

Press Release - Announcement

Monday 24th September 2018, New York

The Abbeyfield Group is pleased to announce that it has reached agreement with the FMO for its entry into Sudameris Bank in Paraguay as a 7.5% shareholder.

The Abbeyfield Group, through its Ireland based financial holding company Abbeyfield Financial Holdings, acquired a controlling interest in Sudameris Bank in Paraguay in 2004 from Italian banking group Intesa San Paolo. In the intervening years Sudameris Bank has seen its total assets grow tenfold and its loan portfolio grow seventeen-fold to just under US\$ 1 billion. Sudameris Bank is now the fifth largest bank in Paraguay.

Commenting on the transaction today which was announced during a meeting of the Council of the Americas in New York, **Mr Conor McEnroy**, Chairman of Sudameris Bank said: "We are very pleased to welcome the FMO into our share capital and to welcome Nanno Kleiterp, former CEO of FMO, onto our board. The FMO has been for many years a provider of medium- and long-term development capital financing for us and in recent years subscribed to two CoCo (compulsory convertible) Bond issues of our Bank; the first and to date only such bond issued by a Paraguayan financial institution."

Sebastien Lahaie, CEO of Abbeyfield said: "Our relationship with the FMO has been a long and increasingly comprehensive one and we are particularly proud to have helped champion with them the introduction of voluntary environmental and social standards which have been now embedded in the credit process of all major banks in Paraguay. The FMO can be very proud of its achievements in Paraguay."

Remko Komijn, Head of FMO Private Equity for the region said: "Our long-standing relationship with Sudameris Bank dates since 2010. We are very pleased to deepen this relationship as a shareholder, with FMO's first equity stake in Paraguay. We are very impressed about the accomplishments of the company during the last 14 years, providing a strong foundation for the future to continue and strengthen Sudameris' impact as one of the front-runners in the financial sector in Paraguay."

Linda Broekhuizen, Chief Investment Officer in FMO's Management Board said: "We have found Sudameris Bank to be a very enthusiastic and supportive partner for our development agenda in Paraguay. Here I saw a positive example of banks taking a broader responsibility for their role in

society. This month I had the privilege to attend the launch of the third Guide for Sustainable Finance focused on the agro-industry sector, voluntarily developed by banks in Paraguay.

These banks are representing almost 95% of total assets in the Paraguayan banking sector and Sudameris was one of the first banks to join this initiative. This example from Paraguay demonstrates that banks can be catalysts for positive change. ”

Background note

The Abbeyfield Group was founded in 2003 as the McEnroy Family Office and has grown to have financial holdings, agriculture and agro-industrial holdings and real estate holdings in its focus markets in South America.

Founded in 1970 the FMO (The Netherlands Development Finance Company) is one of the largest bilateral private sector development banks worldwide. The FMO total assets are US\$9.67 billion and its shareholders' equity US\$3.29 billion.

Sudameris Bank was founded in 1910 on the initiative of PARIBAS and the Italian Bank COMIT. New partners were incorporated: Indosuez in 1948, Union des Banques Suisses in 1949 and Dresdner Bank in 1977. In 1994 COMIT (subsequently Intesa San Paolo) acquired control of the bank. Abbeyfield Group acquired in 2004 a 78% stake in Sudameris Bank and in 2008, Abbeyfield Financial Holdings acquired the remaining 20% stake bringing its total ownership of just over 98%. Sudameris Bank total assets are US\$1.20 billion and its shareholders' equity US\$110 million.

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