments of our clients/investees) and the effectiveness of clients'/investees' ESG risk management, including the effectiveness of FMO's engagement thereon. In addition to potential adverse impacts to people and the environment, ESG risk can for example result in financial (remediation, legal) costs to FMO or client, jeopardized access to capital for FMO (external investors), jeopardized license to operate/shareholder relations or reputation damage.

Risk appetite and governance

The Fund has an appetite for managed risk in portfolio, accepting ESG performance below standards when starting to work with a customer, with the goal that performance is brought in line with our ESG risk mitigation requirements within a credible and reasonable period. ESG risks are mitigated through environmental and social action plans and monitoring. The risk appetite for deviations from the exclusion list and human rights violations is zero.

As part of the investment process, all clients are screened on ESG risk and categorizes them according to the ESG risk that their activities represent. FMO assesses in detail customers with a high ESG risk category to identify ESG impact and risks and to assess the quality of existing risk management and mitigation measures. Due diligence also includes an analysis of contextual and human rights risk. In case of gaps in ESG risk management, FMO works with customers to develop and implement an Action Plan to avoid adverse ESG impacts and/or to improve ESG risk management over time. Key ESG risk items are tracked during the tenor of the engagement. FMO's ESG risk management support to customers is an important part of development impact ambitions.

For FMO's high ESG risk investments and for investments where FMO Corporate Governance officer is allocated, we monitor our net ESG risk exposure through FMO's proprietary Sustainability Information System (SIS); The net ESG risk exposure is the investment's gross risk exposure corrected for by the customer's performance managing down these risks. ESG risk performance tracking in SIS is integrated within the investment process and forms the basis of FMO's ESG target. SIS ratings are monitored and updated throughout the lifetime of the investment as part of the annual review cycle of each customer, enabling FMO to have an up-to-date portfolio-wide view of the ESG risks in its portfolio.

Non-financial risk

Operational risk

Definition

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal risks, excluding strategic risks. This is the Basel definition of operational risk, which covers a wide range of non-financial risks.

FMO adopted the Operational Risk Data Exchange Association (ORX) risk taxonomy to structure all non-financial risk types, such as people, data, model, technology, third party, information and cyber security, business continuity, statutory reporting, transaction execution, et cetera. FMO uses the terms operational risk and non-financial risk interchangeably.

Risk appetite and governance

FMO is cautious about non-financial risks. We do not seek them as they have no direct material reward in terms of return/income generation, but they are inherent to our business. We prefer safe options, with low inherent risk, even if they limit rewards or lead to higher costs. There is no appetite for high residual risk.

First and second line functions work closely together to understand the full and varied spectrum of non-financial risks, and to focus their risk and control efforts on meaningful and material risks. Risk identification and assessment draws on multiple sources of data, such as topic-specific risk-assessments, results of half-yearly control monitoring and testing rounds, internal loss data and root cause analysis, audit results, supervisory findings, and key risk indicators. Policies and operating procedures clarify control standards, accountabilities, and mandate training on key risks.

Management of the first line is responsible for understanding risks and implementing and operating internal controls in the day-to-day business processes. Key controls are monitored and tested twice a year. The first line performs these responsibilities in line with the risk management framework, using the methods and tools provided by the second-line Operational Risk function. The Operational Risk function challenges and advises the first line, performs oversight and maintains the Integrated Control Framework.

Risk events will occur, despite the implementation of internal controls. Risk events can result in losses, non-compliance, misstatements in the financial reports, and reputational damage. Risk events are centrally registered and reviewed and classified by the Operational Risk team. Root cause analyses of high-concern risk events require approval by the Non-financial Risk Committee and follow-up of remediating actions is tracked and reported.

Non-financial Risk metrics are reported on a quarterly basis. These metrics cover operational risks, such as the amount of loss per quarter, timely follow-up of remediating actions by management, and specific metrics for all non-financial risk subtypes. All departmental directors evaluate the operational risks in their area of responsibility and sign a departmental in control statement at year end.

Financial economic crime risk

Definition

Financial economic crime risk is the risk that FMO, its subsidiaries, investments, customers and/or employees are involved or used for any crime that has a financial component, even though at times such transactions may be hidden or not socially perceived as criminal. This includes (but is not limited to): money laundering, terrorism financing, bribery and corruption, sanction breaches or any other predicate offence as defined by the Dutch Penal Code or any other rules or regulations related to financial crime that are applicable to FMO.

Risk appetite and governance

FMO acknowledges that as a financial institution it has been entrusted with a gatekeeper role. FMO attaches great value to this role and will always strive for full and timely adherence to financial economic crime regulations. We are aware that in line with FMO’s mandate, the operational working environment (countries with high(er) financial crime risks) as well as the risk maturity level of its clients, risks are present and incidents within customer complexes (i.e. the customer and any associated and/or third parties) may happen.

Financial economic crime framework

FMO’s financial economic crime (FEC) procedures include, amongst others, screening of customers on compliance with applicable anti-money laundering, counter financing of terrorism and international sanctions laws and regulations. Due diligence is performed on customers, which includes checks such as verifying the ultimate beneficial owners of the customer we finance, identifying politically exposed persons and screening against mandatory international sanction lists. These checks are also performed regularly during the relationship with existing customers.

In our continued efforts to implement learnings, FMO’s Compliance department reviews its FEC framework in cooperation with the KYC (Know Your Customer) department on an ongoing basis, taking into account any monitoring results, risk analysis, incidents and updates in regulations and industry best practices. In addition, continuous risk-based quality monitoring takes place both in first- and second-line including sample-based and thematic monitoring. In 2024, the sample-based monitoring consisted of at least 10 percent of all finalized KYC files in every quarter. FMO also conducts ongoing training programs for its employees to raise awareness on topics related to FEC. Further, FMO continues to remind its customers of the importance of integrity in the business operations, including sanctions compliance.

FMO continues to work on strengthening the risk culture and creating awareness on FEC, potential unusual transactions and anti-bribery and corruption practices. In 2024, all FMO employees were required to complete the Compliance ‘Annual Integrity refresher e-learning that addresses customer and personal integrity topics, such as bribery and corruption.

There is always a risk that a customer is involved or alleged to be involved in illicit acts (e.g., money laundering, fraud, or corruption). When FMO is of the opinion that there is a breach of law that cannot be remedied, that no improvement by the customer will be achieved (e.g., awareness, implementing controls) or that the risk to FMO's reputation is unacceptably high, FMO may exercise certain remedies under the contract, such as the right to cancel a loan or suspend upcoming disbursements. FMO will report to the regulatory authorities when necessary.

Regulatory compliance risk

Definition

Regulatory compliance risk is the risk that FMO does not operate in accordance with applicable rules and regulations, either by not or not timely identifying applicable regulations or not adequately implementing and adhering to applicable regulations and related internal policies and procedures.

Risk appetite and governance

FMO has a minimal appetite for regulatory compliance risk. FMO closely monitors and assesses future regulations that apply to FMO and strives for full and timely implementation of regulations.

To ensure compliance with the EU Banking Supervisory Regulations as implemented by the DNB and the ECB and other laws and regulations applicable to FMO, FMO closely monitors the regulatory developments including the supervisory authority's guidance.

FMO has a risk committee structure, accompanied by a Regulatory Monitoring Policy that defines the internal requirements, processes, roles, and responsibilities to identify, assess and implement regulatory changes.

INDEPENDENT AUDITOR'S REPORT

Shape the future
with confidence

Independent auditor's report

To: the management board of the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Report on the audit of the financial statements for the year ended 31 December 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of MASSIF (hereinafter: MASSIF or The Fund), based in The Hague.

In our opinion, the financial statements give a true and fair view of the financial position of MASSIF as at 31 December 2024, and of its result and its cash flows for the year ended 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS Accounting Standards).

The financial statements comprise:

- The Statement of Financial Position as at 31 December 2024
- The Statement of Comprehensive Income for the year ended 31 December 2024
- The Statement of Changes in Fund Capital
- The Statement of Cash Flows for the year ended 31 December 2024
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of MASSIF in accordance with the the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management report
- At a glance
- Performance on our strategy
- List of abbreviations
- Annexes

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Fund's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a fund to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 25 April 2025

EY Accountants B.V.

signed by P.J.A.J. Nijssen

Colophon

Contact details Should you have any feedback or questions, please feel free to contact us.

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