

Annual Report
2024



Global Africa:
New Horizons
for Africa
and its Diaspora





@afreximbank



African Export-Import Bank

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List of Abbreviations and Acronyms

AAGTGS	– Afreximbank African Collaborative Transit Guarantee
AATC	– Afreximbank African Trade Centre
AATG	– Afreximbank African Trade Gateway
ACOF	– Africa Credit Opportunities Fund
AfCFTA	– African Continental Free Trade Area
AFRACAD	– Afreximbank Academy
Afreximbank	– African Export–Import Bank
AMCE	– African Medical Centre of Excellence
AMFI	– African Multilateral Financial Institution
AQAC	– Africa Quality Assurance Centres
ATEX	– African Trade Exchange
AU	– African Union
B2B	– Business-to-business
CANEX	– Creative Africa Nexus
CARICOM	– Caribbean Community and Common Market
CFA franc	– Franc of the Financial Community of Africa (Communauté financière africaine)
COMESA	– Common Market for Eastern and Southern Africa
DCA	– Designated competent authorities
DR	– Depositary receipts
ECL	– Expected credit losses
FEDA	– Fund for Export Development in Africa
GCI-II	– General Capital Increase II
GTI	– Guided trade initiative
IATF	– Intra-African Trade Fair
IMF	– International Monetary Fund
LMS	– Learning management system
MANSA	– Africa Due Diligence Data Platform
MMBtu	– One million British thermal units, commonly used to measure heating content and value of a fuel
NAV	– Net asset value
PAPSS	– Pan-African Payment and Settlement System
OAU	– Organization of African Unity
UKAFPA	– Ukraine Crisis Adjustment Trade Financing Program for Africa

Performance Highlights

In 2024, Afreximbank operated in a complex global environment. However, it intensified its operations to provide needed support and to bridge significant gaps in trade and project financing. In addition to deploying existing products and services, the Bank launched several new initiatives critical to making **African and Caribbean economies** more resilient.

Reflecting this growing impact, the Bank **disbursed US\$18.7 billion in 2024**, its **highest disbursements in any single year**.

The year witnessed a significant 18.39% increase in approvals from **US\$18.90 billion in 2023** to **US\$22.37 billion in 2024**. The steep increase reflects the intensification of lending operations of the Bank in the context of a difficult operating environment affecting member states in Africa and the Caribbean.

Outstanding loans rose by 9.74% from US\$28.09 billion at the end of 2023 to US\$30.83 billion at the end of 2024.

Key macroeconomic indicators

Global output in 2024 expanded by 3.2% in 2024, compared with 3.3% in 2023.

Africa rate of real GDP growth decelerated at an estimated 3% in 2024, from 3.3% in 2023.

Total approvals US\$22.37 billion

Loan approvals major programmes:

Line of credit	US\$14.16 billion
Direct financing	US\$6.02 billion

Total assets of the Group grew by 5.4% from US\$33.47 billion at the end of 2023 to US\$35.26 billion at the end of 2024.

US\$35.26bn

Record levels of disbursements in 2024 US\$18.7 billion

US\$18.7bn

Group shareholders' funds recorded solid growth of 17.4% to US\$7.2 billion

US\$7.2bn

Dividend payout US\$300 million (2023: US\$264.6 million) equivalent to a 31% payout ratio.

31%

15% return on average equity in 2024.

15%

Record 28.7% year-on-year increase in net income in 2024 to US\$973.5 million.

28.7%

Vision

To Transform Africa's Trade



Mission

To stimulate a consistent expansion and diversification of African trade so as to rapidly increase Africa's share of global trade; and in so doing, operate as a first-class, profit-oriented, socially responsible financial institution, and a centre of excellence in African trade matters.



Awards

Awarding Entities	Awards
1. <i>EMEA Finance Achievement Awards</i>	<ul style="list-style-type: none"> i. Best syndicated loan house in Africa: Afreximbank ii. Best syndicated loan in EMEA: Bank of Industry's €1.87 billion syndicated loan iii. Best sovereign loan: Tunisia's US\$500 million loan iv. Most innovative loan: Etu Energias' US\$380 million Afreximbank-backed loan facilities
2. <i>EMEA Finance Achievement Awards – Project Finance Awards</i>	<ul style="list-style-type: none"> i. Best Project Finance house: Afreximbank ii. Best Project Finance deal: East African Crude Oil Pipeline Project, from Kabaale - Uganda to Tanga – Tanzania iii. Best Energy infrastructure deal: Azikel modular hydro skimming refinery project in Nigeria iv. Best Industry deal: PMD Assetco's Project Shiprite US\$137 million floating dry dock repair facility in Takoradi port, Ghana v. Best Oil and Gas deal: Trident Energy's reserves-based term loan facility in Congo vi. Best road deal: East International Group's airport highway construction and upgrade in Monrovia, Liberia vii. Best Transport deal: Kano Maradi Railway Project in Nigeria viii. Most innovative project finance deal: ZEP-RE's US\$300 million Afreximbank re-guarantee facility for COMESA trade facilitation
3. <i>Bonds, Loans and ESG Capital Markets Africa Awards 2024</i>	<ul style="list-style-type: none"> i. Financial Institutions Bond Deal of the Year ii. The "Infrastructure Finance Deal of the Year" Award iii. Development Finance Institution and International Finance Institution Deal of the Year iv. The Renewable Energy Finance Deal of the Year v. The Oil and Gas Deal of the Year Award vi. The Financial Institution Debt House of the Year
4. <i>Global Trade Review (GTR)</i>	<ul style="list-style-type: none"> i. GTR Best Deal of 2024: Starlink Global
5. <i>International Financial Law Review (IFLR) Awards</i>	<ul style="list-style-type: none"> i. In-house Team of the Year: Financial Institutions ii. IFLR Domestic Impact Deal Award - US\$650 million. Oando/Agip Oil Company acquisition



The Chairman

General Meetings of Shareholders African Export-Import Bank, Cairo, Egypt

Transmittal Letter

22 March 2025

Chairman,

In accordance with Article 36 of Afreximbank charter, I have the honour, on behalf of the Board of Directors, to submit herewith the report of the Bank's activities for the period 1 January 2024 to 31 December 2024, including its audited financial statements and that of the Group, covering the same period.

The report also contains a review of the international and African economic environments under which the Group operated and highlights the trade development impact of some of the Group's operations and activities during the period.

Please accept the assurances of our highest consideration.

Professor Benedict Oramah
President and Chairman of the Board of Directors









African Export–Import Bank Group

Group and Affiliated Entities and Specialised Initiatives



Group and Affiliated Entities

	<p>AfrexInsure: This subsidiary offers specialty insurance to clients engaging in trade and trade-enabling investments in Africa. AfrexInsure has commenced working with its partner institutions, including risk carriers, to offer insurance management services solutions across Africa. With headquarters in Mauritius, AfrexInsure's main operational base is in Cairo, Egypt.</p>
	<p>Africa Credit Opportunities Fund (ACOF): The Africa Credit Opportunities Fund is a unique credit fund platform that brings together the institutional expertise and relationships of Afreximbank and Gateway Partners to provide much-needed financing solutions to businesses across Africa. It focuses on the growing opportunity for structured credit instruments for high-quality businesses across the continent.</p>
	<p>African Medical Centre of Excellence: The African Medical Centre of Excellence (AMCE) stands out as an opportunity to improve the healthcare landscape across Africa. The initiative facilitates the establishment of a network of world-class quaternary-level healthcare facilities across the continent. The AMCE offers a full range of medical services (diagnostics, inpatient, and outpatient) in oncology, haematology, cardiology, and general healthcare services as well as other essential services including academic, residential, hospitality, and retail. The first AMCE is set up in Abuja, Nigeria.</p>
	<p>Africa Medical Supplies Platform (AMSP): The AMSP is a nonprofit initiative designed to provide access to a global database of vetted manufacturers and procurement partners to enable African Union member states to purchase certified medical equipment and supplies. Afreximbank co-developed the platform with the African Union's special envoy on COVID-19 supplies, Mr. Strive Masiyiwa, Africa CDC, UNECA, and Janngo. The Bank provides payment and trade services in support of AMSP operations.</p>
<p>ATDC ATMIN</p>	<p>Africa Trade and Distribution Company (ATDC): The Bank established a continental trading company in collaboration with Arise Integrated Industrial Platform (ARISE IIP) and the AfCFTA Secretariat. The ATDC focuses on expanding access to regional and global markets for tradable items purchased by corporates and smallholder farmers and SMEs by providing financing, warehousing, logistics, regulatory advice, and prospecting.</p> <p>ATDC has also set up a subsidiary named ATDC Minerals (ATMIN), which aims to speed up the monetization of untapped oil, gas, and other minerals, through providing market access.</p>
	<p>Africa Quality Assurance Centres (AQAC): AQAC is a state-of-the-art quality infrastructure facilities with the capacity to offer testing, certification, inspection, and training services covering a wide range of products. The centres are under implementation across Africa to support AfCFTA implementation. The first AQAC is headquartered in Ogun State, Nigeria.</p>
<p>CCIInc</p>	<p>CCIInc: CCIInc is an Intellectual Property (IP) Holding Company that aims to support the commercialization of IP assets within Africa's creative and cultural industries, technology, biotech and medical, among other sectors.</p>
	<p>Fund for Export Development in Africa (FEDA): FEDA is an impact investment vehicle, created under a multilateral treaty, that provides capital and related financial, non-financial, and support services to Africa's trade and related support sectors with an emphasis on activities to promote economic development and export diversification and to facilitate intra-African trade. Its headquarters is in Kigali, Rwanda.</p>

Group and Affiliated Entities (Continued)

 AFRICA ENERGY BANK	<p>The Africa Energy Bank (AEB): AEB is a pan-African financial institution established to address the continent's growing energy needs by mobilizing capital for trade in oil and gas as well as energy infrastructure development. Headquartered in Nigeria, the AEB is a joint initiative between the African Petroleum Producers Organization (APPO) and the African Export-Import Bank (Afreximbank), with the goal of promoting energy security and sustainability.</p>
	<p>The African Continental Free Trade Area (AfCFTA) Adjustment Fund: AfCFTA Adjustment Fund aims at helping AfCFTA State parties adjust to the new liberalised and integrated trading environment by mitigating the potential adverse impacts of AfCFTA-induced tariff revenue losses. It is a critical instrument in the realisation of the AfCFTA. It will help countries to implement agreed protocols and support African companies to retool for effective participation in the new trading regime.</p>
 PAPSS Pan-African Payment & Settlement System PACM  PAPSS CARD	<p>The Pan-African Payment and Settlement System (PAPSS): PAPSS is a Financial Market Infrastructure facilitating efficient cross-border payments in African national currencies, promoting intra-African trade by reducing cost and minimizing risk, and contributing to payment systems interoperability and financial integration across Africa. PAPSS is currently undertaking the following two strategic initiatives:</p> <ul style="list-style-type: none"> – The PAPSS African Currency Marketplace (PACM): A pan-African currency exchange platform integrated within the PAPSS system. Designed as a wholesale, demand-driven digital marketplace, it enables the matching and exchange of African currencies without relying on hard currencies. – The PAPSS CARD: A pan-African card scheme infrastructure designed to promote financial independence, enhance efficiency, and reduce the costs associated with card payments.







Specialised Initiatives


AfLSF	<p>African Life Sciences Foundation (AfLSF): AfLSF is a world-class philanthropic foundation aimed at strengthening healthcare delivery as well as outcomes for Africans and improving Africa's position in life sciences research and patents held. The establishment of AfLSF, presented a strategic opportunity to invest in research and innovation aimed at enhancing responses to diseases prevalent in Africa, advancing understanding of global health issues as they affect African populations, and promoting effective knowledge transfer across the continent.</p>
 ATT FUND African Trade Transformation	<p>African Trade Transformation Fund (ATT FUND): ATT Fund is a Trust Fund created on behalf of shareholders to implement a Concessional Finance Window that will complement the offerings of Afreximbank. ATT FUND is a strategic initiative to address market challenges that hinder trade, foster growth and prosperity, and bridge Africa's pressing funding gap. Positioned as a long-term solution, the fund seeks to catalyze sustainable economic and social progress across Africa and the Caribbean by financing transformative projects in critical sectors.</p>
 CANEX Creative Africa Nexus	<p>Creative Africa Nexus (CANEX): CANEX is a Programme put in place by Afreximbank to support Africa's creative and cultural industries. It is designed specifically for African creatives, including digital innovators and experts, fashion, film, and music actors looking for ways to monetize their content across the digital landscape.</p>

African Export–Import Bank Group

Group and Affiliated Entities and Specialised Initiatives

Specialised Initiatives (Continued)

	<p>The Intra-African Trade Fair (IATF): IATF is a sustainable platform for facilitating trade and investment information exchange in support of increased Intra-African trade and investment, especially as the AfCFTA is implemented. The IATF therefore plays a critical role in enabling businesses to access an integrated African market of more than 1.3 billion people with a combined gross domestic product (GDP) of more than US\$3 trillion, created under the AfCFTA.</p>
    	<p>The Africa Trade Gateway (ATG): ATG is a suite of digital platforms:(MANSA, TRADAR Club, ATEX and ATG Connect), that have been designed as a single window to enable the Bank to better deliver on its mandate by providing critical services to support and promote African trade and the implementation of the African Continental Free Trade Agreement (AfCFTA).</p> <ul style="list-style-type: none"> – MANSA, Africa’s due diligence platform, provides a single source of primary data required for the conduct of customer due diligence on African entities, financial institutions, corporates and SMEs. – TRADAR Club, is a member-driven network aimed at empowering international businesses and executives to transform trade and investments in Africa through trusted trade intelligence and advisory services through innovative digital tools and networking opportunities. – Africa Trade Exchange (ATEX) is a B2B and B2G platform to enable procurement in bulk of basic commodities to ensure countries’ access to scarce supplies in a transparent manner. – ATG Connect serves to connect business service providers across Africa. It provides freight and logistics connectivity solutions which allow for frictionless connecting and matching of freight/ logistics requests with freight and logistics providers listed on the platform.



**Record levels of disbursements by the Bank in
2024: US\$18.7 billion.**

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Professor Benedict Okey Oramah
President and Chairman

Dr. George Elombi
Executive Secretary

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Chief Executive Officer (PAPSS)

Ms Marlene Nyogi

Chief Executive Officer (FEDA)

Mr Jonas Mushosho

Chief Executive Officer (Afrexinsure)



1 Executive Summary

The African Export-Import Bank (Afreximbank) continued to play a prominent role in 2024, supporting its member states in Africa and the Caribbean as they navigated a demanding global operating environment. With member states facing myriad challenges—among them, external debt burdens, tight financing conditions, and significant inflationary pressures—the Bank intensified its operations to provide needed support and bridge significant gaps in trade and project financing. In addition to deploying existing products and services, the Bank launched several initiatives critical to making African and Caribbean economies more resilient. Reflecting this growing impact, in 2024 the Bank approved more than US\$22 billion and disbursed more than US\$18.7 billion, its largest disbursements in any single year.



Chapter One

Executive Summary

The Bank's interventions were in alignment with its mandate, approved work programme and budget, and medium-term strategic priorities. The interventions also reflected best global practices in governance, risk management, and financial reporting.

1.1 Operating Environment

In recent years, the global economy has endured a series of disruptive shocks, including a crippling pandemic, rising geopolitical tensions, regional conflicts, extreme weather events, and uncertainty in trade policies. These factors collectively dampened growth around the world. Despite the significant challenges, cautious expansionary monetary policy enabled by easing inflation helped sustain an estimated 3.2 percent growth in global output, only slightly lower than the 3.3 percent growth recorded in 2023. This resilience was driven by a number of factors, including solid economic performance in the United States, less restrictive financial conditions in most developing economies following interest rate cuts by major central banks, and improved global trade.

Inflationary pressures continued to ease through 2024 and are projected to ease further in 2025, supported by improved supply chain conditions, stabilising energy prices, and the delayed but effective transmission of monetary tightening by major central banks on both sides of the Atlantic. By the end of 2024, global inflation declined to 5.8 percent, down from 6.7 percent in 2023 and from a peak of 8.6 percent in 2022. However, while headline inflation has broadly receded, underlying risks remain. Structural inflationary pressures persist in emerging markets, particularly in Africa, where food and energy price volatility continue to strain household purchasing power.

Notwithstanding the challenging global economic environment, global trade recovered in 2024. Easing inflationary pressures boosted incomes and consumer spending and allowed major central banks to cut interest rates and facilitate access to financing. Recent estimates from the World Trade Organization (WTO) show that growth in the volume of global

trade, which contracted by 1.1 percent in 2023 from 2.2 percent in 2022, gathered momentum, rebounding to an estimated 2.7 percent in 2024. Trade is estimated to have increased to about US\$48.5 trillion in 2024, from US\$47.2 trillion in 2023.

Africa's strong rebound after the downturn triggered by the COVID-19 pandemic was followed by consecutive growth decelerations from 2022 to 2024. Real GDP decelerated an estimated 3 percent in 2024, from 3.3 percent in 2023. Growth remained below the 2011–2019 average of about 5 percent, reflecting several factors, including worsening weather shocks; heightened trade policy uncertainty, which contributed to the general global slowdown; domestic supply bottlenecks, most notably in the energy sector; high costs of living, which limited consumption growth; escalating debt burdens and interest rates, which contributed to narrowing fiscal space; and heightening political instability in parts of the region.

1.2 Operations and Activities

The Bank's total approvals increased sharply by 18.39 percent from US\$18.90 billion in 2023 to US\$22.37 billion in 2024. The steep increase reflected the intensification of lending operations in the context of a difficult operating environment affecting member states in Africa and the Caribbean. Total annual disbursements increased slightly from US\$18.10 billion in 2023 to US\$18.70 billion in 2024. Outstanding loans rose by 9.74 percent from US\$28.09 billion to US\$30.83 billion during the same period. Adding the total unfunded exposure of US\$4.82 billion in 2024, the value of gross loans and contingent liabilities stood at US\$35.65 billion in 2024 compared with US\$31.93 billion in 2023, a year-on-year increase of 11.65 percent.

Approvals under the Line of Credit Programme increased significantly in 2024 by 44.62 percent to US\$14.16 billion from US\$9.79 billion in 2023. However, they remained lower than the US\$17.37 billion approved in 2022, when the Bank launched its emergency Ukraine Crisis Adjustment Trade Financing Programme.


The programme accounted for 63.29 percent of total approvals during the year. Approvals under the programme were mainly directed at financial institutions and continued to support African countries in securing funding for critical imports—including foods, petroleum products, and fertilisers—and in providing them an economic cushion amid global challenges.

The Bank's Country Programme was designed to provide tailored, multi-faceted initiatives to assist member countries facing specific economic challenges or to support their economic development strategies, often involving a mix of financing products. Six countries—Burundi, Cabo Verde, Côte d'Ivoire, Kenya, Sudan, and Zimbabwe—were eligible for support under this programme in 2024.

Approvals under the Country Programme increased by 6.74 percent over the year, from US\$1.45 billion in 2023 to US\$1.54 billion in 2024. The programme's share of total approvals dropped slightly over the year, from 7.67 percent in 2023 to 6.92 percent in 2024. Transactions under the programme were targeted to the financial services, energy, agriculture, and manufacturing sectors. Countries eligible for support under the programme were also eligible for support from the Bank's Advance Procurement Commitment Guarantee for acquiring vaccines from global manufacturers. Outstanding loans associated with the programme decreased from US\$3.04 billion in 2023 to US\$2.69 billion in 2024, accounting for 8.75 percent of the Bank's total exposure at the end of the year.

As of 31 December 2024, 41 of the 55 African Union member states and 6 of the 20 Caribbean Community (CARICOM) member states had received their deliveries of the COVID-19 vaccines under the Africa Vaccine Acquisition Trust Programme. The No-Fault Compensation Scheme is also fully operational. There have been no claims for compensation under the scheme since its inception.

For the second year in a row, Afreximbank emerged as a double winner at the African Banker Awards held in May 2024, winning both the "Bank of the Year" and "Deal of the Year (Infrastructure)" awards. These prestigious recognitions were bestowed at an awards gala ceremony held in Nairobi, Kenya, and attended by more than 300 leading figures on the continent in banking and finance.

An aerial night photograph of a city, likely Johannesburg, South Africa, showing a dense urban landscape with illuminated buildings and streets. A large, semi-transparent blue semi-circle is overlaid on the upper half of the image, serving as a background for the text.

Africa demonstrated strong resilience with a robust rebound following the COVID-19 pandemic. While growth moderated during the 2022–2024 period, real GDP is estimated to have expanded by 3 percent in 2024, following a growth rate of 3.3 percent in 2023, underscoring ongoing efforts to sustain recovery amid global challenges.

Chapter One

Executive Summary

Award organisers highlighted Afreximbank's exceptional performance across various metrics, key among them, "considerably changing the banking landscape by reaching out to new customers, offering new services, adopting inclusiveness by bringing the unbanked into the banking space, making use of new technologies, and helping to drive growth through a stronger financial sector." The Bank of the Year award reflects Afreximbank's outstanding financial performance. The Bank Group's results for the year ending 31 December 2023 showed remarkable strength and resilience, surpassing that of the previous year.

At the 37th Ordinary Session of the Assembly of Heads of State and Government of the African Union in February 2024, Africa's multilateral financial institutions, including Afreximbank, launched the Alliance of African Multilateral Financial Institutions (AAMFI). Led by Nana Addo Dankwa Akufo-Addo, president of Ghana, the AAMFI marks a pivotal moment in Africa's financial landscape.

Comprised of African-owned and controlled multilateral financial institutions established by treaty by African states, the AAMFI embodies Africa's collective resolve to shape its financial future. Its founding members, including Afreximbank, Africa Finance Corporation, Trade and Development Bank Group, African Reinsurance Corporation, African Trade and Investment Development Insurance, Shelter Afrique Development Bank, and ZEP-RE (PTA Reinsurance Company), are pooling efforts to promote sustainable economic growth and integration in alignment with the African Union's Agenda 2063 and the United Nations Sustainable Development Goals. AAMFI members have committed to collaborate to address Africa's development finance needs, promote the interests of member states, advocate for Africa on global finance issues, develop innovative finance tools, and support sustainable finance strategies.

In 2024, the Africa Center and Afreximbank launched the Afreximbank Africa Diaspora Center to bridge the gap between the African diaspora and the African continent. An institutional gateway to connect citizens of the nations of Africa and people of African descent, the Diaspora Center

is designed to enhance the flow of Africa-focused information and to promote economic opportunities in Africa and the diaspora to benefit all people of African descent irrespective of where they live. Launched at the 2024 Future Africa Forum in New York on 23 September 2024, the Diaspora Center is planned to be a gateway for engagement with contemporary African nations, promoting understanding of African peoples and people of African descent.

The Bank officially launched the Global Africa Gateway on 23 September 2024 in New York on the sidelines of the United Nations General Assembly. It was attended by more than 250 delegates, four heads of state including Prime Minister of Saint Vincent and the Grenadines Ralph E. Gonsalves, who gave the keynote address. The Gateway will act as an outpost of the Bank to the diaspora to support implementation of diaspora strategy and promote the Bank's products, initiatives, and services.

In 2024, the Bank signed a memorandum of understanding with the WTO to amplify the impact of their joint efforts promoting global trade and leveraging Africa's unique resource endowment. The collaboration is designed to allow the two institutions to harmonise and coordinate efforts to deepen key trade development activities on the continent. Afreximbank and the WTO are part of an inter-agency partnership championing transformative change in the cotton industry in Africa's Cotton-4 Plus countries: Benin, Burkina Faso, Chad, and Mali, as well as Côte d'Ivoire as an observer—which are leaders in an industry essential economic and social development and well-being. The Bank and the WTO plan to expand and deepen the collaboration to support the cotton sector beyond the Cotton-4 Plus countries. The support will include developing local and regional value chains of cotton in Africa and hastening their integration into the global value chain.

On 20 March 2024, Afreximbank officially inaugurated its Fund for Export Development (FEDA) office in Kigali, Rwanda. Edouard Ngirente, prime minister of Rwanda, attended the event, accompanied by Benedict Oramah, president and chairman of the board of directors of Afreximbank; executive vice presidents of Afreximbank; members of the board of directors of FEDA; and

Marlene Ngoyi, chief executive officer of FEDA. In his address, Prime Minister Ngirente expressed satisfaction at the establishment of the FEDA office in Rwanda and called it a testament to the strong partnership between the government of Rwanda and Afreximbank.

FEDA remains committed to expanding its number of member states. In 2024, six new nations—Egypt, Nigeria, Benin, Malawi, The Gambia, and Guinea-Bissau—became members by formally agreeing to become parties to FEDA's establishment agreement. That put total membership in FEDA at 20 at the end of December 2024. The expansion is a testament to the member states' strong support of FEDA's commitment to transforming Africa's trade sector through its multi-investment impact fund platform. The expansion is likely to pave the way for ratification of the agreement in the near future, facilitating increased investment by FEDA into member states.

AfrexInsure Insurance Management Company, a wholly owned subsidiary of Afreximbank, specialises in providing insurance management services and tailored insurance solutions for trade and trade-related investments across Africa. In 2024, its specialty insurance solutions were deployed to a growing number of consumers across several sectors and geographies. By year's end, AfrexInsure had completed transactions in 16 countries, up from 7 in 2023. AfrexInsure deployed solutions to clients in the energy, mining, construction, manufacturing, and financial services sectors, among others, aligning with the Group's Industrialisation and Export Development pillar. In support of the trade development agenda, AfrexInsure provided specialty solutions to assets with a value of US\$3.44 billion and generated premiums of US\$9.6 million, bringing cumulative sums insured to US\$5.5 billion and generating gross premiums of US\$11.2 million. In support of its mandate to keep premiums on the African continent, AfrexInsure was placed more than 90 percent of premiums written through pan-African (re)insurance entities, increasing their access to larger pools of insurance premiums.

The Pan-African Payment and Settlement System (PAPSS) continued growing in 2024, further solidifying its role as a critical component of the

African Continental Free Trade Area (AfCFTA) by significantly increasing its operational footprint and transaction volume. The year was marked by noteworthy achievements and strategic advancements that have enhanced the contributions of the PAPSS to the financial integration of Africa.

PAPSS expanded its network in 2024 by welcoming 3 additional central banks, increasing the total to 15. The year also saw the onboarding of 50 new commercial banks, bringing the total of banks connected to the system to 144. The addition of 3 more switches also widened the operational scope to 13, significantly enhancing the system's capabilities. Transaction volume surged by 900 percent over 2023, driven by a strategy to integrate the Suspense Settlement Account 3 into the operations of more banks. That encouraged banks to promote the PAPSS in their digital channels and brought increased awareness of the system to participating countries.

The Bank mobilised about US\$12.92 billion in funding in 2024, spread across diverse sources. About 36.76 percent was raised from the Central Bank Deposit Programme's Africa Resource Mobilisation Initiative and from non-central bank African and CARICOM institutions. Another 26.65 percent was raised from bilateral lines, 18.55 percent from syndications, 14.02 percent from development finance institutions and export credit agencies, and 4.01 percent from bond issuances.

The Partnership Agreement signed between the Bank and CARICOM countries in September 2022 provided a mechanism for 20 Caribbean countries to become participating states of the Bank. That integration paved the way for the 31st Afreximbank Annual Meetings held in Nassau, The Bahamas. The meetings in June 2024 were the first the Bank has ever held in a Caribbean country and only the third held outside of Africa. The historic gathering, "Owning Our Destiny, Economic Prosperity on the Platform of Global Africa," was held at the Grand Hyatt hotel's Baha Mar Convention Centre. It included a shareholders' annual general meeting, various seminars, a pan-African business awards gala dinner ceremony, and the Afreximfest cultural evening. The gathering also incorporated the annual AfriCaribbean Trade and Investment Forum.

The board of directors and its committees held statutory as well as ad-hoc meetings throughout the year in compliance with the requirements of the Bank's charter. The board met quarterly to discuss and address strategic matters related to the growth and expansion of the Bank's financing activities, investments and loans, advisory services, strategy implementation, risk management and compliance, human resources, and information technology, among others.

During the year, the Bank continued implementation of the general capital increase approved by shareholders in 2021 to raise US\$2.6 billion in paid-in capital. The general capital increase is designed to expand the Bank's capital base to enable it to more effectively implement various initiatives to expand intra- and extra-African trade. Shareholders continued to support the Bank, injecting new capital reinvesting dividends. Two new shareholders joined the Bank by subscribing for new Class "B" shares.

Fifty-one existing shareholders across all classes reinvested their dividends. Existing and new shareholders paid about US\$413 million, with cumulative dividends reinvested by existing shareholders of about US\$192 million.

By the end of 2024, the number of shareholders had increased to 166. Total number of shares subscribed stood at 237,168, with a nominal value of US\$2.37 billion. At the end of the year, all shareholders had met obligations for their share subscriptions.

The number of African participating states increased to 53 at the end of 2024 with the accession of the State of Libya to the Bank Agreement. The number of countries that had ratified the Bank Agreement by the end of 2024 stood at 49. The Bank continued to actively encourage other African countries to join, including South Africa and Somalia. Efforts continued to encourage member states such as the Kingdom of Lesotho and the State of Libya to ratify the Agreement that established the Bank.

The number of CARICOM countries that are signatories to the Partnership Agreement rose to 12 with the accession of Haiti. The number of CARICOM countries that have ratified the Partnership Agreement grew to 10 with the addition

of Belize. Suriname and Haiti have yet to complete the ratification process.

1.3 Development Impact

In 2024, the Bank entered the second half of its sixth Strategic Plan, the African Export-Import Bank (Afreximbank), reinforcing its commitment to transforming Africa's trade, the Bank deployed more than 170 investments across Africa, totaling US\$18.8 billion to support its member states in expanding intra-African trade and accelerating long-term industrialisation and export development. Despite heightened global geopolitical and economic uncertainties, the Bank continues to make significant progress in advancing its strategic pillars: Intra-African Trade and AfCFTA Implementation, Industrialization and Export Development, Leadership in Global Trade Banking in Africa, and Financial Sustainability.

The promotion of intra-African trade remains a key priority for the Bank. In 2024, the Bank directly financed about 3 percent of total intra-African trade and facilitated US\$8.7 billion (or 4.7 percent) of total intra-regional trade. In this regard, projects financed in 2024 under the Intra-African Trade strategic pillar will connect 296,241 rural farmers and small and medium enterprises (SMEs) in Africa to formal markets. As of 2024, a total of 39 countries have commenced actual trading under the AfCFTA's Guided Trade Initiative, demonstrating growing confidence in this transformative trade deal and a shared commitment to boosting intra-African trade. The AfCFTA-enabling initiatives developed by Afreximbank, in collaboration with the AfCFTA Secretariat and the African Union Commission, are helping facilitate seamless trade under the agreement, supporting the continent's economic integration and development. Work on the development of African standards saw 385 standards harmonised for pharmaceutical and medical devices—139 of these standards in 2024—as well as 60 standards harmonised for fashion, textiles, and leather. In the area of trade facilitation, the Dar es Salaam railway project, spanning 1,596 kilometers in Phase 1 and 1,685 kilometers in Phase 2, has made significant progress, with lots

Chapter One

Executive Summary

1 and 2 (722 kilometers) now complete. African leading exporters were assisted to win construction contracts worth more than US\$1 billion across the continent and were helped to manage the exodus of international banks by financing the leading African-owned financial institutions to acquire those banks.

In advancing its work under the Industrialisation and Export Development strategic pillar, the Bank continued to deepen its support through financing and technical services for the development of industrial infrastructure and the creation of value-added exports. In 2024, the Bank facilitated more than 50 transactions across the five African regions, stimulating US\$1.6 billion in manufactured exports, which is equivalent to 1.4 percent of Africa's total manufactured exports. The completion of two vertically integrated industrial parks in West Africa has generated more than 22,000 direct and indirect jobs. The first phase of a 60,000-barrel-per-day high-conversion petroleum modular refinery in Southern Africa is nearing completion and is set to be finalised in 2025, having already created 2,873 jobs during construction. In East Africa, the construction of an oil jetty and a 150,000-square-meter storage depot to support an industrial development free zone is scheduled for commissioning in 2025, with the potential to generate US\$2.2 billion in additional government revenues over the next five years. The 141-megawatt Integrated Power Project in West Africa was completed in 2024 and is expected to reduce power outage costs for manufacturers by US\$1.3 billion annually, increase manufacturing output by US\$707 million, attract 2,000 new industries, support more than 28,000 local SMEs and to create 3,300 jobs.

In Central Africa, investment is being made in a 200-unit solar photovoltaic power station with a 15-megawatt capacity, projected to increase renewable energy production by 1.04 percent and create 400 jobs during construction and 100 during operation. Through the Bank's support to one of the leading agro-processing companies in East Africa since 2021, the production of 924,104 meters of yarn and grey fabrics, 47 metric tons of knitted fabrics, and 64,313 garment pieces have been facilitated, benefiting 613 local SMEs

and creating 370 direct jobs (40 percent of which are held by women). The 500-bed African Medical Centre of Excellence (AMCE) in West Africa is 80 percent complete and set for commissioning in 2025, with feasibility studies underway for similar projects in other regions.

With respect to the Trade Finance strategic pillar, the Bank contributed to the narrowing of the trade finance gap in Africa by 18 percent (3 percent more than the 15 percent annual target) in 2023. By the end of 2024, the Bank had cumulatively onboarded 533 African banks and extended letter of credit confirmation to 256 banks, benefiting 49 member states. The Bank also granted 111 trade finance lines, amounting to US\$10.4 billion, to 27 countries across Africa (predominantly least developed countries) to meet their trade financing needs. This resulted in 127,060 sub-loans to SMEs, benefiting, among others, women and youth. The Bank's Payment Services Programme made it possible for 203 banks and 134 corporations in 46 member states to access payment services, benefiting more than 321 sub-clients. The year 2024 ushered in significant milestones for the MANSA initiative, resulting in the onboarding of an additional 11,239 profiles, making a total of 26,561 from a total of 15,322 profiles recorded for the year 2023.

In the context of continued global economic uncertainties and limited development resources, Afreximbank's Trade Development Impact Assessment framework is helping it use its resources more effectively and better track results for greater impact.

Projects financed in 2024 under the Intra-African Trade strategic pillar will connect 296,241 rural farmers and small and medium-sized enterprises in Africa to formal markets.



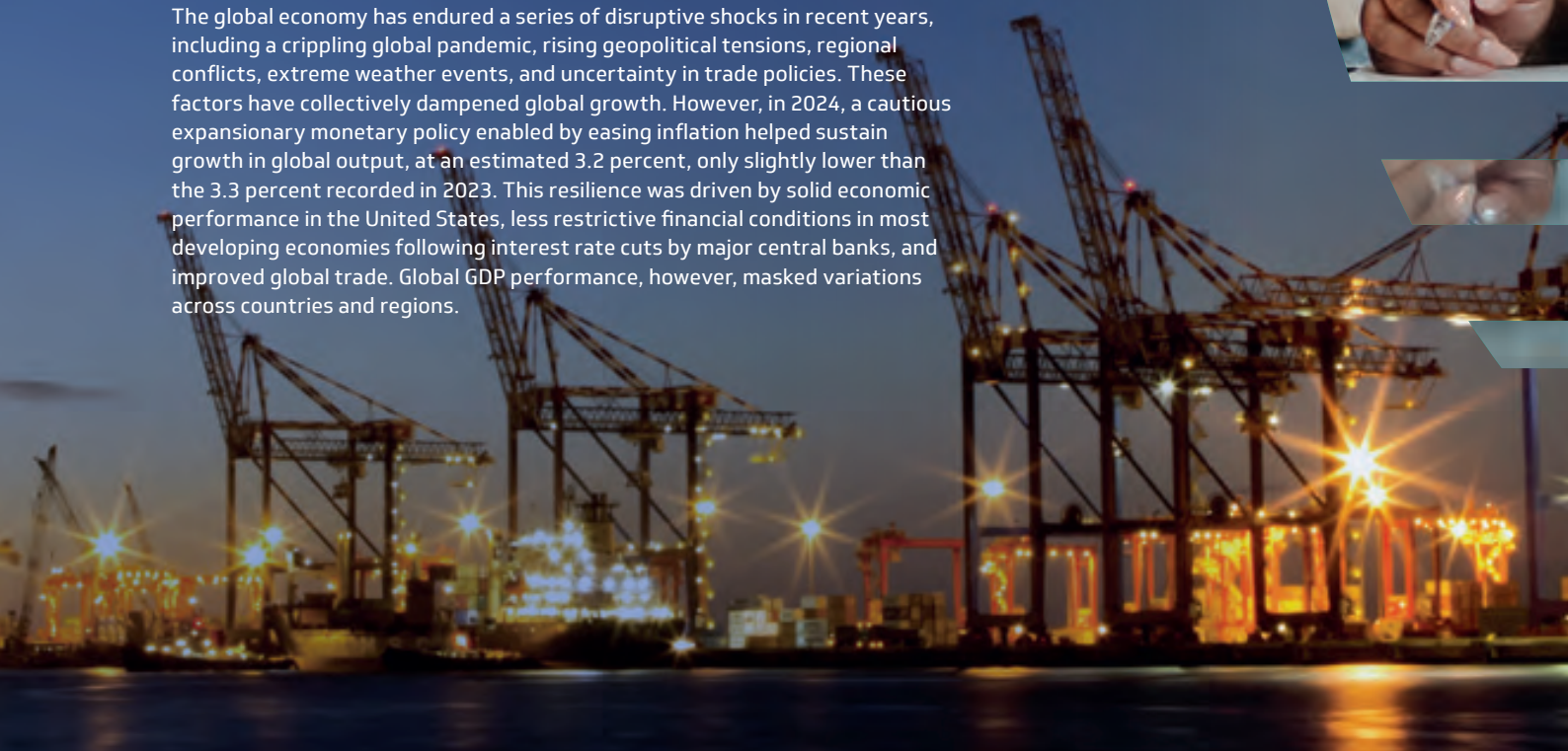
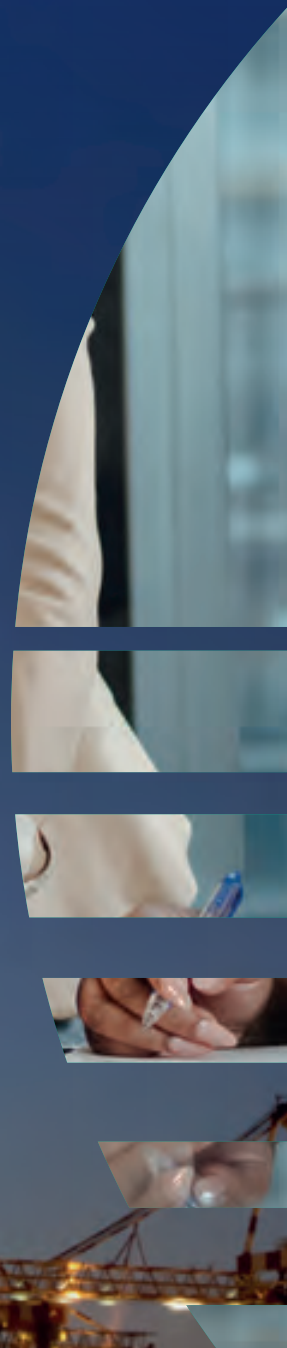
2

The Operating Environment

2.1 The Global Economic Environment

2.1.1 OUTPUT DEVELOPMENTS

The global economy has endured a series of disruptive shocks in recent years, including a crippling global pandemic, rising geopolitical tensions, regional conflicts, extreme weather events, and uncertainty in trade policies. These factors have collectively dampened global growth. However, in 2024, a cautious expansionary monetary policy enabled by easing inflation helped sustain growth in global output, at an estimated 3.2 percent, only slightly lower than the 3.3 percent recorded in 2023. This resilience was driven by solid economic performance in the United States, less restrictive financial conditions in most developing economies following interest rate cuts by major central banks, and improved global trade. Global GDP performance, however, masked variations across countries and regions.





Chapter Two

The Operating Environment

Consistent with trends over the past two decades, emerging and developing market economies continue to shape global growth patterns while influencing trade and investment flows on a broader scale. Developing and emerging market economies, particularly in Asia, are playing increasingly dominant roles in driving global growth. Over the past two decades, these economies have steadily expanded their share of global output, underpinned by rising domestic consumption, large-scale infrastructure investments, and rapid digital transformation. This shift signals a potential reconfiguration of global trade and investment flows, with multinational corporations and investors pivoting toward high-growth emerging and developing market economies.

Advanced economies recorded a modest growth increase of 1.8 percent in 2024, compared with 1.7 percent in 2023. The United States, the world's largest economy, continued a steady growth path, with the strongest output expansion among major economies, though its real GDP growth of 2.8 percent, was marginally lower than the 2.9 percent growth the previous year (table 2.1 and figure 2.1b). That resilience was supported by robust consumer demand, fuelled by strong wealth effects and a more accommodative monetary policy stance. Favourable financial conditions also contributed to higher disposable incomes, stimulating both consumption and investment spending. However, despite its resilience, the economy of the United States faces long-term fiscal sustainability concerns. Rising national debt and persistent budget deficits pose risks to future economic stability, with the Congressional Budget Office estimating that federal debt will exceed 110 percent of GDP by 2030. These fiscal imbalances could limit the government's ability to implement counter-cyclical policies in response to future economic downturns, potentially exacerbating economic volatility and restricting long-term growth prospects.

Strong growth in other advanced economies, particularly the United Kingdom and within the Eurozone, accelerated, helping close lingering output gaps. The combined growth rate for these economies increased to an estimated 1.8 percent in 2024, up from 1.7 percent in 2023, reflecting a rebound in household consumption and investment activity.

Table 2.1 Developments in global output, 2022–2024

	Real GDP growth (annual percent change)			Inflation rate (annual percent change)		
	2022	2023	2024	2022	2023	2024
WORLD	3.6	3.3	3.2	8.6	6.7	5.8
ADVANCED ECONOMIES	2.9	1.7	1.8	7.3	4.6	2.6
United States	2.5	2.9	2.8	8.0	4.1	3.0
United Kingdom	4.8	0.3	1.1	9.1	7.3	2.6
France	2.6	1.1	1.1	5.9	5.7	2.3
Japan	1.2	1.7	0.3	2.5	3.3	2.2
Italy	4.7	0.7	0.7	8.7	5.9	1.3
Canada	3.8	1.2	1.3	6.8	3.9	2.4
Germany	1.4	-0.3	0.0	8.7	6.0	2.4
European Union	3.7	0.6	1.1	9.3	6.3	2.6
DEVELOPING ECONOMIES	4.0	4.4	4.2	9.6	8.1	7.9
Africa	4.3	3.3	3.0	14.2	18.2	20.3
Emerging and Developing Asia	4.4	5.7	5.3	3.9	2.4	2.1
Latin America and the Caribbean	4.2	2.2	2.1	14.2	14.8	16.8
Emerging and Developing Europe	0.6	3.3	3.2	25.2	17.1	16.9

Sources: International Monetary Fund 2025.

Within the Eurozone, growth performance varied, reflecting structural differences in economic resilience and policy responses. In Germany, where the economy relies heavily on Russian gas, overall GDP growth remained flat in 2024, after a contraction of 0.3 percent in 2023. In contrast, Spain emerged as one of the region's fastest-growing economies, expanding by 2.9 percent in 2024, supported by increased household consumption expenditure and a recovery in activities in the travel and tourism sectors.

In the United Kingdom, economic growth recovered faster than anticipated in 2024, following a mild technical recession in 2023. Accordingly, GDP growth came in at an estimated 1.1 percent in 2024, significantly up from 0.3 percent in 2023. The recovery was driven primarily by a rebound in consumer spending, supported by easing inflation and lower interest rates, which increased disposable incomes and business sentiment. However, despite the recovery, structural challenges such as sluggish productivity growth and uncertainties about trade policy since the United Kingdom's withdrawal from the European Union in 2016 continue to pose risks to the nation's long-term economic trajectory.

Japan, the world's third largest economy, experienced a sharp deceleration in growth in 2024, with output expanding by

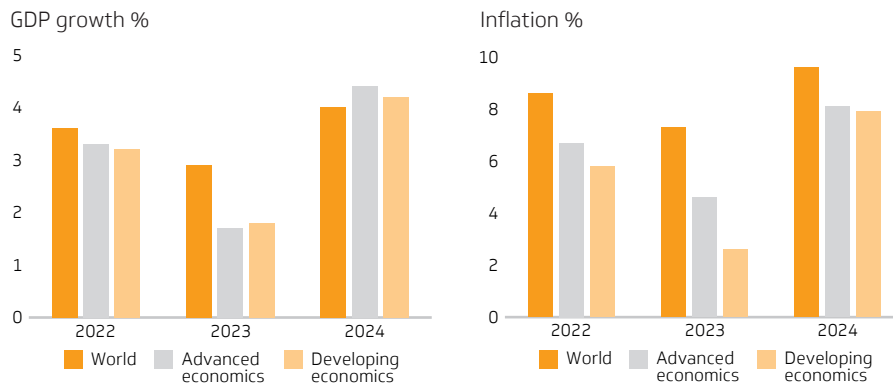
just about 0.3 percent, significantly down from 1.7 percent in 2023. The slowdown in economic activity reflects temporary supply disruptions and fading of previous one-off stimulatory factors that had boosted activity the year prior. Japan's aging population and weak wage growth remain structural constraints, limiting domestic demand and long-term growth prospects.

In alignment with global economic trends, developing economies experienced a slight slowdown in growth. Aggregate output expanded by an estimated 4.2 percent in 2024, a deceleration from 4.4 percent in 2023. This deceleration was largely driven by the Chinese economy, in which persistent trade policy uncertainties and a protracted downturn in the property market weighed on economic momentum. Even though the growth rate remains lower than the region's pre-pandemic average performance of more than 5 percent, it continues to outpace the global average of 3.2 percent, underscoring the resilience of developing economies despite external pressures.

Consistent with trends over the past decade, developing Asia continued to be the leading driver of global growth, with real GDP growing at an estimated 5.3 percent in 2024, according to the International Monetary Fund, albeit a

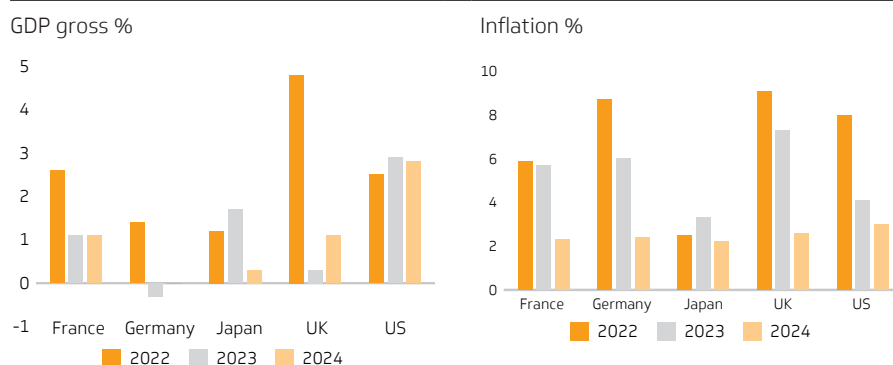
Figure 2.1: Output and inflation

Figure 2.1a: Global output and inflation, 2022–2024 (%)



Sources: International Monetary Fund 2025; World Economic Outlook, January 2025; African Export-Import Bank research.

Figure 2.1b: Output and inflation in key advanced economies, 2022–2024 (%)



Sources: International Monetary Fund 2025; World Economic Outlook, January 2025; African Export-Import Bank research.

deceleration from 5.7 percent recorded in 2023. In addition to increased government spending on capacity building to manage natural disasters and on resilience in domestic demand, the observed output expansion within the group reflected strong growth in India, where GDP grew by 7 percent. The contribution of the region to global growth largely reflects the strong influence of the Indian and Chinese economies and highlights their increasing role in shaping global economic dynamics.

2.1.2 PRICE DEVELOPMENTS

Despite persistent global economic uncertainties, inflationary pressures continued to ease through 2024 and are projected to further ease in 2025, supported by improved supply chain conditions, stabilising energy prices, and the delayed but effective transmission of monetary tightening by major central banks on both sides of the Atlantic. By

the end of 2024, the global inflation rate had declined to 5.8 percent, down from 6.7 percent in 2023 and a peak of 8.6 percent in 2022 (table 2.1 and figure 2.1b). However, while headline inflation has broadly receded, underlying risks remain. Structural inflationary pressures persist in emerging markets, particularly in Africa, where food and energy price volatility continue to strain household purchasing power. Additionally, geopolitical tensions—such as disruptions in the Red Sea—are increasing transportation costs and disrupting trade flows, risking renewed inflationary pressure. In major economies, wage growth remains above pre-pandemic levels, raising concerns that core inflation could remain more persistent than currently projected.

In advanced economies, inflation eased significantly, with the average inflation rate dropping to 2.6 percent in 2024, with to 4.6 percent in 2023 and 7.3 percent in

2022 (table 2.1 and figure 2.1b). In the United States, sustained interest rate hikes by the Federal Reserve in 2023 and part of 2024, coupled with stable energy prices and resilient supply chains, contributed to a decline in annual inflation to 3.0 percent in 2024, from 4.1 percent in 2023 and 8 percent in 2022. In the Eurozone, inflationary pressures also eased, with the rate of inflation falling to 2.6 percent in 2024, significantly down from 6.3 percent in 2023 and 9.3 percent in 2022, as monetary policy measures took full effect. In the United Kingdom, inflation moderated to 2.6 percent in 2024, following a series of rate adjustments by the Bank of England and improved price dynamics in key sectors. However, the pace of disinflation in the United Kingdom has lagged that of the United States and the Eurozone, partly due to structural rigidities in energy and housing markets.

Inflationary pressures in developing economies have also receded, though progress remains uneven across countries and regions. By the end of 2024, the average annual inflation rate in developing economies is estimated to have fallen to 7.9 percent, down from 8.1 percent in 2023 and 9.6 percent in 2022. Easing global energy prices and subdued domestic demand in key economies like China contributed to this trend. In China, inflation remained low at 1.5 percent in 2024, reflecting weak consumer demand and a protracted slowdown in the property sector. However, in contrast to the broader disinflation trend, Africa remains an outlier, with inflation accelerating to 20.3 percent in 2024, up from 18.2 percent in 2023. This surge reflects persistent food price volatility, currency depreciations, and structural supply constraints, which have compounded inflationary pressures across the continent.

While the global disinflation trend remains broadly positive, risks include geopolitical tensions, climate-related disruptions, and potential commodity price spikes. As a result, central banks in both advanced and developing economies are expected to maintain a cautious stance in 2025, balancing the need to sustain economic growth with the imperative of anchoring inflation expectations.

Chapter Two

The Operating Environment

2.1.3 FINANCIAL MARKETS

Global financial markets experienced a broad recovery in 2024, shaped by macroeconomic conditions, geopolitical developments, and investor sentiment regarding interest rate trends. Equities performed well across both developed and emerging economies, driven by easing inflation and expectations of monetary policy shifts. But lingering geopolitical tensions and concerns about asset overvaluation, particularly in the technology sector, kept markets volatile. With inflation projected to decline further in 2025, investors are increasingly optimistic about potential rate cuts, though uncertainty remains a key risk factor.

Global equity markets ended 2024 with a gain of 16.8 percent, reflecting improved investor confidence. In the United States, stock indices performed strongly, buoyed by expectations of Federal Reserve rate cuts. The Dow Jones Industrial Average increased 13 percent in 2024, unchanged from 2023, while the Standard & Poor's 500 index ended the year under review with a 23 percent gain, compared with 24 percent in 2023. The NASDAQ Composite Index also gained 29 percent in 2024 compared with 53.8 percent in 2023. The NASDAQ maintained momentum with a 30 percent increase in both 2023 and 2024, after experiencing a negative return of 19.4 percent in 2022. Despite these gains, equity markets remain highly sensitive to macroeconomic developments. Any deviation from expected monetary easing could trigger volatility, particularly in rate-sensitive sectors such as technology. Concerns about asset overvaluation also persist, with price-to-earnings ratios in the tech sector remaining historically high.

The United States bond market rebounded in 2023 and 2024, bolstering the confidence of fund managers after the market was hit by inflationary pressures and an appreciating US dollar that had made bonds unattractive to investors. The Bloomberg Global Aggregate Bond Index grew 6.1 percent in 2024 after a negative return of 16.2 percent in 2022 and an improving 4.4 percent in 2023. The performance of Standard and Poor's 500 Bond indexes highlighted their sensitivity to macroeconomic factors such as interest rates and inflation, as well as their strong recovery potential. For instance, the S&P US Treasury Bond Index posted a return of 6.1 percent in 2024 compared with

4.4 percent in 2023. Overall, global corporate bond issuance in 2024 is estimated at \$4.5 trillion to \$5 trillion, considering the contributions of both developed and developing economies. Developing markets saw renewed investor interest as rate differentials between developed and developing economies narrowed. However, capital flows remain uneven, with countries such as Argentina and Ghana facing high debt burdens and struggling to attract sufficient financing. This underscores the importance of policy credibility and sound macroeconomic management in sustaining investor confidence.

In Europe, equities posted moderate gains but underperformed relative to equities in the United States. European equities closed 2024 with an annual growth of 11.7 percent compared with 13 percent in 2023. The decline in European stock prices in 2024 is attributed to negative shocks experienced by the major market indices, including DAX (Germany) and CAC 40 (France). DAX recorded 12 percent growth in 2024, down from 15 percent growth in 2023. The stock price of CAC 40 declined by 4 percent between 2023 and 2024. The FTSE 100 (United Kingdom), however, posted continued moderate returns of 8 percent in 2024, compared with 3.8 percent in 2023.

In Africa, stock markets showed resilience amid improving macroeconomic conditions. South Africa's Johannesburg Stock Exchange (JSE) All Share, the largest stock exchange on the African continent, posted 9 percent returns in 2023 and 10 percent in 2024, as global demand for commodities rebounded and local economic conditions remained stable. Nigeria's stock exchange, the Nigerian Exchange Group, exhibited sustained growth in 2023 and 2024, underpinned by structural reforms, strong oil exports, and improving economic indicators. Its performance underscores the importance of policy stability in attracting investment.

In the currency market, the US dollar fluctuated notably against the euro in 2023 and 2024, reflecting changing interest rate expectations and global economic trends. The currency depreciated by about 3.51 percent relative to the euro in 2023. However, in 2024, it appreciated by about 6.2 percent against the euro. This appreciation was influenced

by narrowing interest rate differentials between the United States and Europe, with the Federal Reserve anticipated to reduce rates more aggressively than the European Central Bank. By the end of 2024, the exchange rate reached US\$/EUR 0.9662, marking the US dollar's strongest position against the euro for the year. However, with inflation easing, investors' attention is focused on possible rate cuts in 2025. These sentiments have already filtered into markets, affecting both bonds and equities.

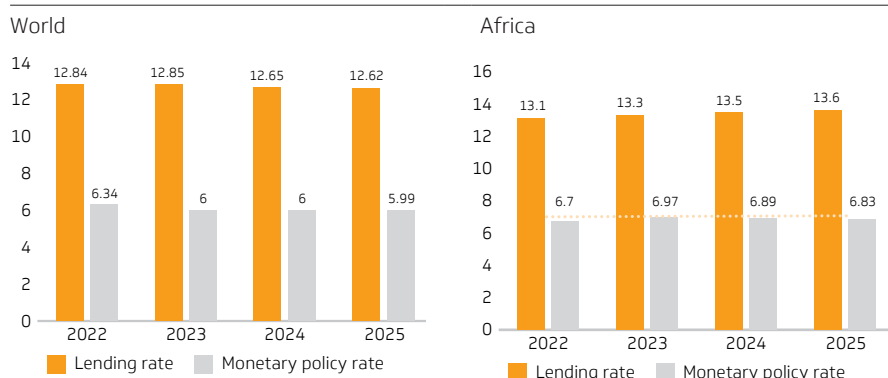
The US dollar also fluctuated notably against the British pound sterling in 2023 and 2024. In 2024, for example, it appreciated against the British currency, with an average exchange rate of approximately US\$/GBP 0.782. But the US dollar experienced a depreciation against the British pound sterling, influenced by various economic factors, including interest rate differentials and market sentiment. These movements were driven by monetary policy decisions by the Federal Reserve and the Bank of England, economic growth differentials, and global market dynamics.

Between 2023 and 2024, the euro declined against the British pound sterling. In 2024, that trend continued, with the EUR/GBP rate averaging 0.8468. The highest rate was 0.8671 on 1 January 2024, and the lowest was 0.8233 on 11 December 2024.

In Africa, key currencies continued to depreciate against the US dollar, extending the trend from 2023. Weak external balances, inflationary pressures, and structural vulnerabilities contributed to sustained currency depreciation in many African economies, reinforcing the need for exchange rate stability measures and macroeconomic policy adjustments.

2.1.4 FINANCING CONDITIONS

Global inflation remained on a downward trajectory between 2022 and 2024, though above most targets. Heightened uncertainty and escalating inflationary pressures prompted central banks worldwide to implement rapid and aggressive monetary tightening measures. While those actions effectively curbed price growth and prevented inflation from becoming entrenched, they also placed significant strain on household budgets, particularly in economies already facing socioeconomic challenges. By 2024, global inflation had declined to

Figure 2.2 Monetary policy and lending rates, 2022-2025

Sources: International Monetary Fund 2025; World Economic Outlook, January 2025; African Export-Import Bank research.

5.8 percent, down from 8.6 percent in 2022, illustrating the effects of tighter monetary policies, reduced supply chain disruptions, and easing energy prices (figure 2.1a). In developed economies, inflation maintained its downward trend, decelerating significantly from 7.3 percent in 2022 to 4.6 percent in 2023 and 2.6 percent in 2024, aligning more closely with targets set by central banks. However, inflation remained higher in developing economies, ending 2024 just slightly down at 7.9 percent, from 8.1 percent in 2023. The prolonged inflationary pressures faced by developing economies are associated with increasing external debt, currency depreciation, and food price volatility.

In Africa, inflation remained volatile, influenced by tightened monetary policies and rising interest rates. Despite a reduction in food and energy prices relative to 2022 peaks, high core inflation slowed the disinflation process, prolonging economic hardship across the continent.

Consistent with the relative ease in monetary policy around the globe, credit markets experienced an easing of lending rates by 0.01 percent, leading to a structural adjustment in policy rates (figure 2.2). Africa and the global economy exhibited parallel trends in policy rate adjustments, suggesting a relative convergence of monetary policy actions. That development highlights how central banks have responded to inflationary pressures, economic slowdowns, and other global economic challenges. Average policy and lending rates in Africa, however, remained higher relative to global trends.

The United States posted negative real federal funds rates from the first quarter of 2024, despite pursuing one of the most aggressive hiking cycles in decades. Other advanced economies experienced similar trends, partly due to inflationary pressures. The target range for the Fed funds rate was raised by 50 basis points from April 2023, to reach 5.25 percent, and further raised to 5.50 percent. This increase marked a continuation of efforts by the Federal Reserve to contain inflation and stabilise the US economy, contributing to tighter financial conditions globally. In 2024, higher interest rates continued to impact borrowing costs, slowing economic activity but helping rein in inflation.

The European Central Bank also raised policy rates significantly, by 100 basis points. The associated deposit facility rate reached 4.0 percent, the highest increase in the bank's history. The aim was to address persistent inflation in the Eurozone by curbing inflation while managing the risks of economic slowdown across member countries within the bloc.

After initially maintaining policy rates, the Reserve Bank of Australia and the Bank of Canada, in the second quarter of 2024, both returned to hiking them, with the Bank of England, Norges Bank, Sveriges Riksbank, and the Swiss National Bank each also tightening policy rates by 25 basis points, bringing them down to 1.25 percent.

The Bank of Japan increased its policy rate from 0 percent to 0.25 percent in July 2024, after a prolonged period maintaining an accommodating monetary policy stance. It maintained the policy

rate at 0.25 percent in December 2024 in an attempt to achieve its price stability target of 2 percent.

2.1.5 DEVELOPMENTS IN TRADE AND THE TRADING ENVIRONMENT

Despite the challenging economic environment, global trade recovered in 2024, as easing inflationary pressures boosted incomes and consumer spending, while allowing major central banks to cut interest rates and facilitate access to financing. The WTO estimates show that growth in the volume of global trade, which contracted by 1.1 percent in 2023 from 2.2 percent in 2022, gathered momentum in 2024, rebounding by an estimated 2.7 percent. Trade in current US dollar terms is estimated to have increased to about US\$48.5 trillion in 2024, from US\$47.2 trillion recorded in 2023.

This overall recovery masks significant regional disparities. In developed economies, the volume of merchandise exports continued their downward trend, slowing to 0.4 percent growth in 2024, down from 0.6 percent in 2023. Merchandise imports recovered marginally, growing by 0.5 percent in 2024 from a contraction of 3.5 percent in 2023 after a sturdy expansion of about 5.1 percent in 2022. In North America, the volume of merchandise exports lost pace, with growth slackening to 2.1 percent in 2024 from 3.7 percent in 2023. In contrast, merchandise imports, which contracted by 2 percent in 2023, recovered strongly in 2024, growing by 3.3 percent. In Europe, growth in the volume of merchandise exports sustained its downward trend, contracting from 2.6 percent in 2023 to 1.4 percent in 2024. Merchandise imports followed a similar trend, contracting by 5 percent in 2023 and 2.3 percent in 2024.

Developing economies, historically significant contributors to global growth and trade, saw improvement in the volume of their merchandise trade in 2024. Growth in their exports outpaced that of developed economies during the review period. Growth in the volume of their merchandise exports gathered momentum, accelerating to about 4.7 percent in 2024, significantly up from the modest expansion of 0.7 percent in 2023. Their merchandise imports were virtually unchanged, stabilising around 4.2 percent in 2023 and 2024, up from about 2.9 percent in 2022.

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The performance of Asian nations was particularly impressive, with merchandise exports from the continent growing faster than those of other regions, accelerating by about 7.4 percent in 2024, from about 0.3 percent growth recorded in 2023. Imports also recovered strongly, growing by 4.3 percent in 2025, reversing two consecutive years of downward trends. Growth in Asia contracted by 1 percent in 2022 and 0.7 percent in 2023.

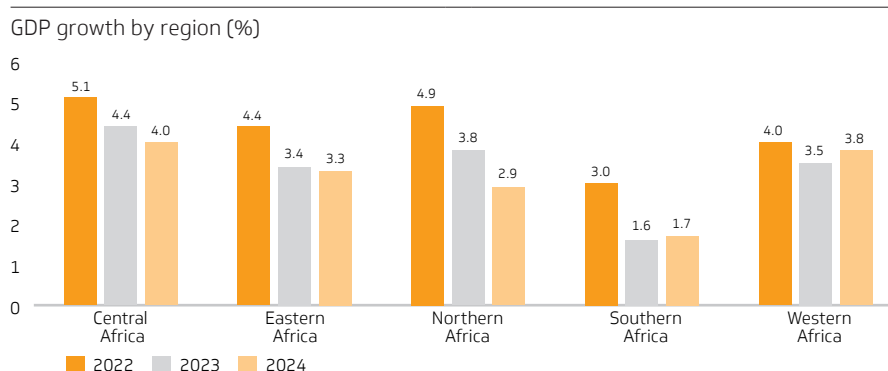
In South America, merchandise imports rebounded strongly to 5.6 percent in 2024, recovering after contracting by 4.5 percent in 2023, after having grown by 4.1 percent in 2022. The region's merchandise exports sustained their positive trend, increasing by 4.6 percent in 2024 from 2.3 percent in 2023, on the back of increased demand from the region's traditional trading partners, including the United States, Europe, and Asia (excluding China), and new trading partners such as the Middle East and Africa. As a result, exports from Argentina, Uruguay, and Venezuela grew by 25.5 percent, 16.7 percent, and 25.4 percent, respectively, boosting the region's overall export performance during the review period.

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2.2.1 OUTPUT DEVELOPMENTS

The region's strong rebound after the COVID-19 pandemic downturn was followed by consecutive growth decelerations from 2022 to 2024. Real GDP decelerated an estimated 3 percent in 2024, from 3.3 percent in 2023 (table 2.1). With growth remaining below the historical average of about 5 percent between 2011 and 2019, the region's growth deceleration reflected worsening weather shocks; heightened trade policy uncertainty; domestic supply bottlenecks, most notably in the energy sector; high costs of living that limited consumption growth; escalating debt burdens and interest rates that contributed to narrowing fiscal space; and heightening political instability in parts of the region. Steady economic improvements in Angola and South Africa—which posted GDP growth of 2.4 percent and 1.1 percent in 2024, up from 1.0 percent and 0.7 percent respectively,

Figure 2.3 Africa's output development by region, 2022–2024 (%)



Sources: International Monetary Fund 2025; World Economic Outlook, January 2025; African Export-Import Bank research.

in 2023—were countervailed by flat output expansion in Nigeria and a sharp deceleration of GDP growth in Egypt from 3.7 percent in 2023 to 2.8 percent in 2024.

2.2.1.1 Regional Variations

Africa's economic performance in 2024 continued to show significant variations across subregions, reflecting diverse growth drivers and challenges. **Central Africa** was the fastest-growing subregion, with an average real GDP growth of 4.0 percent in 2024, slightly down from 4.4 percent in 2023. The Democratic Republic of Congo and Cameroon continued to perform well, but challenges in Equatorial Guinea and the Republic of Congo contributed to the subregion's overall slowdown (table 2.2 and figure 2.3).

Western Africa experienced moderate growth of 3.8 percent in 2024, up from 3.5 percent in 2023. The improvement was underpinned by strong performance in Côte d'Ivoire, Senegal, and Benin, while Nigeria, the region's largest economy, continued to struggle with structural constraints despite recovery in its oil sector.

Eastern Africa's GDP growth decelerated slightly to 3.3 percent in 2024, from 3.4 percent in 2023, as external shocks, including high commodity prices, climate-related events, and domestic challenges weighed on economic activities, despite the subregion's ongoing efforts to boost investments in infrastructure and agriculture. Kenya and Ethiopia remained key drivers of growth in Eastern Africa, though persistent droughts posed challenges to agricultural output.

Northern Africa's growth slowed to 2.9 percent in 2024, down from 3.8 percent in 2023. This deceleration reflects slower expansion in key economies such as Egypt, where Red Sea attacks and the spillover effects of the Middle East conflict had dampening effects on key sectors of the economy. Challenges in major sectors such as agriculture and fishing in Morocco undermined the country's economy, weighing on the subregion's overall performance during the review period.

Southern Africa remained the slowest-growing subregion, with GDP growth at 1.7 percent in 2024, though slightly up from 1.6 percent in 2023. Economic headwinds in South Africa, including energy shortages and logistical bottlenecks, continued to weigh on manufacturing output and the region's performance. Growth in Angola failed to offset the effects of South Africa's economic challenges.

Africa's economic performance reflects both cyclical and structural factors. While external conditions such as global trade slowdowns and geopolitical risks have influenced recent trends, domestic structural challenges remain a major constraint on growth. Productivity growth has lagged that of other regions, with manufacturing contributing just 10 percent to 12 percent of GDP across most economies—far below levels observed in Asian countries during industrialization phases. Addressing infrastructure gaps, strengthening governance, and accelerating implementation of the African Continental Free Trade Area (AfCFTA) will be critical to unlocking long-term growth potential.

Table 2.2 Africa: Real GDP growth, 2024–2024 (annual percent change)

Country	2022	2023	2024
Algeria	3.6	4.1	3.8
Angola	4.2	1.0	2.4
Benin	6.3	6.4	6.5
Botswana	5.5	2.7	1.0
Burkina Faso	1.8	3.1	5.5
Burundi	1.8	2.7	2.2
Cabo Verde	17.4	5.1	4.7
Cameroon	3.7	3.2	3.9
Central African Republic	0.5	0.7	1.4
Chad	3.6	4.9	3.2
Comoros	2.6	3.0	3.5
Congo, Democratic Republic of the	8.8	8.4	4.7
Congo, Republic	1.8	2.0	2.8
Côte d'Ivoire	6.2	6.2	6.5
Djibouti	3.9	7.0	6.5
Egypt	6.7	3.8	2.7
Equatorial Guinea	3.7	-6.2	5.8
Eritrea	NA	NA	NA
Eswatini	0.5	4.9	4.6
Ethiopia	6.4	7.2	6.1
Gabon	3.0	2.4	3.1
Gambia, The	4.9	5.3	5.8
Ghana	3.8	2.9	3.1
Guinea	4.0	5.7	4.1
Guinea-Bissau	4.6	5.2	5.0
Kenya	4.9	5.6	5.0
Lesotho	1.6	2.2	2.8
Liberia	4.8	4.6	5.1
Libya	-8.3	10.2	2.4
Madagascar	4.0	3.8	4.5
Malawi	0.9	1.5	1.8
Mali	3.5	4.4	3.8
Mauritania	6.8	6.5	4.4
Mauritius	8.9	7.0	6.1
Morocco	1.5	3.4	2.8
Mozambique	4.4	5.4	4.3
Namibia	5.4	4.2	3.1
Niger	11.9	2.4	9.9
Nigeria	3.3	2.9	2.9
Rwanda	8.2	8.2	7.0
São Tomé and Príncipe	0.2	0.4	1.1
Senegal	4.0	4.6	6.0
Seychelles	15.0	3.2	3.1
Sierra Leone	5.3	5.7	4.0
Somalia	2.7	4.2	4.0
South Africa	1.9	0.7	1.1
South Sudan	-5.2	2.5	-26.4
Sudan	-2.5	-18.3	-20.3
Tanzania	4.7	5.1	5.4
Togo	5.8	5.6	5.3
Tunisia	2.7	0.0	1.6
Uganda	6.3	4.6	5.9
Zambia	5.3	5.4	2.3
Zimbabwe	6.1	5.3	2.0

Sources: International Monetary Fund 2024; African Export-Import Bank research.

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2.2.1.2 Price Developments

African countries continued to grapple with inflationary pressures in 2024, with the region's inflation rate reaching 20.3 percent, up from 18.5 percent in 2023. The increase was driven by rising food and energy prices in some regions, along with currency depreciations, subsidy removals, and persistent structural challenges such as electricity shortages and climate-related disruptions. These factors have contributed to significant price disparities across the continent, with 20 countries still experiencing double-digit inflation rates during the review period.

West Africa posted the highest inflation rate at 16.2 percent in 2024, slightly down from 16.6 percent in 2023. The elevated rate was driven by high inflation in the region's largest economy, Nigeria (32.5 percent in 2024), and Ghana (19.5 percent in 2024), where fiscal and monetary challenges persist. Sierra Leone (36.6 percent inflation in 2024) also continued to experience strong price growth, further exacerbating inflationary pressures in the subregion.

In **Northern Africa**, inflation rose to 15.5 percent in 2024, from 14.1 percent in 2023, largely due to persistent inflationary pressures in Egypt (33.3 percent inflation in 2024), the subregion's largest economy.

Central Africa remained the subregion with the lowest inflation rate, 7.5 percent in 2024, slightly up from 7.1 percent in 2023. The peg of the CFA franc to the euro has helped to maintain price stability in most countries, including Cameroon (4.4 percent) and the Republic of Congo (4.0 percent). The subregion's inflation remained low, even though Chad and Central African Republic experienced modest increases at 4.9 percent and 4.7 percent, respectively, due to rising food prices.

In **Eastern Africa**, inflation declined to 13.5 percent in 2024, from 14.9 percent in 2023. This improvement was driven by low inflation in Kenya (5.1 percent), Tanzania (3.2 percent), and Uganda (3.5 percent) in 2024. However, Ethiopia (23.9 percent) and Burundi (20 percent) continue to face significant inflationary pressures due to currency depreciation and supply chain disruptions.

In **Southern Africa**, inflation moderated to 7.5 percent in 2024, down from 8.0 percent in 2023. While South Africa (4.7 percent) has kept inflation relatively stable, other countries in the region, such as Malawi (30.6 percent) and Angola (28.4 percent), continue to struggle with high inflation. Zimbabwe (635.3 percent in 2024) remains an outlier, with hyperinflation driven by macroeconomic management challenges.

Key drivers of inflation in 2024 included food and energy prices, domestic supply constraints, and climate shocks. Flooding and drought have disrupted agricultural production, fuelling food price inflation in Eastern and Southern Africa. Currency depreciation against the US dollar has also increased the cost of imports, particularly in Nigeria, Egypt, and Zimbabwe. Structural challenges such as electricity shortages, subsidy removals, and weak manufacturing output have further exacerbated inflationary pressures.

While these pressures have shown some signs of moderation, significant risks remain. Policymakers will need to prioritise measures to stabilise currencies, enhance food security, and address structural bottlenecks to sustain downward inflationary trends. Coordinated regional efforts to mitigate climate-related disruptions and improve energy supply, along with regional and bilateral cooperation to avoid conflicts, will go a long way to reduce inflationary pressures in the near-to-medium term.

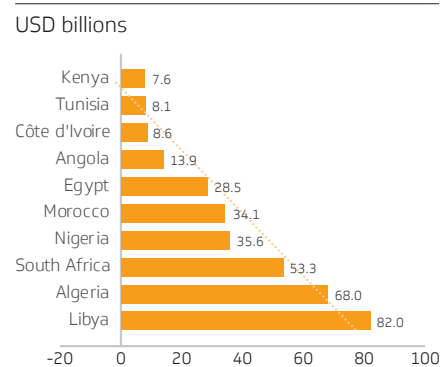
The inflationary divergence between African economies and other economies underscores the structural challenges facing the continent. Many African central banks have maintained tight monetary policies to contain inflation, but the effectiveness of these measures has been constrained by weak transmission mechanisms, fiscal dominance, and shallow financial markets. Moreover, exchange rate misalignments continue to exacerbate inflationary pressures in countries heavily reliant on imports, as currency depreciations increase the cost of essential goods and services.

2.2.2 External Reserves and Exchange Rates

Reserves are crucial for stabilising a country's exchange rate. Central banks often intervene in the foreign exchange market using reserves to prevent excessive currency depreciation or volatility. In 2024, Africa's foreign reserve holdings continued their recovery, reflecting the positive trends from 2023. After a 2.3 percent contraction to US\$401.3 billion in 2022, holdings grew by an estimated 2.6 percent in 2023, reaching US\$411.9 billion. This recovery was driven by various factors, including stabilising global commodity prices, increased exports from some African nations, and efforts to improve foreign investment inflows. As a result, Africa's foreign exchange holdings were estimated to have grown by around 3 percent in 2024, reaching an estimated US\$424 billion, bolstered by higher revenues and stable macroeconomic policies. The situation remained highly variable across the continent, however, with some countries still struggling with high inflation and foreign debt pressures.

The overall trajectory suggests that, while reserves have demonstrated resilience, maintaining consistent growth will require structural and financial reforms to ensure resilience to external shocks. Figure 2.4 shows the reserve position of the top 10 African countries. Libya has the highest reserves position (US\$ 82 billion) among these countries.

Figure 2.4 Foreign reserves: top African countries



Sources: World Development Indicators of the World Bank; International Monetary Fund World Economic Outlook databases; African Export-Import Bank research.

Table 2.3 Africa: Inflation, 2022–2024 (annual percent change)

Country	2022	2023	2024
Algeria	9.3	9.3	5.3
Angola	21.4	13.6	28.4
Benin	1.4	2.8	2.0
Botswana	12.2	5.1	3.8
Burkina Faso	14.1	0.7	2.1
Burundi	18.9	27.0	20.0
Cabo Verde	7.9	3.7	2.0
Cameroon	6.3	7.4	4.4
Central African Republic	5.6	3.0	4.7
Chad	5.8	4.1	4.9
Comoros	12.4	8.5	4.0
Congo, Democratic Republic of the	9.3	19.9	17.8
Congo, Republic	3.0	4.3	4.0
Côte d'Ivoire	5.2	4.4	3.8
Djibouti	5.2	1.4	1.4
Egypt	8.5	24.4	33.3
Equatorial Guinea	4.9	2.5	4.0
Eritrea	NA	NA	NA
Eswatini	4.8	4.9	4.8
Ethiopia	33.9	30.2	23.9
Gabon	4.3	3.6	2.1
Gambia, The	11.5	17.0	14.4
Ghana	31.9	39.2	19.5
Guinea	10.5	7.8	11.0
Guinea-Bissau	7.9	7.2	4.2
Kenya	7.6	7.7	5.1
Lesotho	8.3	6.3	6.7
Liberia	7.6	10.1	7.7
Libya	4.5	2.4	2.0
Madagascar	8.2	9.9	7.4
Malawi	20.8	28.8	30.6
Mali	9.7	2.1	2.5
Mauritania	9.6	4.9	2.7
Mauritius	10.8	7.0	3.5
Morocco	6.6	6.1	1.7
Mozambique	10.4	7.0	3.5
Namibia	6.1	5.9	4.6
Niger	4.2	3.7	7.8
Nigeria	18.8	24.7	32.5
Rwanda	13.9	14.0	4.9
São Tomé and Príncipe	18.0	21.2	17.1
Senegal	9.7	5.9	1.5
Seychelles	2.6	-1.0	0.8
Sierra Leone	27.2	47.7	36.6
Somalia	6.8	6.2	5.0
South Africa	6.9	5.9	4.7
South Sudan	-3.2	40.2	120.6
Sudan	138.8	77.2	200.1
Tanzania	4.4	3.8	3.2
Togo	7.6	5.3	2.7
Tunisia	8.3	9.3	7.1
Uganda	7.2	5.4	3.5
Zambia	11.0	10.9	14.6
Zimbabwe	193.4	667.4	635.3

Source: International Monetary Fund 2024. International Monetary Fund World Economic Outlook Database, October 2024.

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Table 2.4 Reserve position of African countries, 2022–2024 (US\$ billions, unless otherwise indicated)

Country	Reserves in US\$ billions			Growth (%)			Months of import cover (months)		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Algeria	61.7	69.7	72.5	34.1	12.9	4.0	15.9	16.2	15.7
Angola	13.7	13.9	14.2	-5.6	2.1	2.0	6.2	7.7	7.3
Benin	1.3	0.5	1.5	-19.5	-65.7	220.8	3.0	1.0	3.1
Botswana	4.3	4.8	4.2	-10.9	11.1	-12.0	5.8	7.9	6.5
Burkina Faso	0.3	0.9	1.3	-84.7	220.4	48.4	0.5	1.4	2
Burundi	0.2	0.1	0.2	-40.7	-43.6	76.7	1.3	0.8	1.2
Cabo Verde	0.7	0.8	0.8	-5.5	14.9	4.0	6.2	6.5	6.18
Cameroon	5.1	5.4	6.1	19.1	6.1	12.2	6.4	6.4	6.5
Central Africa Republic	0.4	0.4	0.4	-22.6	-0.2	4.7	6.0	6.3	6.5
Chad	0.8	0.8	0.9	299.5	-8.9	12.6	1.9	1.6	1.7
Comoros	0.3	0.3	0.3	-14.0	14.4	1.8	7.1	7.7	7.6
Congo Dem. Rep. of	4.4	5.1	6.5	26.3	16.6	26.6	1.7	1.8	2.2
Congo Republic	0.8	0.7	0.9	0.9	-14.4	29.4	1.4	1.2	1.5
Côte d'Ivoire	8.9	8.3	8.5	-16.2	-6.2	2.0	5.4	5.1	4.6
Djibouti	0.6	0.5	0.6	0.5	-14.7	25.8	1.4	1.1	1.4
Egypt	24.8	24.7	36.1	-29.3	-0.5	46.2	4.0	4.8	6.5
Equatorial Guinea	1.5	1.6	1.8	3241.5	11.9	12.8	7.7	7.7	8.5
Eritrea	0.3	0.3	0.3	-2.7	-8.8	10.9	4.4	4.4	4.7
Eswatini	0.5	0.5	0.5	-21.0	5.9	3.7	2.4	2.4	2.5
Ethiopia	1.2	1.5	3.5	-28.0	30.0	131.3	0.6	0.8	1.8
Gabon	1.4	1.4	1.4	8.6	2.4	-6.6	2.4	2.6	2.3
Gambia	0.6	0.6	0.8	-12.9	1.5	39.2	8.2	5.0	5.3
Ghana	5.7	4.4	6.1	-38.7	-23.1	38.0	2.9	2.7	3.4
Guinea	2.0	2.2	2.4	20.0	8.0	8.0	5.1	4.7	4.4
Guinea, Bissau	0.4	0.4	NA	NA	NA	NA	7.9	8.1	8.3
Kenya	8.0	7.3	7.4	-16.0	-7.9	0.3	3.9	4.0	3.8
Lesotho	0.8	0.9	0.8	-3.4	10.7	-3.1	4.1	4.9	4.8
Liberia	0.6	0.5	0.5	-14.4	-24.8	1.0	3.7	2.3	2.3
Libya	79.9	82.7	83.5	5.9	3.5	1.0	35.4	32.6	34.9
Madagascar	2.2	2.6	2.6	-7.5	21.9	-0.9	4.3	5.7	5.5
Malawi	0.3	0.2	0.2	-29.0	-21.5	-2.4	1.0	0.7	0.8
Mali	1.1	0.8	0.8	-50.0	-25.1	7.1	1.6	1.3	1.3
Mauritania	1.9	2.0	2.0	-7.9	8.3	-1.6	4.0	4.7	4.7
Mauritius	7.1	6.4	7.0	-9.8	-9.1	9.0	11.6	10.8	11.7
Morocco	31.0	34.9	36.4	-9.7	12.4	4.5	5.3	5.9	5.9
Mozambique	2.7	3.4	3.5	-23.7	24.6	2.7	2.2	3.9	4
Namibia	2.8	3.0	3.0	1.4	5.5	0.0	4.5	4.3	4.1
Niger	1.5	1.1	1.5	-19.2	-24.3	34.3	4.3	3.9	4.9
Nigeria	35.6	35.5	35.8	-12.1	-0.2	1.0	5.5	7.3	8
Rwanda	1.7	1.8	2.0	-7.6	6.3	10.7	4.2	3.8	3.8
São Tomé and Príncipe	0.1	0.0	0.1	-14.0	-28.3	11.4	4.7	3.1	3.9
Senegal	3.9	5.0	5.5	-6.6	26.5	10.5	3.2	4.1	4.8
Seychelles	0.6	0.7	0.8	-9.0	6.8	10.5	3.3	3.4	3.7
Sierra Leone	0.6	0.5	0.5	-34.0	-20.6	4.0	3.7	2.9	2.8
Somalia	0.3	0.3	0.3			4.5			
South Africa	53.2	54.2	52.6	5.9	1.7	-3.0	5.7	6.1	6
South Sudan	0.3	0.2	0.0			-87.2	0.7	0.4	0.06
Sudan	0.5	0.2	0.2	-50.0	-65.0	-10.0	0.5	0.5	0.4
Tanzania	5.2	5.5	5.4	-18.9	5.3	-0.3	3.7	4.1	3.9
Togo	2.1	1.9	2.2	-10.6	-9.0	15.4	7.5	6.9	7.5
Tunisia	7.6	8.8	7.7	-9.4	15.5	-12.1	3.4	4.0	3.5
Uganda	3.6	3.7	3.7	-17.8	4.8	-2.0	3.9	3.2	2.7
Zambia	3.0	2.7	3.1	7.8	-8.6	13.3	3.6	3.0	3.2
Zimbabwe	0.6	0.1	0.1	-29.6	-87.4	82.6	0.7	0.2	0.2
Total	400.4	416.7	441.0	-2.5	4.1	5.8			
Average							4.8	4.8	5.0

Sources: Economist Intelligence Unit; Fitch Solutions.

† Growth rates are African Export-Import Bank staff calculations.

* Blank-Not available

In 2024, oil prices remained relatively elevated, largely due to continued production cuts by OPEC and other key oil producers. These cuts had a significant impact on oil-exporting African countries, leading to continued growth in their export revenues and foreign exchange reserves. Several major oil-exporting nations saw notable increases in their reserves, as in 2023. Consequently, several major oil-exporting countries in the region were among the main beneficiaries as export revenues increased. Several countries experienced an increase in the level of their foreign exchange reserves: Algeria (14 percent), Angola (4.5 percent), Cameroon (30 percent), Chad (85 percent), the Republic of Congo (60 percent), Equatorial Guinea (35 percent), and Libya (2 percent). In addition to the increase in the price of crude oil, an increase in the price of base metals and agricultural commodities boosted Africa's stock of reserves. Several non-oil-exporting African countries increased their stock of reserves, including Botswana (10 percent), Cabo Verde (24 percent), Morocco (13 percent), Rwanda (17 percent), South Africa (8.5 percent), Tunisia (30 percent), and Uganda (9 percent).

Increased capital inflows were mainly due to greenfield projects, continued support from multilateral and regional development finance institutions, and bilateral partners. Increased tourist arrivals and remittances further boosted the continent's reserve position. These positive developments helped raise the region's average import cover to around 5.2 and 5.5 months in 2024, from 4.8 months and 4.7 months in 2023 and 2022, respectively, above the International Monetary Fund threshold of 3 months.

These developments supported improvement in the performance of many currencies in 2024, a significant advance over the prior year, with many appreciating against the US dollar. The currencies of Algeria and Kenya appreciated the most, with a 1.32 percent for Algeria and 3.48 percent gain for Kenya in 2024. Other well-performing were among members of monetary unions. The CFA franc, for example, the common currency of 15 francophone countries, which is pegged to the euro, appreciated by about 0.04 percent in 2024.

Other currencies suffered significant losses, depreciating against the US dollar, mainly due to low levels of foreign exchange reserves, capital outflows, the prohibitive cost of servicing external debt, and widening fiscal and current account deficits. The Angolan kwanza and Zimbabwe dollar depreciated by around 26.98 percent and 55.59 percent, respectively, in 2024. The Egyptian pound depreciated by about 47.88 percent. The Ghana cedi and Nigerian naira depreciated by 28.58 percent and 131.81 percent, respectively. The South Sudanese pound also depreciated by 131.10 percent in 2024.

2.2.3 COMMODITY PRICE DEVELOPMENTS

Commodity markets in 2024 were impacted by disparate fundamentals, climate-related disruptions, geopolitical tensions, and central bank policies, including expectations of lower interest rates. Concerns over shrinkflation and rising food costs underscored the importance of supply chain resilience in global agricultural markets. Overall, strong gains in agriculture and precious metals were offset by weakness in the energy sector as sluggish global demand, rising inventories, and China's transition to alternative fuels outweighed OPEC+ production cuts. These dynamics highlighted the impact on the energy complex of shifting economic conditions, supply constraints, and evolving trade. In the base metals sector, sentiment was dampened as market expectations for a stronger economic stimulus in China failed to materialise at the anticipated scale. However, optimism surrounding the green energy transition continued to provide long-term support, particularly for metals essential to electric vehicle production and renewable energy infrastructure.

Crude oil prices faced sustained bearish pressure in 2024, averaging US\$75 per barrel as rising inventories outweighed OPEC+ efforts to stabilise the market. High borrowing costs dampened global oil consumption, while the European Union's push to reduce reliance on Russian hydrocarbons and the broader acceleration of the green energy transition further constrained demand. China, the world's largest oil importer, saw a notable slowdown in consumption due to narrowing refining margins and the rising

adoption of electric vehicles and liquified natural gas-powered trucks. Despite extended production cuts by OPEC+, crude prices declined by 13.8 percent in the second half of the year to their lowest level since December 2021. The growth in global demand for oil fell to below 1 million barrels per day in 2024, compared with 2 million barrels per day in 2023, according to International Energy Agency and World Bank estimates. This combination of weak economic growth in major economies and ample inventories, particularly in the United States, kept oil markets relatively muted in the second half of the year.

Natural gas markets experienced extreme volatility in 2024, with prices plunging 40 percent year-on-year to reach a record low of US\$1.55 per million British thermal units in the first months of 2024. A combination of mild winter temperatures, high storage levels, and the European Union's ongoing efforts to phase out Russian gas imports under the REPowerEU Plan weighed on demand. European Union gas imports from Russia fell from 45 percent in 2021 to just 15 percent in 2024, as the bloc expanded renewable energy capacity, particularly in solar and wind. Japan also saw weakened demand due to the restart of nuclear power stations. In the second half of the year, however, gas prices rebounded on the back of tight supply conditions and geopolitical disruptions. The International Energy Agency and the World Bank estimate that global natural gas demand surged by 101 billion cubic metres in 2024, compared with just 9 billion cubic metres in 2023. Security concerns across key shipping routes—including drought—induced restrictions at the Panama Canal and rising tensions in the Red Sea—kept natural gas markets elevated in the second half of 2024.

Gold prices soared to record highs in 2024, driven by robust central bank purchases, inflation concerns, and growing geopolitical tensions. Central banks, especially the People's Bank of China, accelerated bullion acquisitions to diversify reserves, reinforcing gold's role as a safe-haven asset. The marginal weakening of the US Dollar Index during the first half of 2024 also supported gold's rally, alongside expectations of more accommodative monetary policy. The World Gold Council highlighted rising industrial demand, particularly from the

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Table 2.5 Africa exchange rate developments, 2022–2024 (per US\$, unless otherwise indicated)

Country	2022	2023	2024	Percentage change between years	
	(6)	(7)	(8)	(7) & (6)	(8) & (7)
Algeria - dinar	141.99	135.84	134.05	(4.33)	(1.32)
Angola - kwanza	460.57	685.02	869.85	48.73	26.98
Benin - CFA franc	622.91	606.65	606.35	(2.61)	(0.05)
Botswana - pula	12.37	13.60	13.56	9.92	(0.24)
Burkina Faso - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Burundi - Burundian franc	2,034.31	2,574.05	2,891.81	26.53	12.34
Cabo Verde - escudos	104.86	101.80	100.25	(2.92)	(1.53)
Cameroon - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Central African Republic - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Chad - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Comoros - Comorian franc	467.18	454.99	454.77	(2.61)	(0.05)
Congo, Dem. Rep. of - Congolese franc	2,006.53	2,333.19	2,757.00	16.28	18.16
Congo, Rep. of - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Côte d'Ivoire - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Djibouti - Djiboutian franc	177.72	177.72	177.72	-	-
Egypt - Egyptian pound	19.16	30.63	45.29	59.84	47.88
Equatorial Guinea - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Eritrea - nakfa	15.08	15.08	15.08	-	-
Eswatini - lilangeni	16.36	18.45	18.32	12.78	(0.74)
Ethiopia - birr	51.76	54.80	83.15	5.88	51.73
Gabon - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Gambia - dalasi	54.92	61.10	66.55	11.24	8.93
Ghana - cedi	8.27	11.02	14.17	33.22	28.58
Guinea - Guinean franc	8,759.30	8,597.02	8,511.05	(1.85)	(1.00)
Guinea-Bissau - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Kenya - shilling	117.87	139.85	134.97	18.65	(3.48)
Lesotho - loti	16.36	18.45	18.32	12.81	(0.72)
Liberia - Liberia dollar	153.63	177.46	202.76	15.51	14.26
Libya - Libyan dinar	4.81	4.81	4.78	(0.01)	(0.68)
Madagascar - ariary	4,096.12	4,429.58	4,652.80	8.14	5.04
Malawi - kwacha	949.04	1,139.28	1,750.80	20.05	53.68
Mali - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Mauritania - ouguiyas	36.99	36.56	39.87	(1.16)	9.06
Mauritius - rupee	44.18	45.27	46.21	2.45	2.07
Morocco - dirham	10.16	10.13	9.94	(0.29)	(1.89)
Mozambique - meticals	63.85	63.89	63.85	0.05	(0.06)
Namibia - namibian dollar	16.36	18.45	18.33	12.78	(0.64)
Niger - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Nigeria - naira	425.98	636.13	1,474.60	49.33	131.81
Rwanda - Rwanda franc	1,030.31	1,160.10	1,318.13	12.60	13.62
São Tomé and Príncipe - dobra	21.09	21.34	22.22	1.18	4.15
Senegal - CFA franc	623.76	606.57	606.35	(2.76)	(0.04)
Seychelles - rupee	14.27	14.02	14.60	(1.78)	4.15
Sierra Leone - leone	14.05	21.30	22.74	51.66	6.74
Somalia - Somali shilling	26,667.83	26,999.00	29,700.00	1.24	10.00
South Africa - rand	16.36	18.45	18.33	12.81	(0.66)
South Sudan - South sudanese pound	534.51	930.33	2,150.00	74.05	131.10
Sudan - Sudanese pound	546.76	595.00	598.90	8.82	0.66
Tanzania - Tanzanian shilling	2,303.03	2,382.97	2,597.89	3.47	9.02
Togo - franc	623.76	606.57	606.35	(2.76)	(0.04)
Tunisia - Tunisian dinar	3.10	3.11	3.11	0.08	0.20
Uganda - Uganda shilling	3,689.82	3,726.14	3,757.26	0.98	0.84
Zambia - kwacha	16.94	20.21	26.16	19.33	29.43
Zimbabwe - US dollar	374.95	3,509.17	5,460.00	835.89	55.59

Sources: International Financial Statistics; Fitch Solutions 2025.
† Growth rates are African Export-Import Bank staff calculations.

technology sector, where gold plays a key role in upgrading AI-related electronics. Bullish momentum for gold bullion continued into the second half of 2024, albeit at a slower pace, as global interest rates began to ease and over-the-counter investment demand picked up. Gold ended 2024 at US\$2,610.85 per ounce, 25 percent higher year-on-year and at its highest level in 14 years.

Zinc emerged as one of the best-performing base metals in 2024, closing the year at US\$2,979 per metric tonne, up 13 percent from a year earlier, primarily due to supply constraints. Prices surged to a 15-month high of US\$3,100 per tonne in May, spurred by limited raw materials and speculative demand. Supply disruptions played a significant role in the rally, following a fire at Russia's Ozeroye mine in November 2023, which delayed production and exacerbated market tightness. The suspension of Nyrstar's Budel smelter in the Netherlands due to skyrocketing operational costs further squeezed supply. China, the world's largest refined zinc producer, faced significant concentrate shortages, forcing smelters to curtail operations and intensifying competition for raw materials. While sluggish demand from the construction sector in both China and Europe created headwinds, strategic withdrawals of more than 100,000 metric tonnes of refined zinc from London Metal Exchange warehouses in the second half of 2024 helped stabilise prices. The LME zinc price dipped to US\$2,581.50 in August before rebounding above \$3,000 in October, reflecting strong market fundamentals despite weaker global industrial demand.

Aluminum prices were largely supported by robust fundamentals in the first half of 2024, including Rio Tinto's production majeure declaration on alumina cargoes from its Queensland refineries due to gas shortages, which tightened the global alumina supply. Price momentum waned in June, as fresh headwinds emerged. Heavy rains in China's Yunnan province restored hydropower availability, allowing smelters to restart idle capacity and improve overall output. Markets rebounded in the second half of the year, boosted by renewed tightening of alumina supplies and rising demand from China's clean energy sector. By mid-October, prices had bottomed out at US\$2,521 per tonne before recovering to US\$2,617 per tonne

by the end of the month. The rebound was also supported by surging alumina costs due in part to restricted bauxite exports from Guinea, which exacerbated supply constraints and helped stabilise aluminum prices through the end of the year.

Copper prices rose sharply during the year, reaching US\$5.20 in May 2024 due to mine disruptions in Latin America and chronic underinvestment in new mining projects. The lingering impact from the closure of First Quantum's Cobre Panama mine in the fourth quarter of 2023, production cuts at Anglo American, and reduced output at Chile's Chuquibambilla mine continued to severely constrain supply. However, the second half of 2024 saw a less bullish performance of the metal, with copper prices rising by just 1 percent. Although Chinese stimulus announcements, including a potential port strike, initially drove a modest price recovery, the rally lost momentum by early October as broader economic headwinds weighed on market sentiment and capped price gains.

Cocoa was the best-performing commodity of 2024, reaching a record price of US\$12,565 per tonne by December 2024 despite initial pressures from strong arrivals at the start of the marketing year in Côte d'Ivoire and Ghana. Driving the market's historic rally were weather-induced supply shocks in West Africa. According to estimates from the International Cocoa Organization, there was a global supply deficit of 374,000 tonnes of cocoa during the 2023–2024 season due to weak production in Côte d'Ivoire (down by 22.3 percent to 1.74 million tonnes) and Ghana (down by 26.6 percent to 480,000 tonnes). These sharp declines not only tightened global supply but underscored the growing vulnerability of cocoa production to climate-related disruptions.

Coffee prices in 2024 were influenced by a combination of speculative demand, supply disruptions, and adverse weather conditions. In the first half of the year, Arabica futures rose from US\$1.79 per pound in January to US\$2.46 per pound in April, as El Niño-triggered heavy rains in Minas, Brazil, exacerbated supply concerns. Ongoing drought and poor robusta harvests in Vietnam also contributed to the price rally. In the second half of the year, coffee prices rose even further, due to severe logistical

challenges, geopolitical tensions, and continued adverse weather. Shipping delays from restrictions in the Suez Canal and tensions in the Red Sea inflated freight costs, particularly for European importers. Historically low certified coffee stocks and the upcoming European Union deforestation regulation added pressure on supply chains, prompting European roasters to increase stockpiling and setting the stage for a buoyant market.

Wheat markets were choppy in 2024, affected by adverse weather conditions, geopolitical tensions, and shifting trade patterns. The year began with a major price rally as concerns over poor weather in Russia led to a sharp reduction in exports—more than over 10 million tonnes. However, as supply concerns eased, prices steadily declined, ending the year approximately 19 percent lower than in January. Despite the ongoing war, Ukraine maintained steady wheat exports, reinforcing its resilience in global trade. In contrast, the European Union suffered one of its worst harvests in decades, severely impacting exports to key destinations such as Morocco. Meanwhile, the United States experienced a strong recovery, with wheat production rising nearly 10 percent year-on-year. This recovery boosted US exports by nearly 4 million tonnes, cementing the position of the United States as the world's top wheat exporter. Elsewhere, Southern Hemisphere producers, including Australia, Argentina, and South Africa, recorded strong harvests helped offset supply deficits from Russia and the European Union, ensuring stability during the year in the global wheat trade.

Cotton prices were volatile in 2024, rallying to nearly US\$1.00 per pound in February before plunging to 68 cents per pound by June. Speculative demand and tight supply conditions were key drivers in the first quarter. According to the United States Department of Agriculture, cotton production estimates in China and India—accounting for nearly half of global output—fell by 16 percent in the 2023–24 season due to reduced hectareage, bad weather, and pest infestations. The market was pressured in the second half of the year by expectations of larger 2024–25 harvests, slower trade, and rising world ending stocks, despite a slight increase in mill use. The United States Department of Agriculture projected larger cotton harvests in Argentina,

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Benin, and Brazil with expected declines in Mali and Burkina Faso. Global consumption was forecast to increase by 570,000 bales, mainly due to higher demand in India, Pakistan, and Vietnam. The United States Department of Agriculture projected increased exports from Brazil, Benin, Cameroon, and Senegal, offsetting declines from Burkina Faso and Mali. These factors highlighted the challenges facing the cotton market amid shifting supply and demand dynamics.

2.2.4 DEVELOPMENTS IN AFRICAN TRADE

2.2.4.1 African Trade Performance

Consistent with the resilience of the global economy, Africa's total merchandise trade gathered momentum, recovering by 6.5 percent to about US\$1,409.4 billion in 2024, from a contraction of about 6 percent to US\$1,323.2 billion in 2023, after having expanded by more than 20 percent in 2022 (table 2.6 and figure 2.5). Increases in the prices of global commodities, oil prices in particular, significantly contributed to the recovery of the region's merchandise trade during the review period. The sustained demand for Africa's energy by the European Union supported the rebound of growth in trade, as energy by the European Union, as persistent geopolitical tensions and trade protectionism continued to pressure the bloc to shun energy supplies from Russia. As a result, several European countries

have diversified their energy sources, making Africa one of Europe's top suppliers of energy. These developments have prompted a number of African countries, including Mozambique, Nigeria, and Sénégal, to increase investment in liquid natural gas to increase production.

With oil occupying the lion's share of the continent's export basket, accounting for more than 35 percent of total exports, elevated oil prices drove strong expansion of the region's trade during the review period. Petroleum's share of African exports increased by about 16.9 percent in 2024, to

US\$259.21 billion, after contracting by 18.2 percent, representing US\$221.7 billion, the year before. The upturn was driven by the impressive performance of the two largest oil-exporting countries on the continent, Angola and Nigeria, from which exports rebounded by about 60.4 percent and 16.6 percent, respectively. Support also derived from smaller oil-exporting countries such as the Republic of Congo, whose exports grew by 3.81 percent, and Gabon, whose exports expanded by about 3.1 percent during the review period.

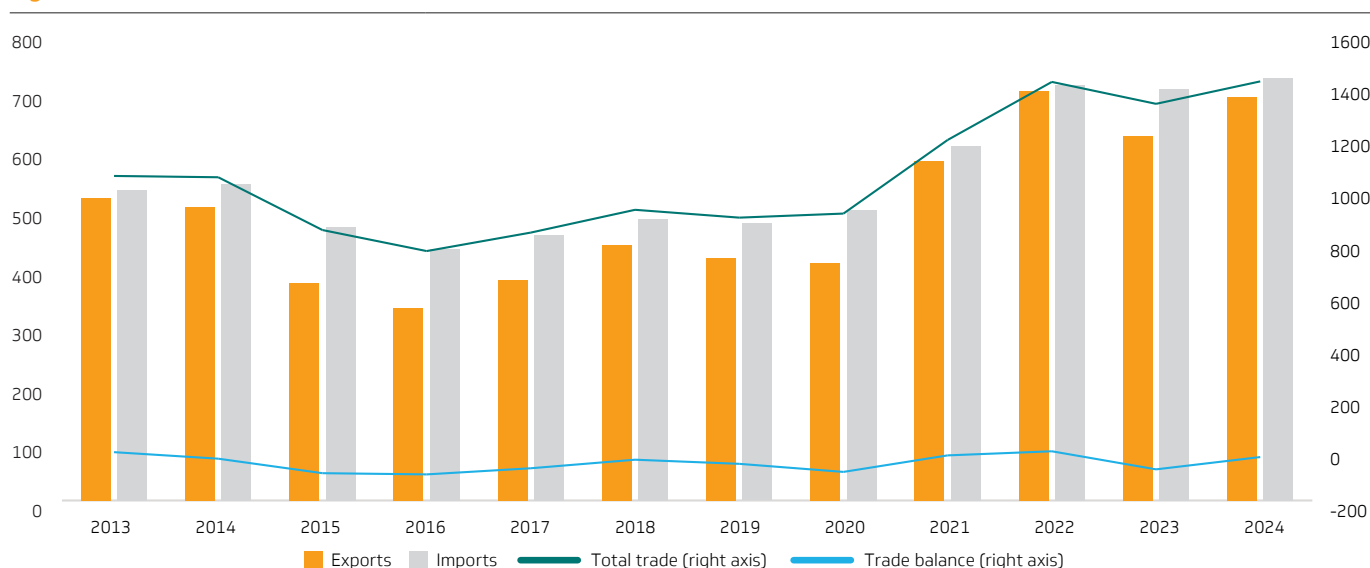
Although elevated oil prices were the main drivers of the recovery of Africa's trade, increases in the prices of several non-energy commodities also contributed significantly to the reversal during the review period. Net oil-importing countries' total exports expanded by

7.3 percent to US\$428.8 billion in 2024 from about US\$399.7 billion in 2023.

While the elevated oil prices observed during the year were due largely to persistent supply chain disruptions associated with heightening geopolitical tensions, regional conflicts, and trade restrictions, other factors also contributed. Major central banks cut interest rates, while OPEC+ members cut oil production, which constrained supply, hiking prices. As a result, Brent crude oil reached a peak of US\$93 per barrel in April and ended the year averaging US\$81 per barrel. These developments, along with soaring prices of several non-energy commodities monitored by the Bank, including aluminium, cocoa, coffee, gold, lead, tin, and zinc, significantly contributed to the expansion of Africa's exports during the review period.

Africa's total merchandise imports also recovered, albeit modestly, in 2024, growing by about 2.8 percent to US\$721.32 billion, from US\$701.82 billion in 2023. The lower growth rate of imports narrowed the region's trade deficit to an estimated US\$33.3 billion in 2024 from about US\$80.5 billion in 2023 (table 2.6 and figure 2.5). High import bills, driven largely by still elevated prices of food and energy, coupled with a strong US dollar, impacted African trade. Oil exporters saw imports grow by a combined 5.84 percent to US\$162.71 billion, from US\$153.73 billion in 2023. This increase was driven by Nigeria (1.8 percent),

Figure 2.5 Trends in Africa's merchandise trade (US\$ billion), 2013–2024



Sources: International Monetary Fund Direction of Trade Statistics 2025, African Export-Import Bank research.

Africa's largest economy and leading oil exporter, and Angola (33.2 percent), one of the continent's major economies and its second-largest exporter of oil. Smaller economies such as Chad (22.4 percent oil import increase) and Equatorial Guinea (2.7 percent increase) contributed to the import performance of oil exporters during the year. Other oil exporters experienced contractions in imports.

Imports from the group of net oil-importing countries increased by 1.9 percent to US\$558.61 billion in 2024, from about US\$548.1 in 2023. While several net oil-importing countries saw an increase in their imports, the overall performance of the group was driven mainly by robust import growth by Egypt (15.2 percent), one of the largest economies on the continent, and by similar growth among a number of medium-sized economies, including Mozambique (9.9 percent), Namibia (11.8 percent), Tanzania (14.7 percent), Uganda (14 percent), and Zambia (12.9 percent).

While Africa's trade recovery is encouraging, the region remains heavily reliant on raw commodity exports, making it vulnerable to price fluctuations. To enhance resilience, greater emphasis must be placed on developing value-added industries and integrating African firms into global supply chains. The expansion of manufacturing and processing industries under the AfCFTA could help mitigate the risks associated with commodity dependence while fostering job creation and economic diversification.

2.2.4.2 Intra-African Trade

The estimated value of total intra-African trade rose by 8.3 percent in 2024, rebounding from a decline of 7.4 percent in 2023. The upturn was supported by recovery in major economies, including Nigeria and Morocco, offsetting weaker performances in Ethiopia and Côte d'Ivoire, among others. Overall, intra-African trade reached US\$208.9 billion, nearly matching the 2022 level of US\$208.2 billion.

After contracting by 1.7 percent in 2023, South Africa's share of intra-African trade grew by 6.2 percent to US\$41.6 billion in 2024, though this share remained below the three-year average of 13.7 percent. South Africa retained its position as the leading intra-African trading

nation, accounting for 19.9 percent of total intra-African trade, though down slightly from 20.3 percent in 2023. While 12.3 percent of South Africa's imports came from other African countries, its exports to the continent made up a higher share of total exports—25.6 percent compared with 27.4 percent in 2023. South Africa's key imports from the region include mineral products such as crude oil, coal, petroleum, and electricity, along with precious metals, textiles, and prepared foodstuffs—particularly sugar and confectionery from Eswatini, Zambia, and Mozambique. South Africa's exports to African markets are more diverse, spanning fuel and fuel products, machinery, electrical equipment, vehicles, plastics, iron and steel, and agricultural goods, including cereals. South Africa's main trade partners remain within the Southern African Customs Union and the Southern African Development Community.

At the start of 2024, South Africa fully ratified its membership in AfCFTA and launched its first shipment of goods under the new trade preferences. Policymakers pushed for stronger trade and investment ties with the rest of the continent, citing an increasingly uncertain global trade environment and the risk of a trade war under the Trump administration. Trade minister Parks Tau emphasised that, as more countries adopt unilateral trade measures, African nations must leverage the African Continental Free Trade Agreement to deepen integration and strengthen their global influence. While these efforts have received industry support, business leaders have pointed out logistical challenges, particularly limited freight access to other African markets. South Africa has direct flights to less than 20 percent of other countries on the continent.

Côte d'Ivoire ranked second in intra-African trade in 2024, with a share of 4.42 percent, slightly ahead of the Democratic Republic of Congo (4.36 percent), Nigeria (4.33 percent), Egypt (4.30 percent), Mali (4.29 percent), and Uganda (4.12 percent). Côte d'Ivoire's intra-African trade is largely driven by imports of crude oil and exports of refined oil, which together account for more than half of its total trade with other nations on the continent. The country's oil industry has gained momentum following the discovery of new

oil fields, which could increase reserves by 25 percent and significantly boost production capacity.

Beyond the energy sector, Côte d'Ivoire imports seafood, fertilisers, construction materials, and cotton, while key exports include edible oils, fats, and plastics.

As a gateway and central hub for the West African regional market, Côte d'Ivoire plays a crucial role in facilitating trade. With a growing middle class and rising purchasing power, the consumer and food products sector is emerging as a major driver of intra-African trade. Data from the United States Department of Agriculture indicate that demand for high-quality beef is rising, with per capita meat consumption in Côte d'Ivoire projected to increase from 31 kilograms in 2022 to 35 kilograms by 2027, potentially strengthening intra-African beef trade from suppliers such as Mali and Nigeria.

Elsewhere in West Africa, the value of Nigeria's trade with the continent grew more than 11.4 percent to an estimated US\$9.04 billion in 2024, from US\$8.1 billion in 2023, although crude oil continued to dominate Nigeria's exports to Africa. However, the prospect of refined petroleum products exported from Nigeria to the rest of Africa has improved with the commencement of operations at the Dangote Refinery—the largest in Africa—and the subsequent supply of petroleum to Cameroon, bypassing intermediaries. According to the company, these developments signal progress toward regional energy integration, more reliable supply chains, and greater fuel price stability. The successful completion of the Dangote Refinery was made possible, in part, by collaboration with the African Export-Import Bank (Afreximbank).

In Central Africa, the Democratic Republic of Congo is a major player in intra-African trade. Its significance is partly attributed to its vast size—it is Africa's second-largest country by area—its large population of more than 100 million, and its strategic geography. The Democratic Republic of Congo shares its extensive border of 10,481 kilometres with several countries, including Rwanda, Burundi, Tanzania, Uganda, and South Sudan to the east; Zambia and Angola to the south; the Republic of Congo to the west; and the Central African Republic and South Sudan

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Table 2.6 Africa: Merchandise trade, 2022–2024 (in US\$ billions)

Country	Merchandise exports			Growth rate (%)			Merchandise imports			Growth rate (%)		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Algeria	65.10	54.88	55.00	69.38	-15.71	0.22	40.91	42.65	46.02	3.73	4.26	7.91
Angola	51.49	40.82	65.46	46.66	-20.71	60.35	16.23	16.59	22.09	40.80	2.22	33.21
Benin	0.91	1.05	2.31	-11.44	15.94	119.77	3.65	3.91	3.20	14.39	7.07	-17.95
Botswana	8.14	5.25	5.50	14.38	-35.53	4.84	7.90	6.37	7.04		-19.45	10.53
Burkina Faso	4.54	4.49	6.10	-9.87	-1.20	35.89	5.54	6.12	8.35	20.11	10.61	36.26
Burundi	0.19	0.17	0.18	27.61	-10.48	2.43	1.12	1.04	0.88	24.79	-7.64	-15.05
Cabo Verde	0.32	0.28	0.38	-88.56	-12.12	36.82	1.78	1.81	1.90	38.68	1.75	4.91
Cameroon	5.79	4.48	6.44	31.39	-22.73	43.85	8.88	9.02	9.11	24.42	1.59	0.94
Central African Republic	0.12	0.12	0.13	95.99	-1.46	7.67	0.68	0.77	0.67	35.75	12.05	-12.10
Chad	4.57	4.23	5.12	59.30	-7.61	21.22	1.13	1.35	1.65	1.91	19.64	22.36
Comoros	0.05	0.05	0.06	47.22	-3.17	12.74	0.38	0.38	0.44	17.32	-1.40	15.55
Congo, Democratic Republic of the	15.72	19.18	25.90	-26.58	21.98	35.08	11.44	14.09	12.93	58.55	23.17	-8.19
Congo, Republic	8.96	7.87	8.17	275.83	-12.22	3.81	3.77	5.11	4.83	53.82	35.61	-5.39
Côte d'Ivoire	34.73	19.63	19.70	18.68	-43.49	0.36	18.09	19.57	19.22	29.33	8.18	-1.76
Djibouti	4.67	4.86	5.02	19.97	4.09	3.27	5.17	5.39	4.85	26.32	4.18	-9.96
Egypt	48.40	39.86	41.99	18.93	-17.65	5.35	80.14	73.94	85.19	8.62	-7.73	15.20
Equatorial Guinea	7.61	4.75	4.76	58.53	-37.56	0.09	1.01	1.12	1.15	-4.53	10.89	2.67
Eritrea	0.85	0.61	0.63	28.22	-27.79	3.74	0.51	0.48	0.49	42.66	-7.13	3.14
Eswatini	2.03	2.13	2.40	-3.01	5.04	12.63	2.16	2.07	2.09	-0.02	-3.94	0.73
Ethiopia	3.09	2.86	3.41	0.91	-7.32	19.13	16.54	17.05	17.05	8.20	3.10	0.00
Gabon	10.72	12.84	13.23	32.44	19.80	3.06	4.34	4.42	4.19	13.51	1.75	-5.09
Gambia, The	0.13	2.92	2.93	47.15	2090.17	0.05	0.94	2.47	2.19	29.33	163.98	-11.47
Ghana	17.56	16.83	18.61	18.47	-4.14	10.54	18.32	16.39	16.16	2.69	-10.57	-1.38
Guinea	6.32	5.49	5.64	-0.94	-13.26	2.73	5.02	5.38	5.55	18.10	7.21	3.06
Guinea-Bissau	0.51	0.43	0.44	4.86	-15.71	2.96	0.24	0.32	0.28	0.08	29.16	-10.99
Kenya	7.37	7.17	8.90	9.24	-2.79	24.20	21.12	18.60	14.22	7.89	-11.89	-23.55
Lesotho	1.05	0.96	1.21	-1.32	-9.04	26.58	1.80	1.64	1.62	-1.65	-8.58	-1.75
Liberia	0.28	0.21	0.38	12.90	-23.85	81.65	1.72	2.25	2.07	16.27	30.72	-7.95
Libya	39.20	33.08	33.76	26.55	-15.60	2.05	16.13	18.20	17.33	7.83	12.82	-4.78
Madagascar	3.55	3.10	3.15	30.98	-12.72	1.77	5.51	4.79	4.67	26.18	-13.04	-2.57
Malawi	0.95	0.97	0.98	-5.97	1.96	0.98	1.62	3.14	2.79	-47.22	93.44	-11.18
Mali	5.09	4.66	4.68	2.21	-8.47	0.34	8.58	10.05	9.96	9.89	17.16	-0.91
Mauritania	3.82	4.10	4.33	15.65	7.37	5.50	5.27	5.00	5.06	33.57	-5.09	1.05
Mauritius	1.65	1.63	1.65	-8.89	-1.05	0.97	4.78	4.52	4.68	-9.22	-5.40	3.52
Morocco	42.00	42.43	44.28	14.97	1.02	4.35	72.65	70.64	73.47	23.90	-2.76	4.01
Mozambique	8.30	8.28	8.45	45.48	-0.28	2.06	14.67	10.09	11.09	67.51	-31.21	9.88
Namibia	4.90	5.69	6.27	-10.67	16.32	10.13	6.84	7.43	8.30	-9.19	8.64	11.80
Niger	0.43	0.47	0.69	-41.91	9.43	48.17	3.90	3.21	2.23	32.63	-17.65	-30.59
Nigeria	83.27	63.22	73.71	77.48	-24.07	16.58	61.73	64.31	65.44	18.90	4.18	1.77
Rwanda	1.56	1.58	1.59	30.57	1.08	0.35	3.74	3.86	4.03	12.03	3.37	4.36
São Tomé and Príncipe	0.02	0.02	0.02	13.78	-25.52	-1.51	0.19	0.18	0.55	14.66	-5.57	205.27
Senegal	5.71	5.32	5.66	9.92	-6.90	6.43	12.06	11.89	11.81	24.67	-1.48	-0.66
Seychelles	0.61	0.55	0.56	-3.39	-8.95	0.57	2.14	1.49	1.67	14.85	-30.52	12.15
Sierra Leone	0.48	0.52	0.58	17.19	6.78	12.20	1.97	2.05	2.12	11.23	3.79	3.48
Somalia	0.74	1.00	1.36	45.08	34.96	35.70	4.15	4.02	3.99	7.91	-3.17	-0.89
South Africa	123.39	110.53	111.10	0.84	-10.42	0.52	117.27	113.23	107.59	19.13	-3.45	-4.98
South Sudan	0.53	0.68	0.86	1.55	27.29	26.12	1.32	1.39	2.05	16.10	5.02	47.74
Sudan	12.21	15.64	12.78	48.53	28.10	-18.25	13.28	7.41	5.63	43.40	-44.23	-23.96
Tanzania	6.82	7.27	9.02	6.79	6.59	24.04	15.65	15.12	17.34	44.48	-3.42	14.68
Togo	1.35	1.46	2.21	27.02	8.13	51.59	2.79	3.05	3.15	9.37	9.35	3.24
Tunisia	18.56	20.68	21.10	11.30	11.44	1.99	26.66	26.58	27.73	18.63	-0.29	4.33
Uganda	3.59	6.42	11.61	-9.70	79.02	80.83	10.24	12.51	14.26	7.89	22.21	13.96
Zambia	11.65	10.44	10.46	4.54	-10.38	0.21	9.04	10.13	11.44	27.43	12.00	12.91
Zimbabwe	6.59	7.23	7.24	9.10	9.71	0.14	6.50	7.26	7.53	10.82	11.76	3.64
Total	698.17	621.35	688.05	22.98	-11.00	10.74	709.20	701.82	721.32	18.76	-1.04	2.78

Source: IMF Direction of Trade Statistics (DOTS), 2025.
2024 numbers are estimates.

Table 2.6 (continued)

Total merchandise trade			Growth rate (%)			Share of total		
2022	2023	2024	2022	2023	2024	2022	2023	2024
106.01	97.52	101.02	36.14	-8.00	3.58	7.53	7.37	7.17
67.71	57.41	87.56	45.21	-15.21	52.51	4.81	4.34	6.21
4.56	4.96	5.52	8.10	8.84	11.30	0.32	0.37	0.39
16.04	11.61	12.54	125.46	-27.61	7.96	1.14	0.88	0.89
10.08	10.61	14.44	4.45	5.29	36.10	0.72	0.80	1.02
1.31	1.21	1.05	25.19	-8.05	-12.58	0.09	0.09	0.07
2.10	2.09	2.28	-48.27	-0.34	9.16	0.15	0.16	0.16
14.67	13.50	15.55	27.08	-8.02	15.17	1.04	1.02	1.10
0.80	0.88	0.80	42.17	10.07	-9.49	0.06	0.07	0.06
5.70	5.58	6.77	43.32	-2.21	21.50	0.41	0.42	0.48
0.43	0.43	0.49	20.16	-1.61	15.23	0.03	0.03	0.03
27.16	33.26	38.84	-5.12	22.48	16.76	1.93	2.51	2.76
12.73	12.98	13.00	163.33	1.94	0.18	0.90	0.98	0.92
52.82	39.20	38.92	22.12	-25.80	-0.70	3.75	2.96	2.76
9.84	10.25	9.87	23.23	4.14	-3.69	0.70	0.77	0.70
128.54	113.80	127.18	12.28	-11.46	11.75	9.13	8.60	9.02
8.62	5.87	5.90	47.16	-31.89	0.58	0.61	0.44	0.42
1.36	1.09	1.12	33.30	-20.01	3.48	0.10	0.08	0.08
4.18	4.20	4.48	-1.49	0.41	6.77	0.30	0.32	0.32
19.62	19.91	20.46	6.98	1.46	2.74	1.39	1.50	1.45
15.06	17.25	17.42	26.37	14.59	0.98	1.07	1.30	1.24
1.07	5.39	5.11	31.31	404.59	-5.22	0.08	0.41	0.36
35.89	33.22	34.77	9.85	-7.42	4.66	2.55	2.51	2.47
11.34	10.87	11.18	6.67	-4.20	2.90	0.81	0.82	0.79
0.75	0.74	0.72	3.26	-1.13	-2.96	0.05	0.06	0.05
28.49	25.77	23.13	8.24	-9.53	-10.27	2.02	1.95	1.64
2.85	2.60	2.83	-1.53	-8.75	8.67	0.20	0.20	0.20
2.00	2.46	2.45	15.79	23.14	-0.25	0.14	0.19	0.17
55.32	51.27	51.09	20.46	-7.32	-0.37	3.93	3.88	3.62
9.06	7.89	7.82	28.02	-12.92	-0.87	0.64	0.60	0.55
2.57	4.11	3.76	-37.04	59.74	-8.32	0.18	0.31	0.27
13.67	14.71	14.64	6.90	7.62	-0.51	0.97	1.11	1.04
9.09	9.11	9.39	25.40	0.14	3.06	0.65	0.69	0.67
6.43	6.15	6.33	-9.14	-4.29	2.84	0.46	0.46	0.45
114.64	113.07	117.75	20.47	-1.38	4.14	8.15	8.55	8.35
22.97	18.37	19.54	58.82	-20.04	6.36	1.63	1.39	1.39
11.73	13.12	14.57	-9.81	11.85	11.07	0.83	0.99	1.03
4.33	3.68	2.92	17.69	-14.97	-20.56	0.31	0.28	0.21
145.00	127.53	139.15	46.70	-12.05	9.11	10.30	9.64	9.87
5.30	5.44	5.62	16.93	2.70	3.19	0.38	0.41	0.40
0.21	0.20	0.57	14.57	-7.62	188.21	0.02	0.01	0.04
17.77	17.20	17.47	19.51	-3.22	1.53	1.26	1.30	1.24
2.75	2.04	2.22	10.25	-25.76	9.01	0.20	0.15	0.16
2.46	2.57	2.70	12.36	4.38	5.23	0.17	0.19	0.19
4.90	5.03	5.35	12.28	2.62	6.42	0.35	0.38	0.38
240.66	223.75	218.68	9.00	-7.02	-2.27	17.10	16.91	15.52
1.86	2.07	2.91	11.51	11.42	40.65	0.13	0.16	0.21
25.49	23.04	18.42	45.81	-9.59	-20.08	1.81	1.74	1.31
22.48	22.39	26.36	30.50	-0.38	17.73	1.60	1.69	1.87
4.14	4.51	5.36	14.55	8.96	18.86	0.29	0.34	0.38
45.22	47.26	48.83	15.51	4.53	3.31	3.21	3.57	3.46
13.83	18.94	25.87	2.70	36.95	36.64	0.98	1.43	1.84
20.69	20.57	21.90	13.45	-0.59	6.46	1.47	1.55	1.55
13.08	14.49	14.76	9.95	10.73	1.89	0.93	1.09	1.05
1,407.37	1,323.16	1,409.37	20.82	-5.98	6.52	100.00	100.00	100.00

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to the north. The Democratic Republic of Congo's share of total intra-African trade grew by almost 20 percent in 2024, reaching 4.36 percent, up from 3.95 percent in 2023.

South Africa remains its primary bilateral trade partner within the region, accounting for the bulk of the Democratic Republic of Congo imports from the continent. As Africa's largest producer of copper and the world's top producer of cobalt, the Democratic Republic of Congo exports significant volumes of refined copper to South Africa, primarily via the National Railway Company network to the port of Durban. Rail transport remains the most viable option to distribute commodities due to the country's vast size and high internal transport costs. While Durban serves as the primary port for trade, some shipments are also routed through Dar es Salaam in Tanzania; while Mombasa in Kenya is a key gateway for trade with Kisangani and the northeastern regions of the country.

In North Africa, Egypt's share of intra-African trade grew by 8.4 percent, making it the fifth-largest intra-African trading nation. Its trade with the continent reached US\$8.98 billion in 2024, representing 4.3 percent of total intra-African trade. Libya remains the largest export destination for Egypt, though Sudan, Algeria, Morocco, and Kenya were also major export destinations for Egypt. Egyptian exports to Africa are dominated by cement, gypsum, calcium phosphate, plastics, and flour and starch products. The Democratic Republic of Congo is Egypt's largest import source; with Sudan, Kenya, Zambia, and South Africa are the other top five origins for Egyptian imports. Egypt imports copper and related products, coffee, tea, spices, and live animals from the rest of the continent. Egypt, through its Chemical and Fertiliser Export Council, recently scheduled 205 trade missions to four African countries—Tanzania, Ghana, Côte d'Ivoire, and Kenya—along with one to Spain. The missions are designed to expand Egypt's exports to promising new markets. This effort aligns with the government's policy to boost intra-African trade through programmes that mitigate trade risks and establish Egyptian logistics centres in key African hubs.

The Bank continues to closely collaborate with the African Union Commission and the AfCFTA Secretariat to advance the Agreement through key initiatives. These initiatives include the Intra-African Trade Fair; Pan-African Private Sector Trade and Investment Committee, which enhances private sector participation in trade negotiations; and the African Continental Free Trade Agreement Adjustment Facility, which helps countries manage tariff revenue losses. The Bank also offers the Interstate Transit Guarantee to ease cross-border trade, and it inaugurated the first African Quality Assurance Center in Nigeria in December 2022 to ensure made-in-Africa products meet international standards, boosting exports. The Pan-African Payment and Settlement System (PAPSS) is another key initiative commercially launched in January 2022 to address challenges faced by African businesses and individuals in accessing efficient and cost-effective cross-border payment services. In November 2024, the Central Bank of Egypt approved its participation in PAPSS, reflecting the country's efforts to strengthen regional banking relations and economic collaboration with other African countries. Egypt's participation now brings the total participating institutions in PAPSS to 15 central banks and 144 commercial banks and further solidifies Africa's financial integration in support of greater intra-African trade.

Regarding intra-African services trade, the Bank is leading healthcare transformation through the African Medical Centre of Excellence (AMCE) in Abuja, Nigeria. Developed in partnership with King's College Hospital, London, the AMCE aims to reduce medical tourism in Africa, which drains the continent's resources, by providing world-class oncology, hematology, and cardiovascular care, including advanced treatments such as stem cell transplants. The facility is also intended to help retain medical expertise, create jobs, and expand healthcare access across Africa.



Consistent with the resilience of the global economy, Africa's total merchandise trade gathered momentum, recovering by 6.5 percent to about US\$1,409.4 billion in 2024, from a contraction of about 6 percent to US\$1,323.2 billion in 2023.

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Table 2.7 Intra-African trade, 2022–2024 (in US\$ billion unless otherwise indicated)

Country	Intra-African Exports			Growth rate (%)			Intra-African Exports			Growth rate (%)		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Algeria	2.39	2.70	2.72	22.55	13.03	0.77	1.63	1.87	1.96	41.45	14.94	4.76
Angola	0.68	2.33	3.06	-51.90	242.83	31.22	0.84	1.60	0.70	-30.54	89.68	-56.05
Benin	0.19	0.20	0.43	13.27	7.28	115.46	0.56	0.74	0.64	11.30	31.68	-12.88
Botswana	1.07	0.79	0.80	22.51	-25.55	0.25	5.66	4.96	5.62		-12.47	13.44
Burkina Faso	0.63	0.67	0.68	42.57	5.61	1.22	1.47	1.85	2.88	21.28	26.21	55.71
Burundi	0.08	0.08	0.09	19.23	4.10	3.12	0.34	0.35	0.28	9.29	3.88	-19.97
Cabo Verde	0.03	0.02	0.03	54.63	-41.61	62.43	0.08	0.02	0.18	104.57	-71.61	695.13
Cameroon	0.35	0.44	0.73	-17.44	24.77	66.17	0.99	0.91	0.87	25.63	-8.10	-4.25
Central African Republic	0.01	0.01	0.01	65.50	-35.28	-21.29	0.31	0.25	0.20	33.26	-19.16	-20.92
Chad	0.01	0.02	0.02	-29.35	125.12	9.03	0.24	0.28	0.54	-12.83	17.27	93.59
Comoros	0.01	0.01	0.01	4.41	-1.42	-21.38	0.03	0.03	0.04	23.86	-2.41	26.95
Congo, Democratic Republic of the	3.63	4.91	6.63	-44.58	35.14	35.08	2.98	2.70	2.48	78.68	-9.25	-8.19
Congo, Republic	1.62	0.36	0.36	124.28	-77.94	1.50	0.96	1.55	1.49	108.35	61.47	-4.06
Côte d'Ivoire	9.00	4.95	4.96	45.54	-45.04	0.14	4.07	4.44	4.28	50.27	9.03	-3.69
Djibouti	4.06	4.10	4.28	24.73	0.92	4.54	0.30	0.36	0.43	14.33	17.67	20.74
Egypt	5.57	6.66	7.45	8.57	19.57	11.85	1.87	1.62	1.53	29.79	-13.13	-5.77
Equatorial Guinea	0.17	0.18	0.23	29.06	3.01	28.21	0.09	0.15	0.20	-70.75	68.15	32.16
Eritrea	0.00	0.04	0.04	-13.54	4174.17	-1.23	0.02	0.02	0.02	-5.90	7.74	-5.24
Eswatini	1.86	1.90	2.17	-3.01	1.83	14.41	1.63	1.56	1.60	1.62	-4.15	2.39
Ethiopia	0.47	0.40	0.49	-18.80	-15.61	23.84	2.01	1.64	1.19	95.08	-18.32	-27.51
Gabon	1.15	1.25	1.58	-40.02	9.02	26.66	0.27	0.23	0.28	-10.55	-14.46	21.45
Gambia, The	0.03	0.07	0.08	61.61	164.63	7.28	0.39	0.26	0.24	23.06	-32.88	-6.98
Ghana	3.54	3.50	4.30	-10.27	-1.28	23.05	1.94	1.62	1.11	23.26	-16.24	-31.62
Guinea	1.41	1.40	1.42	0.02	-0.57	1.14	0.36	0.38	0.39	27.29	4.61	3.44
Guinea-Bissau	0.01	0.01	0.02	-46.94	-19.10	70.22	0.09	0.15	0.09	3.77	59.89	-37.79
Kenya	2.99	3.07	3.64	7.40	2.61	18.58	2.30	1.96	1.38	10.35	-14.82	-29.46
Lesotho	0.47	0.39	0.54	5.09	-16.06	36.02	1.55	1.40	1.39	6.36	-9.91	-0.20
Liberia	0.02	0.03	0.04	66.22	21.51	27.03	0.55	0.78	0.75	118.34	40.79	-3.79
Libya	0.15	0.06	0.06	30.51	-58.93	-0.04	0.08	0.01	0.03	-88.43	-84.61	107.38
Madagascar	0.22	0.19	0.20	32.22	-11.01	2.01	0.56	0.52	0.54	13.43	-7.03	2.89
Malawi	0.38	0.37	0.38	-0.95	-2.56	1.95	0.42	1.06	1.00	-53.15	150.22	-5.10
Mali	2.65	2.62	2.63	-0.06	-1.12	0.34	5.21	6.37	6.34	23.82	22.35	-0.54
Mauritania	0.58	0.66	0.79	116.93	13.41	19.28	0.49	0.45	0.48	12.36	-8.97	6.49
Mauritius	0.53	0.43	0.49	13.55	-19.02	14.30	0.81	0.79	0.78	29.94	-3.11	-0.43
Morocco	3.52	3.19	3.20	22.18	-9.26	0.29	2.54	1.98	2.33	14.99	-22.02	17.50
Mozambique	1.71	1.62	1.70	16.15	-5.40	4.83	2.72	2.68	3.03	1.19	-1.20	12.84
Namibia	2.62	3.15	3.31	26.28	20.14	5.11	3.32	3.12	3.62	-30.85	-6.21	16.02
Niger	0.23	0.15	0.21	-50.06	-36.53	38.78	0.61	0.43	0.48	-1.27	-29.18	10.91
Nigeria	23.38	6.50	7.62	288.79	-72.21	17.23	1.85	1.62	1.43	34.50	-12.53	-11.90
Rwanda	0.80	0.96	0.97	5.68	20.91	0.63	1.15	1.04	1.07	25.95	-9.78	3.46
São Tomé and Príncipe	0.00	0.00	0.00	-3.76	-67.88	-82.37	0.07	0.06	0.26	62.42	-5.21	321.94
Senegal	2.25	2.32	2.33	8.41	3.49	0.41	1.42	2.00	1.73	9.07	41.03	-13.63
Seychelles	0.03	0.01	0.03	4.88	-49.73	136.85	0.17	0.18	0.17	-57.95	4.94	-6.41
Sierra Leone	0.06	0.04	0.05	-17.35	-20.89	18.68	0.19	0.25	0.22	37.75	30.41	-14.12
Somalia	0.03	0.09	0.09	70.82	176.25	1.19	0.56	0.47	0.50	-14.22	-15.58	6.38
South Africa	30.01	29.61	30.74	15.52	-1.34	3.81	9.86	9.59	10.90	8.57	-2.78	13.72
South Sudan	0.00	0.03	0.06	9.59	1562.49	139.44	0.93	0.96	1.69	21.66	3.04	75.90
Sudan	1.36	1.74	1.42	48.53	28.10	-18.25	1.38	0.77	0.59	43.40	-44.23	-23.96
Tanzania	2.64	2.66	3.22	5.15	0.60	21.07	1.61	1.51	1.73	32.67	-5.90	14.26
Togo	0.76	0.72	1.10	0.37	-5.87	52.78	0.50	0.62	0.58	20.40	25.14	-6.46
Tunisia	1.96	2.08	2.21	15.56	6.04	6.08	2.34	2.56	2.76	74.00	9.59	7.69
Uganda	2.23	2.53	4.44	25.61	13.27	75.91	1.71	3.39	4.17	-32.82	98.85	22.93
Zambia	2.89	3.08	3.09	34.57	6.53	0.24	4.16	3.82	4.62	31.29	-8.28	21.01
Zimbabwe	3.18	2.90	2.91	-11.02	-8.64	0.10	4.42	4.71	5.10	9.96	6.61	8.39
Total	125.62	108.19	120.01	26.03	-13.88	10.93	82.60	84.64	88.90	22.12	2.47	5.03

Source: IMF Direction of Trade Statistics (DOTS), 2025.
2024 numbers are estimates.

Table 2.7 (continued)

Total Intra-African Trade			Growth rate (%)			Country Share of Total Intra-African Trade		
2022	2023	2024	2022	2023	2024	2022	2023	2024
4.02	4.57	4.68	29.57	13.80	2.40	1.93	2.37	2.24
1.52	3.93	3.76	-42.02	157.97	-4.34	0.73	2.04	1.80
0.75	0.94	1.08	11.79	25.59	14.48	0.36	0.49	0.51
6.73	5.75	6.42	673.61	-14.54	11.62	3.23	2.98	3.07
2.10	2.52	3.55	26.99	20.01	41.27	1.01	1.30	1.70
0.42	0.43	0.37	11.05	3.92	-15.57	0.20	0.22	0.17
0.11	0.04	0.20	88.53	-63.71	426.96	0.05	0.02	0.10
1.34	1.35	1.60	10.59	0.47	18.55	0.65	0.70	0.77
0.32	0.26	0.20	34.20	-19.74	-20.94	0.15	0.13	0.10
0.25	0.30	0.56	-13.41	20.39	89.01	0.12	0.15	0.27
0.04	0.04	0.04	17.74	-2.13	13.37	0.02	0.02	0.02
6.61	7.61	9.11	-19.60	15.15	19.73	3.17	3.95	4.36
2.58	1.91	1.85	118.06	-25.95	-3.02	1.24	0.99	0.89
13.07	9.39	9.23	46.98	-28.21	-1.67	6.28	4.87	4.42
4.36	4.45	4.71	23.94	2.08	5.83	2.10	2.31	2.26
7.44	8.29	8.98	13.22	11.36	8.40	3.57	4.30	4.30
0.26	0.33	0.43	-40.33	25.21	30.01	0.13	0.17	0.20
0.02	0.06	0.05	-6.38	246.58	-2.40	0.01	0.03	0.03
3.49	3.46	3.77	-0.91	-0.96	8.98	1.68	1.79	1.81
2.48	2.04	1.68	53.89	-17.80	-17.45	1.19	1.06	0.81
1.42	1.48	1.86	-36.02	4.56	25.85	0.68	0.77	0.89
0.41	0.33	0.32	24.96	-20.26	-3.96	0.20	0.17	0.15
5.48	5.12	5.41	-0.72	-6.57	5.72	2.63	2.65	2.59
1.78	1.78	1.81	4.60	0.49	1.63	0.85	0.93	0.87
0.10	0.15	0.11	-5.83	51.46	-31.63	0.05	0.08	0.05
5.29	5.03	5.02	8.66	-4.96	-0.11	2.54	2.61	2.40
2.02	1.79	1.93	6.06	-11.34	7.77	0.97	0.93	0.92
0.58	0.81	0.79	115.62	40.02	-2.71	0.28	0.42	0.38
0.23	0.07	0.09	-72.38	-68.23	18.80	0.11	0.04	0.04
0.78	0.71	0.73	18.09	-8.13	2.65	0.37	0.37	0.35
0.80	1.42	1.38	-37.64	78.12	-3.28	0.38	0.74	0.66
7.86	9.00	8.97	14.59	14.44	-0.28	3.77	4.66	4.29
1.07	1.11	1.26	51.95	3.13	14.09	0.52	0.57	0.61
1.34	1.22	1.27	22.95	-9.38	4.76	0.64	0.63	0.61
6.06	5.17	5.53	19.06	-14.61	6.88	2.91	2.68	2.65
4.43	4.31	4.73	6.49	-2.83	9.83	2.13	2.23	2.26
5.94	6.26	6.92	-13.62	5.40	10.54	2.85	3.25	3.31
0.84	0.58	0.68	-22.41	-31.23	18.09	0.40	0.30	0.33
25.23	8.12	9.04	241.43	-67.83	11.42	12.12	4.21	4.33
1.95	2.00	2.04	16.78	2.78	2.10	0.94	1.04	0.98
0.07	0.06	0.26	59.90	-6.65	318.75	0.03	0.03	0.13
3.66	4.32	4.06	8.67	18.02	-6.09	1.76	2.24	1.94
0.20	0.19	0.20	-54.18	-2.56	3.73	0.09	0.10	0.09
0.25	0.30	0.27	19.80	18.88	-9.22	0.12	0.15	0.13
0.59	0.56	0.59	-11.83	-5.14	5.56	0.28	0.29	0.28
39.87	39.19	41.64	13.72	-1.69	6.23	19.15	20.33	19.93
0.93	0.99	1.75	21.64	5.69	77.60	0.45	0.51	0.84
2.74	2.51	2.01	45.89	-8.40	-20.00	1.32	1.30	0.96
4.25	4.17	4.95	14.09	-1.85	18.60	2.04	2.16	2.37
1.26	1.34	1.68	7.45	6.41	25.20	0.61	0.70	0.80
4.30	4.64	4.97	41.34	7.97	6.97	2.07	2.41	2.38
3.94	5.92	8.61	-8.77	50.35	45.55	1.89	3.07	4.12
7.06	6.90	7.71	32.62	-2.21	11.74	3.39	3.58	3.69
7.59	7.61	8.01	0.09	0.23	5.23	3.65	3.95	3.83
208.22	192.83	208.91	24.45	-7.39	8.34	100.00	100.00	100.00

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Box 2.1 Economic Challenges and Needed Reforms for a Resilient Africa

Africa is confronted by a complex web of economic challenges as it strives to chart a path toward inclusive and sustainable growth. It must overcome persistent overreliance on volatile commodity exports, rising concerns over debt sustainability, significant infrastructure gaps, and underinvestment in human capital. Compounding these structural issues are entrenched poverty and inequality, the accelerating impacts of climate change, and limited intra-regional trade integration. These challenges unfold amid a global landscape of intensifying geopolitical tensions and an increasingly uncertain and fragmented policy environment, further complicating the continent's development trajectory.

Key Economic Challenges for African Economies

1. Commodity dependence and economic volatility. Reliance on commodity exports remains a fundamental structural vulnerability for many African economies. Much of the continent's GDP and export earnings are derived from natural resources and primary commodities, particularly hydrocarbons and minerals, leaving countries acutely exposed to global market fluctuations. From 2020 to 2023, the highest concentration of export commodities globally came from the African continent, with African nations collectively registering an estimated 0.20 on the Herfindahl-Hirschman Index of market concentration, compared with 0.06 among European economies. This high level of concentration underscores the limited diversification in export structures across the continent. Such dependency leads to significant economic instability, as fluctuations in international commodity prices directly impact export and fiscal revenues, foreign exchange reserves, and overall economic performance. For instance, during the commodity price slump of the 2015 and 2016, African economies exhibited the highest volatility globally in growth performance and in GDP per capita growth rates, primarily due to dependence on commodities exports. This cyclical volatility undermines

economic planning, increases vulnerability to external shocks, and limits capacity to invest in long-term development priorities. Reducing this dependency through economic diversification and value addition is critical to foster more resilient and stable growth.

2. Weak intra-African trade and regional fragmentation. Despite moderate but steady growth in total merchandise trade by African economies since the 1990s, surpassing the US\$1 trillion threshold in the 2010s, intra-regional trade across the continent has remained markedly low. At about 15 percent of total African trade, intra-African trade compares unfavorably with other regions, including Europe (greater than 60 percent), Asia (greater than 50 percent) and North America (greater than 30 percent). This limited level of internal trade reflects structural challenges, including inadequate trade-related infrastructure, non-tariff barriers, weak regional value chains, and regulatory fragmentation.

High levels of intra-regional trade are recognised as critical to fostering economic resilience and regional integration. Not only do they enhance infrastructure development and connectivity across borders, but they serve as buffers against external shocks by deepening domestic and regional markets. Given that intra-regional trade is often dominated by manufactured goods, in contrast to Africa's extra-regional trade, which remains heavily skewed toward raw materials and primary commodities, promoting intra-African trade could serve as a catalyst to accelerate the continent's industrialization and export diversification.

3. Debt sustainability and fiscal pressures. In recent years, many African countries have experienced sharp growth in public debt levels, reflecting global and domestic pressures. Initially fueled by historically low interest rates in the aftermath of the 2008 global financial crisis, debt accumulation accelerated following the 2015–2016 commodity price downturn, fiscal interventions related to the COVID-19 pandemic, and policy responses to food and energy insecurity stemming from Russia's attack on Ukraine and the resulting war. More recently, tightening global monetary conditions aimed at curbing inflation

have exacerbated borrowing costs and exposed the fragility of many African sovereign balance sheets. Consequently, Africa's average debt-to-GDP ratio has increased from 59 percent in 2019 to 69.6 percent in 2023, with an estimated decline to 67.2 percent in 2024. At the same time, borrowing costs have surged, with effective interest rates rising to 8.2 percent in 2024, up from 5.4 percent to 6.3 percent from 2008 to 2019. This rising trend in debt serving costs underscores fiscal pressures and raises significant concerns about medium- to long-term debt sustainability, particularly in the context of subdued revenue mobilization, constrained access to concessional financing, and tightening external financial conditions. Addressing these challenges will require careful balancing of fiscal consolidation with growth-enhancing investments, along with strengthened debt management frameworks and more favorable financing terms.

4. Infrastructure deficit. Africa's development continues to be constrained by a persistent and wide-ranging infrastructure deficit, particularly in trade-enabling sectors such as energy, transport, telecommunications, and water and sanitation. The deficit is largely caused by underinvestment by governments and the private sector, the limited financial resources of many African countries, and difficulties mobilizing private investment and de-risking private capital for infrastructure projects. As a result, the continent faces an estimated annual infrastructure requirement of US\$130–170 billion with a financing gap of about US\$68–108 billion annually. The implications of this deficit are far reaching. Inadequate access to reliable electricity, inefficient transport systems, underdeveloped digital connectivity, and poor water and sanitation infrastructure collectively hinder productivity, raise the cost of doing business, and undermine economic competitiveness. Compounding this challenge, Africa's infrastructure service costs are estimated to be significantly higher than in other regions, affecting both businesses and consumers.

5. Human capital development. Many African countries face challenges despite experiencing notable economic growth over the past two decades, particularly in the education and health sectors.

Average life expectancy has increased by eight years to 63 since 2000, but remains a full decade behind the global average. Improving health is essential for productivity enhancement and sustainable development. For example, empirical evidence suggests a one percent increase in life expectancy is associated with a 5.8 percent rise in GDP per capita, underscoring the powerful economic returns from health investments. In education, progress has been made in expanding access. Primary school enrollment increased from 60.1 percent in 2000 to approximately 79 percent by 2014; still, however, below levels in other developing regions. Improvements in enrollment have not consistently translated into better learning outcomes or workforce readiness, particularly in science, technology, engineering, and mathematics fields essential for economic diversification and competitiveness. Enhancing human capital development is central to advancing economic complexity and facilitating the structural transformation of African economies from resource-based to knowledge-driven development. To fully realize its demographic dividend, Africa must prioritize both the quality and inclusivity of its human capital development strategies, linking education and health policies more directly to labor market needs and national development goals.

6. Poverty, inequality, and inclusive growth. While Africa has recorded notable economic growth over the past two decades, the pace of poverty and inequality reduction has remained slow, highlighting the disconnect between growth and inclusive development. Africa continues to have the highest poverty rates and among the largest equity gaps in the world. The global poverty rate, defined as the percentage of the population living on less than US\$2.15 per day (based on 2017 purchasing power parity), has decreased significantly from 29 percent in 2000 to approximately 9 percent in 2022. In contrast, African economies experienced a more moderate reduction in poverty, with a decline of 18 percentage points, from 55 percent in 2000 to 37 percent in 2021. This relatively sluggish progress is rooted in deep structural inequities, including limited access to quality education, healthcare, and formal employment opportunities, especially in rural areas and among

Table 2.1.1 Snapshot: Africa’s key economic pressures

Challenge	Snapshot Insight
Commodity dependence	Africa recorded the highest global export concentration (Herfindahl-Hirschman Index: 0.20) between 2020 and 2023.
Debt sustainability	Debt-to-GDP rose from 59% (2019) to 69.6% (2023); borrowing costs peaked at 8.2% in 2024.
Infrastructure gap	Annual infrastructure needs are \$130–\$170B; financing gap is \$68–\$108 billion.
Intra-African trade	Only 15% of African trade is intra-continental, compared with more than 60% among European economies.
Human capital deficit	Life expectancy is 10 years below global average; science, technology, engineering, and mathematics skills lag.
Poverty and inequality	Poverty fell only 18 percentage points in 21 years, from 55% in 2000 to 37% in 2021.
Climate vulnerability	Africa scored 0.51 on ND-GAIN, vs. 0.33 in Europe, in 2022.

Source: African Export-Import Bank research.

marginalized populations. The persistence of high inequality not only undermines social cohesion but also constrains the effectiveness of poverty reduction efforts, as the benefits of growth are unevenly distributed. Without targeted policies to broaden economic inclusion—such as social protection systems, equitable fiscal policies, and investments in human development, the continent risks entrenching cycles of poverty and inequality that limit its development potential. Addressing these disparities is essential for fostering shared prosperity and achieving the Sustainable Development Goals adopted by the United Nations in 2015, which aim to end poverty, protect the planet, and ensure all people enjoy peace and prosperity by 2030.

7. Climate vulnerability and environmental risk. Concerns about environmental degradation and the increasing frequency of extreme weather events are growing. Climate-related factors such as droughts, floods, heatwaves, and tropical storms pose significant vulnerabilities to African economies, primarily due to their high reliance on rain-fed agriculture and limited capacity to cope with and adapt to these events. This vulnerability is highlighted by the Climate Vulnerability Index, developed by the Notre Dame Global Adaptation Initiative (ND-GAIN). In 2022, Africa's vulnerability score was 0.51, higher than Asia (0.42), the Americas (0.41), and Europe (0.33). For sustainable economic development, promoting green growth should align with policies

addressing climate change adaptation and mitigation, while considering Africa's unique development challenges.

Resilience in a Post-Pandemic World

Despite these structural challenges, and an increasingly complex global operating environment, Africa has recently shown economic resilience. The continent's real GDP expanded an estimated 3.4 percent in 2024, underpinned by robust domestic consumption and sustained growth in the services sector. This resilience is particularly significant given Africa's continued dependence on natural resource and primary commodity exports, which expose many economies to volatile global price fluctuations.

Inflation remains high at estimated at around 20.3 percent in 2024, fueled largely by rising food and energy prices, as well as ongoing supply chain disruptions stemming from the war between Russia and Ukraine. While average public debt among African nations declined to 67.2 percent of GDP in 2024, fiscal and external imbalances widened.

On the trade front, Africa recorded a 6.5 percent increase in overall trade volume in 2024, with intra-African trade expanding by 8.3 percent. Looking ahead, real GDP growth is expected to gradually rise to 4.0 percent in 2025, supported by increased global demand and structural reforms, with 41 percent of African economies projected to grow by at least 5 percent. Notwithstanding the positive outlook,

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Table 2.1.2 Outlook and resilience indicators

Challenge	2024	2025 (projected)
Real GDP growth	3.4%	4.0%
Intra-African trade growth	8.3%	6.6%
Inflation	20.3%	14.8%
Debt-to-GDP	67.2%	66.5% est.
Percent of economies growing ≥5%	38%	41%

Source: African Export-Import Bank research.

ongoing geopolitical tensions, particularly the tariff war between the United States and China, remain major risks.

Toward a Resilient and Inclusive African Economy: Strategic Reform Agenda

To navigate current headwinds and build long-term resilience, African countries should pursue near-term strategies that help navigate the challenges of geopolitical disruptions while maintaining key growth levers. This includes boosting domestic consumption and the service sector through more nuanced and proactive monetary policy and supportive fiscal policies. Accelerating implementation of the African Continental Free Trade Agreement remains an essential component of this strategy.

In the medium term, Africa’s focus should shift to implementing the following strategic recommendations to facilitate a transition to more inclusive and sustainable growth trajectories. African economies should undertake the following structural reforms:

1. Accelerate structural transformation to achieve a more diversified economy, thereby strengthening macroeconomic resilience. To build resilience, African nations must accelerate structural transformation and reduce reliance on commodities. This includes reallocating resources to boost domestic production, improving energy and transport infrastructure, and advancing science and technology education. Promoting agriculture and developing agro-industries for local processing are essential for economic diversification and stability.

2. Ensure sovereign debt sustainability by prioritizing growth-oriented investment projects. African countries need to improve the efficiency of public spending to ensure sustainable sovereign debt. This includes prioritizing investments in productive infrastructure projects to diversify economies and reduce reliance on commodity exports, fostering long-term growth, and addressing external imbalances.

3. Improve healthcare to boost economic performance. Despite economic progress in many African countries, health outcomes remain insufficient. Improving public health is crucial for sustainable development, as it enhances productivity and fosters job creation. Strengthening healthcare infrastructure requires increased resource allocation, investments in transportation and energy, and fostering public-private partnerships to improve access to quality services.

4. Promote skills development and effective allocation of talent. African economies should align skills development with market needs to capitalize on demographic opportunities. Improving training in science and technology is crucial for attracting young people and enhancing economic complexity in producing new goods.

5. Enhance growth to reduce poverty more effectively and to combat inequality. African countries should enhance public infrastructure and services and reduce their dependence on natural resources through structural transformation to boost poverty


reduction. Promoting manufacturing and local commodities processing can create labor-intensive jobs. Addressing inequality is vital, making it essential to focus on equitable access to education, healthcare, energy, transport, financial services, and targeted safety-net programs for vulnerable populations.

6. Achieve sustainable growth and effectively manage climate-related impacts. African environmental protection policies should be strengthened without overburdening low-income households. African economies must create job opportunities for disadvantaged communities while ensuring sustainability and equity. Green growth should align with climate change strategies to support sustainable development. Additionally, African countries must integrate climate considerations into their infrastructure planning and enhance disaster preparedness through improved surveillance systems and early warning networks.

Achieving long-term resilience and sustainable growth requires comprehensive reforms addressing structural vulnerabilities and unlocking the continent’s full economic potential. Key priorities include diversifying economies beyond natural resources dependence, accelerating intra-African trade, strengthening fiscal and macroeconomic policy frameworks, upscaling infrastructure investments, and promoting climate-adaptive policies.

The Role of Regional Institutions and External Partnerships

Multilateral financial institutions such as the African Export-Import Bank are providing financing and technical assistance to support infrastructure development, in addition to making strategic interventions in key areas such as developing industrial parks to promote industrialization. Efforts are also being made to attract private sector investment through public-private partnerships and improved regulatory frameworks. These reforms and strategic interventions will contribute to reducing vulnerabilities of African economies, foster sustainable growth, enhance competitiveness, and empower African economies in the global market.



To navigate current headwinds and build long-term resilience, African countries should pursue near-term strategies that help navigate the challenges of geopolitical disruptions while maintaining key growth levers.

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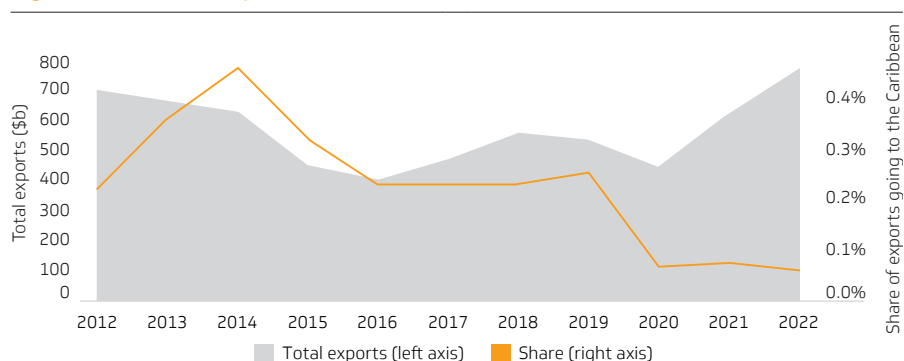
Box 2.2 Africa-Caribbean Trade Potential Report: Key Findings

The nations of Africa and the Caribbean share deep-rooted historical and cultural bonds. The shared impact of slavery and colonialism has fostered a common identity and a continued connection between the two regions. Despite this collective legacy, trade between Africa and the Caribbean has remained limited in scope and diversification, with no formal trade agreements in place. Existing trade flows involve a narrow range of commodities, reflecting missed opportunity for broader commercial engagement. A 2020 report jointly prepared by the International Trade Centre and Afreximbank., *Expanding Africa-Caribbean Trade*, found that fewer than 1 percent of Caribbean exports were to Africa and that only 0.08 percent of African exports reached the Caribbean. The 2024 update to the report builds on these findings, offering deeper insights into emerging trends, structural barriers, and untapped commercial opportunities. Conducted as part of the broader “Strengthen Afri-Caribbean Trade and Investment” initiative by Afreximbank and the International Trade Centre, the study also evaluates prospects and implications of a potential free trade agreement between the two regions. It recommends complementary policy actions and institutional collaborations to build a more integrated and resilient cross-regional business ecosystem. The findings, summarized here, make a compelling case for renewed policy focus and private sector engagement to transform Africa-Caribbean economic ties from symbolic to substantive, anchored in shared interests, mutual growth, and sustainable development.

Current State of Trade

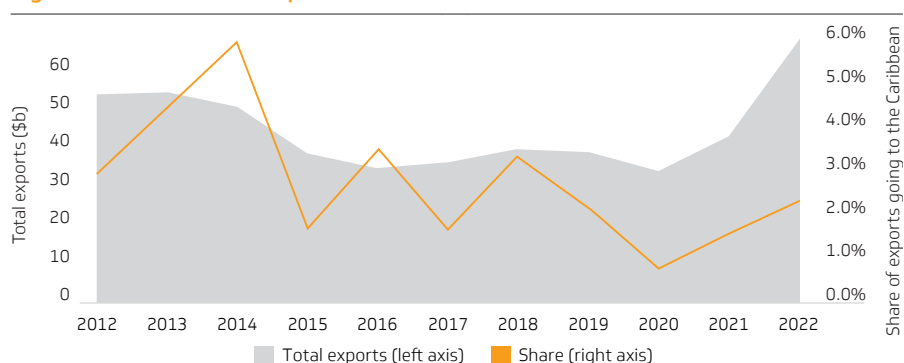
Reliance on commodity trade flows between Africa and the Caribbean remain modest, accounting for a negligible portion of each region’s global trade. Over the past decade, the share of Africa’s exports to the Caribbean has steadily declined. In contrast, Caribbean exports to Africa, while historically minimal, have exhibited greater dynamism in the aftermath of the COVID-19 pandemic. In 2022, exports from the region

Figure 2.2.1 Africa exports to the Caribbean



Source: International Trade Centre.

Figure 2.2.2 Caribbean exports to Africa



Source: International Trade Centre.

to Africa accounted for approximately 2.3 percent of total Caribbean exports, a significant increase from just about 0.8 percent in 2020 (Figures 2.2.1 and 2.2.2). This upward trend suggests growing interest in African markets by Caribbean exporters, though from a low base. Nonetheless, bilateral trade remains concentrated in a few products compared with each region’s trade with other regional partners.

Mineral primary products, including fossil fuels and unprocessed ores, collectively account for more than half of all exports by African nations to the Caribbean. Caribbean exports to Africa, by contrast, are dominated by a narrow range of goods such as chemicals—particularly anhydrous ammonia—and re-exported vehicles. While African exports to the Caribbean tend to involve higher levels of processing compared to the continent’s global trade average, the pattern is not reciprocated. Most Caribbean exports to Africa are largely unprocessed, highlighting missed opportunities in value-added manufacturing and regional supply chain integration.

Tariff Barriers and Market Access Constraints

Market access limitations present significant constraints to unlocking trade potential between the two regions. The absence of a preferential trade agreement between Africa and the Caribbean leads to prohibitively high tariffs on key export products, thereby undermining trade flows and competitiveness. For example, rum—one of the Caribbean’s most competitive exports—faces average tariffs by African nations of as much as 88 percent. A 21 percent tariff is imposed on average by African nations on preserved fruits and nuts, while tariffs on roots and tubers exported from Caribbean countries are tariffed by African nations at an average of 19 percent. African exporters also face significant tariff barriers in Caribbean markets, especially for agricultural and vegetable products. These trade costs hinder the competitiveness of African goods, undermining the potential advantages of the regions’ similar climates, dietary cultures, and growing consumer demand.

Beyond tariffs, trade underperformance is further exacerbated by infrastructure and logistics bottlenecks. Both regions

Figure 2.2.3 Export potential for selected sectors

Sector	Rank Africa	Rank Caribbean	Share unrealized Africa	Share unrealized Caribbean	EPI Africa (\$ mn)	EPI Caribbean (\$ mn)	#exporters 5% EP Africa	#exporters 95% EP Caribbean	#markets 95% EP Africa	#markets 95% EP Caribbean	#products Africa	#products Caribbean
Minerals, metals and products thereof	2	2	80%	62%	96	17.2	5	4	7	5	495	104
Machinery and electronic equipment	3	8	96%	92%	60	4.8	3	5	8	11	557	82
Wood, paper, rubber, plastics	4	5	72%	71%	52	6.4	8	8	7	14	359	125
Vehicles	1	18	86%	100%	111	0.1	2	3	8	8	68	4
Chemicals	5	1	81%	3%	45	427.6	6	2	7	3	407	112
Horticulture	6	13	70%	99%	34	0.9	7	6	11	8	126	56
Sea animal products	7	9	84%	61%	32	4.6	8	5	8	9	58	32
Mineral primary products	8	17	97%	95%	26	0.1	2	6	2	10	47	11
Manufactured products n.e.s	9	4	87%	63%	23	6.6	7	4	9	12	346	81
Processed food and animal feed	10	7	94%	98%	15	5	8	4	11	13	107	50
Vegetal products n.e.s	11	6	97%	100%	14	5.3	9	5	8	13	62	23
Apparel and textile products	12	12	89%	97%	13	1.4	6	3	9	12	282	82
Beverages	13	3	83%	94%	9	9.7	8	5	13	10	45	36
Animals & animal products	14	11	98%	100%	6	1.6	9	2	13	4	97	26
Cereals and cereal products	15	10	100%	76%	6	3.2	5	6	7	12	29	12
Skins, leather, products thereof	16	15	98%	88%	3	0.7	7	3	10	10	59	26
Textile (fabric)	17	16	99%	99%	2	0.3	5	3	4	10	187	21

Source: International Trade Centre.

Notes: Everything is bilateral (Africa to Caribbean or Caribbean to Africa)

markets and # exporters: number of markets and number of exporters cumulatively accounting for at least 95 percent of export potential

products: number of products with export potential

Rank: based on export potential of goods

rank among the lowest in the World Bank's Logistics Performance Index (2023), reflecting weak port operations, inadequate maritime and air connectivity, and high transportation costs.

Export Potential and Priority Sectors

Africa holds approximately US\$546 million in unrealised export potential to the Caribbean, while the Caribbean could realize an additional US\$496 million in additional exports to African markets. For African exporters, 62 percent of this potential is linked to anticipated improvements in both demand and supply. In contrast, about 57 percent of unrealized export potential stems from persistent trade frictions linked to logistical, procedural, and infrastructural

challenges. Among the sectors with the greatest potential for growth in both regions are processed food and animal feed, plastics and rubber, machinery and electrical products, and minerals and metals (figure 2.2.3).

Trade in services, while underdeveloped, is showing signs of recovery from the effects of the COVID-19 pandemic. Travel services dominate bilateral services trade and are driven by tourism, while business services and transport services also offer growth potential. Export potential by the Caribbean in travel services to Africa is estimated at US\$305 million, with opportunities for medical tourism, education, and destination-based leisure offerings.

Emerging Opportunities for Economic Cooperation

The report highlights areas the nations of Africa and the Caribbean could explore to transform long-standing cultural and historical bonds into a dynamic economic partnership, potentially lifting the value of total trade from the current US\$729 to US\$1.8 billion per year by 2028, if value addition, trade facilitation, and improved logistics are prioritised. Five sectors—minerals and metals; wood, paper, plastics and rubber; processed food and animal feed; travel services; and transport services—present unique opportunities to diversify exports, deepen industrial linkages, and build resilience across both regions. These sectors also offer opportunities to move away from entrenched patterns of exporting unprocessed commodities

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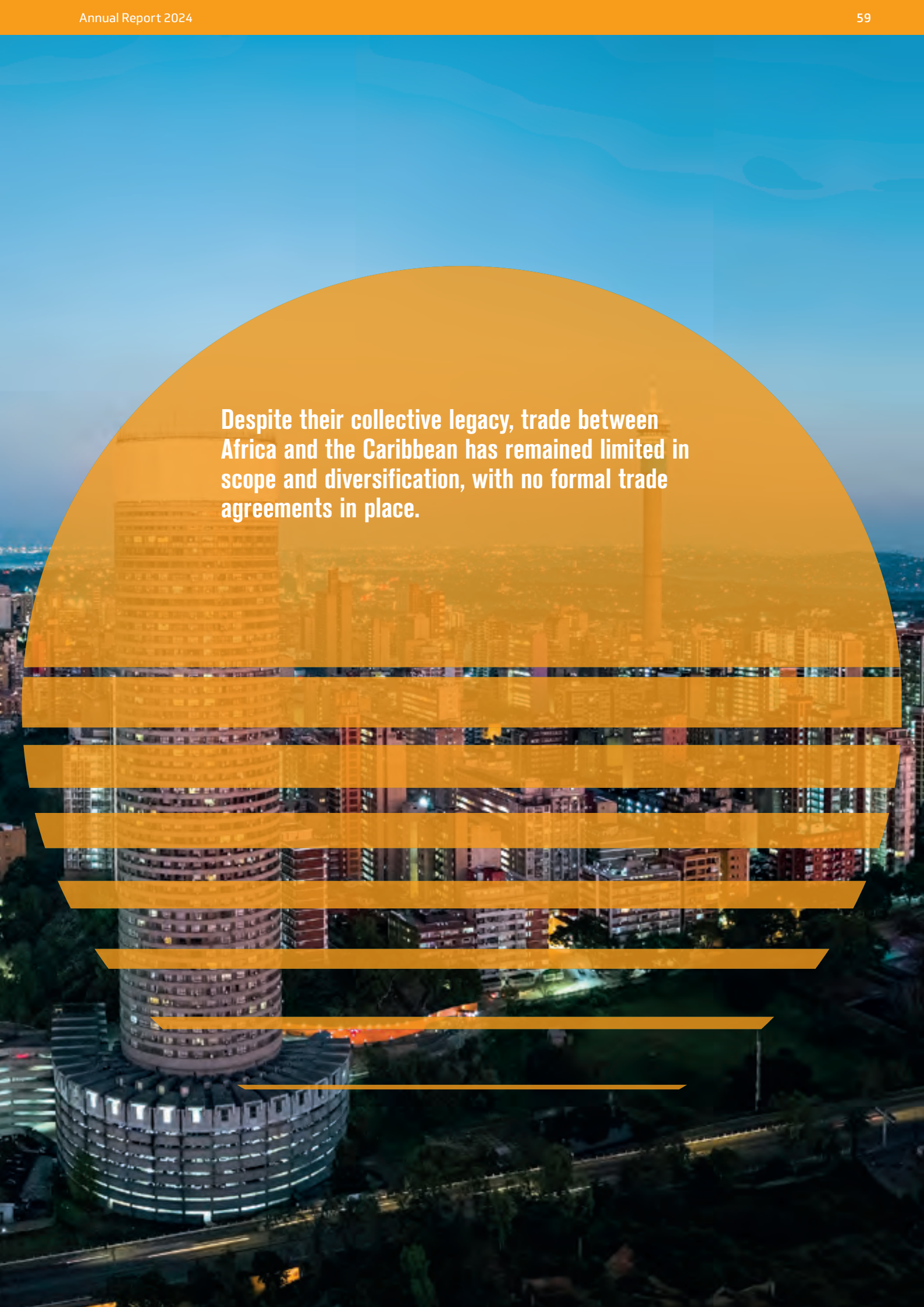
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to traditional markets towards a future of value-added trade, rooted in shared comparative advantages. Further, there is opportunity to democratise trade by expanding access to global markets beyond large incumbents to include women-led businesses, youth entrepreneurs, and small and medium enterprises (SMEs) across both regions.

Outlook and Conclusions

Building on these findings, Afreximbank and the International Trade Centre are developing detailed sectoral profiles for both Africa and the Caribbean. This next phase will involve comprehensive mapping of the five identified high-potential value chains and examine the barriers to growth, key competitiveness enablers, and specific requirements for unlocking trade and investment opportunities within each sector. The outcomes of this in-depth research will be synthesised in a flagship report to be presented at the Fourth Africa-Caribbean Trade and Investment Forum (ACTIF) in 2025 and will serve as a strategic blueprint to guide stakeholders in translating trade potential into tangible commercial outcomes.

The study reaffirms the significant and largely untapped trade and investment opportunities between Africa and the Caribbean. It offers compelling evidence in support of Afreximbank's Caribbean Strategy, underpinned by a robust pipeline of US\$2.5 billion in projects and US\$1.5 billion in prospective investments. The trade potential between Africa and the Caribbean underscores the Bank's long-term commitment to fostering intra-regional trade and development impact. By facilitating the integration of SMEs into regional and global value chains, the Bank aims to catalyse inclusive growth, build institutional capacity, and establish a durable foundation for a thriving Africa-Caribbean trade and investment corridor.



Despite their collective legacy, trade between Africa and the Caribbean has remained limited in scope and diversification, with no formal trade agreements in place.

Chapter Two

The Operating Environment

Box 2.3

Understanding the Alliance of African Multilateral Financial Institutions/Africa Club

Afreximbank is a founding member of the Alliance of African Multilateral Financial Institutions (AAMFI) or "Africa Club," launched by the African Union Commission on the sidelines of the 37th Ordinary Session of the African Union Assembly of Heads of State in February 2024. Established to promote collaboration, cooperation, and coordination among its member institutions, AAMFI is designed to promote development objectives of African nations and support sustainable economic development and integration objectives on the African continent.

The Alliance is made up of African multilateral financial institutions set up by treaty in response to the inadequacies of the existing global and continental financial architecture. It has 10 member institutions, including the Africa Finance Corporation, Afreximbank, Trade and Development Bank, Africa Reinsurance Corporation, Africa Trade and Investment Development Insurance, Shelter Afrique Development Bank, ZEP Re (PTA Reinsurance Company), East African Development Bank, Fund for Export Development in Africa, and Africa Solidarity Fund. These institutions have matured in recent decades, today deploying a collective balance sheet of more than US\$70 billion to address critical trade, investment, and development gaps across the continent.

The purpose and objectives of the Alliance include:

- Collaborating and exchanging information on progressive joint strategies and frameworks to address Africa's development finance needs
- Protecting and promoting the interests of African multilateral financial institutions and their shareholders and of African member states; and coordinating the efforts of such institutions to address opportunities and challenges

- Promoting and defending unified positions on issues of common interest in the international fora, including advocating for Africa's interests on global finance issues
- Developing and promoting innovative tools and instruments addressing Africa's finance needs
- Supporting, developing, and implementing strategies and interventions to scale up and improve the effectiveness of sustainable financing of the continent's development objectives and the African Union's Agenda 2063 aspirations
- Coordinating debt management negotiations between members of the Alliance and debtor countries

The Governing Council of the Alliance, composed of directors of its member institutions and supported by the AAMFI Secretariat, is responsible for ensuring the achievement of the Alliance's mandate and objectives. The inaugural chairperson of the Alliance was Benedict Oramah, president and chairman of the board of Afreximbank. In February 2025, he was succeeded by Samaila Zubairu, president and chief executive officer of the Africa Finance Corporation. The African Union Commission is a permanent observer and member of the Alliances' governing council.

Key Activities of the Alliance of African Multilateral Financial Institutions

Policy Advocacy

Preferred creditor status, by which borrowers give priority to lenders such as multilateral development banks in debt repayment, especially during times of financial stress, is of critical importance to the work of African multilateral financial institutions. The Alliance has been advocating with African governments to retain that status for its members. At a July 2024 meeting in Tunis, Tunisia, the Alliance made significant progress on the issue, securing a decision by the African Union Ministers of Finance and Central Bank Governors at the 7th Ordinary Session of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning, and Integration to recognize

the members of the Alliance as crucial for strengthening the continental financial framework and advancing the African Union's Agenda 2063. The ministers and central bank governors affirmed the importance of preferred creditor status to African multilateral financial institutions, and urged African Union member states to uphold their treaty obligations and other commitments to them. This validation is particularly significant given continued debate over the rights and privileges of such institutions, including their preferred creditor status.

Throughout 2024, the Alliance organized successful advocacy and sensitization sessions on the sidelines of key events. At the African Development Bank annual meeting in May in Nairobi, Kenya, it held a high-level session on "Mobilizing Finance for Private Sector Development in Africa." At the 2024 Summit of the Forum on China-Africa Cooperation in Beijing, China, in September, it offered a side event titled, "Building Bridges: Collaboration For Growth Between China and The Alliance for African Multilateral Financial Institutions." On the sidelines of the annual meetings of the International Monetary Fund and the World Bank Group in Washington, D.C., in October, it held a panel session on "The Role of African Multilateral Financial Institutions in Catalyzing Sustainable Economic Development in Africa: Opportunities and Challenges."

In 2024, the Alliance also undertook strategic engagements with key stakeholders, including the African Union Commission, the International Monetary Fund/World Bank Africa Caucus, and the executive directors representing Africa at the International Monetary Fund. The Alliance continues to facilitate high-level strategic publications and engagements with such stakeholders, including African heads of state, the African Union, and key industry and thought leaders. Its goal in these discussions is to advocate for the reform of the global financial architecture and to share its positions on development finance and debt sustainability.

Business Collaboration

A core objective of the Alliance is to facilitate business collaboration between its members, recognizing the diversity of their financial portfolios and the significant opportunities for

co-financing, insurance, and de-risking transactions. Notable examples of business collaborations between members of the Alliance include the Trans-Africa Bond Alliance, which was launched by Afreximbank and ZEP Re signed to bridge the insurance capacity gap and empower African contractors to secure more construction and procurement projects, to boost cross-border trade, and to enhance the movement of goods and investment throughout the African continent. Africa Finance Corporation and the Fund for Export Development in Africa also collaborated on a strategic US\$443 million investment to secure significant stakes in ARISE Integrated Industrial Platforms, a leading pan-African developer and operator of world-class industrial parks. While some Alliance members already collaborate, the Alliance is advancing intentional and systematic leverage of the strengths of different members in promoting and co-financing joint financial interventions through the following steps:

1. Constitute the AAMFI Business Committee, comprising business representatives of each of the AAMFI members and the AAMFI Secretariat. Key responsibilities of the Business Committee include the following:
 - Promote joint financing and risk pooling interventions, as well as collaboration and activities on joint fund raising and equity mobilization for AAMFI members.
 - Promote joint business development, including project preparation activities for AAMFI members, thereby reducing transaction costs.
 - Promote cross business between AAMFI banks and insurance members, including initiatives to encourage members to channel insurance business to AAMFI insurance members to develop insurance capacity and retain premiums on the continent.
 - Promote the streamlining, alignment, and use of common documentation and processes among AAMFI members, including the development of standardized templates to promote efficiency in working together; harmonization of due diligence requirements; development of common terms of reference; and development of common language and wording in

facility agreements, standardized loan documentation, and ancillary legal instruments.

- Develop guidelines for the “Africa Club Deal Room,” including guidelines for AAMFI member deals and non-member deals, proposed deal room subscription fees, and success fees for adoption by the AAMFI governing council.
 - Develop criteria for AAMFI flagship and strategic projects and identify and propose mechanisms for pipeline development of them for adoption by the governing council.
 - Develop guidelines for an AAMFI risk pooling mechanism to promote insurance premium retention on the continent, further considering the domestic requirements applicable to various relevant financing jurisdictions.
 - Develop guidelines for reporting and communicating the impact of AAMFI financing deals, including developmental impacts on stakeholders.
2. Establish the Africa Club Deal Room/Market Place and digital platform as a collaborative financing marketplace designed to address Africa's diverse development needs, by uniting AAMFI members, private sector players, and institutional investors.

Significance of the Alliance of African Multilateral Financial Institutions

The formation of AAMFI underscores the collective commitment of its members to support Africa's self-reliance and sustainable economic development, leveraging home-grown solutions and resources for the continent's transformation. The Alliance aims to deepen collaborative efforts to address Africa's development and finance needs, promote the interests of member states, advocate for Africa on global finance issues, support sustainable finance strategies, and play a key role in debt management negotiations. It also aims to develop innovative finance solutions to support the business and economic activities of the African private sector, including the pooling of capital and expertise to finance cross-border infrastructure development projects that would facilitate intra-African trade

and lower the transition cost of goods and services produced on the continent, making them more globally competitive.

This strategy represents a bold new vision for African economies to truly chart their own way forward for the first time since they began gaining independence in the mid 20th century. In their early years as independent states, many African nations were forced into structural adjustment programs mandated by international financial institutions, such as the International Monetary Fund and the World Bank, to access development finance. These policies were designed to stabilize struggling economies and facilitate development. However, they required significant alterations to existing economic structures and had an immense impact on the economies of African countries, most of which were net exporters of agricultural products at the time. In the agricultural sector, the programs were accompanied by the abolishment of commodity marketing boards, the removal of subsidies, and an overall pullout of government support to smallholder agriculture. African countries are still struggling to recover from the impact. The lesson is that sustainable economic development is a do-it-yourself affair. For the first time since gaining independence, Africa has a potential do-it-yourself solution in the form of AAMFI, which could provide an alternative source of financing and debt advisory that is truly Africa-led and Africa-owned.





3

Operations and Activities

3.1 Operations

The African Export-Import Bank has continued to carry out its operations in alignment with its sixth Strategic Plan, Impact 2026: Extending the Frontiers (Plan VI). This chapter covers the operations and activities of the Bank in 2024, the third full year of Plan VI implementation.

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Operations and Activities

In 2024, global and regional conditions continued to be challenging, with the Bank's member states facing external debt burdens, tight financing conditions, and still-high inflationary pressures. As African economies grappled with mounting challenges during the year, the Bank intensified its operations to bridge the continent's significant trade and project financing gap. In addition to deploying existing products and services, the Bank launched several new initiatives that were critical to support its member states and to help its customers navigate difficult times.

The sections that follow discuss major lending operations and other activities of the Bank during the year.

3.1.1 REVIEW OF LENDING OPERATIONS

The Bank's total approvals during the year increased sharply by 18.39 percent from US\$18.90 billion in 2023 to US\$22.37 billion in 2024. The surge reflected the intensification of the Bank's lending operations in the context of a difficult operating environment affecting its member states in Africa and the Caribbean. Total disbursements increased slightly from US\$18.10 billion in 2023 to US\$18.70 billion in 2024. Outstanding loans rose by 9.74 percent from US\$28.09 billion at the end of 2023 to US\$30.83 billion at the end of 2024 (figure 3.1). Adding the total unfunded exposure of US\$4.82 billion in 2024, the value of gross loans and contingent liabilities stood at US\$35.65 billion in 2024 compared with US\$31.93 billion in 2023, a year-on-year increase of 11.65 percent.

3.1.1.1 Line of Credit Programme

Through the Line of Credit Programme, the Bank provides loan and guarantee facilities to small and medium trading entities whose balance sheet size and trade turnover would not normally qualify them for direct lending. The facilities provided under the programme included the Trade Finance (Export-Import), Pre- and Post-Export Financing, Letter of Credit Confirmation and Refinancing, and Reimbursement Guarantee facilities.

Approvals under the programme increased significantly by 44.62 percent in 2024 to US\$14.16 billion from US\$9.79 billion in 2023. However, they remained lower than the US\$17.37 billion in 2022, when the Bank launched the emergency Ukraine Crisis Adjustment Trade Financing Programme. The programme accounted for 63.29 percent of total approvals during the year compared with 51.81 percent the previous year. Approvals under the programme mainly targeted financial institutions and continued to support African countries in securing funding of critical imports, including foods, petroleum products, and fertilisers, cushioning their economies in the face of global challenges.

Outstanding loans under the programme fell by 1.88 percent over the year, from US\$17.60 billion at the end of December 2023 to US\$17.27 billion at the end of December 2024 (table 3.1 and figure 3.3).

3.1.1.2 Direct Financing Programme

Under the Direct Financing Programme, the Bank provides pre- and post-export financing and trade-related corporate facilities directly to corporations with balance sheets of at least US\$2 million and an annual trade turnover of at least US\$10 million.

The Bank approved US\$6.02 billion in loans in 2024 under the programme, 3.44 percent lower than the US\$6.23 billion in 2023. The loans supported various economic sectors, including energy, services, manufacturing, and agriculture. The programme is the second largest in terms of approvals behind the Line of Credit Programme, accounting for about 27 percent of the year's total compared with 33 percent in 2023.

In terms of outstanding loans, the programme accounted for 32.32 percent of the total in 2024 (US\$9.96 billion) compared with 26.06 percent in 2023 (US\$7.32 billion). Outstanding loans under the programme grew by 36.12 percent year-on-year. The programme remained the second largest in terms of outstanding loans (table 3.1 and figure 3.3).

3.1.1.3 Project Financing Programme

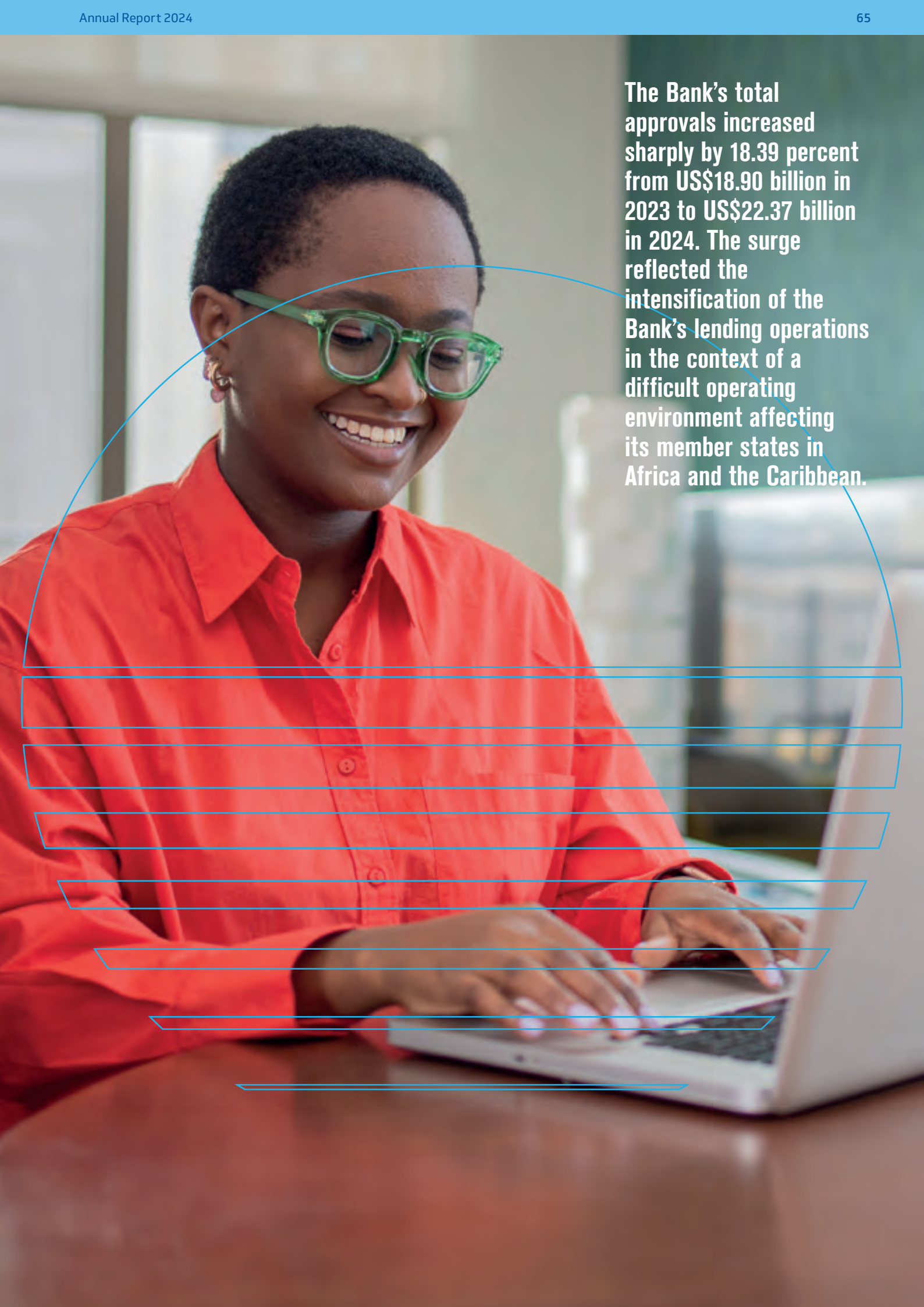
Through the Project Financing Programme, the Bank provides limited-recourse financing in support of export and related projects, including mining, heavy industries and related projects, and infrastructure projects that facilitate exports or generate tradeable infrastructure services such as power, ports, rails, and telecommunications. The programme is also intended to assist private sector operators and African government agencies executing essential projects that may not be directly export-generating but that create a conducive environment for investments in the export sector.

Approvals under the programme decreased marginally by 0.95 percent over the year, from US\$1.33 billion in 2023 to US\$1.32 billion in 2024. The programme accounted for about 6 percent of total approvals, making it the third largest after the Line of Credit and Direct Financing programmes. The energy, services, metals and minerals, and transportation sectors were the main beneficiaries of the programme during the year.

The balance of outstanding loans for project financing totalled US\$1.47 billion at the end of 2024, 18.16 percent higher than the US\$1.25 billion at the end of 2023. The programme accounted for 4.79 percent of the Bank's loan portfolio at the end of the year (table 3.1 and figure 3.3).

3.1.1.4 Receivables Purchase/Discounting Programme

The Receivables Purchase/Discounting Programme comprises a family of facilities involving the purchase of specific receivables or groups of receivables from the sale of goods and services to foreign and domestic buyers, with or without recourse to the seller. Facilities operated under this programme are forfeiting, invoice/receivables discounting, factoring and receivables management, and joint bill discounting/financing and refinancing.



The Bank's total approvals increased sharply by 18.39 percent from US\$18.90 billion in 2023 to US\$22.37 billion in 2024. The surge reflected the intensification of the Bank's lending operations in the context of a difficult operating environment affecting its member states in Africa and the Caribbean.

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Operations and Activities

Table 3.1 Afreximbank: Distribution of loan approvals and outstandings by type of product/programme, 2022–2024

Type of programme	Approvals (US\$ millions)			Growth rate (%)	
	2022	2023	2024	2022/2023	2023/2024
Line of credit	17,377.68	9,793.10	14,162.34	-43.65%	44.62%
Direct financing	2,535.78	6,238.44	6,023.59	146.02%	-3.44%
Project finance	1,208.10	1,337.00	1,324.32	10.67%	-0.95%
Receivables purchases/discounting	384.70	253.25	150.00	-34.17%	-40.77%
Export development	182.10	1,073.16	585.80	489.32%	-45.41%
Asset-backed lending	45.00	0.00	92.00	-100.00%	-
Others*	850.00	205.50	37.54	-75.82%	-81.73%
Memorandum items					
Country Programme	1,127.02	1,450.25	1,548.06	28.68%	6.74%
Syndications ^a	4,734.61	3924.00	3,262.20	-17.12%	-16.87%
AFGAP ^b	2481.25	1,641.22	1,099.04	-33.86%	-33.04%
UKAFPA	15,406.05	6,679.33	989.48	-56.64%	-85.19%
Total	22,583.36	18,900.45	22,375.59	-16.31%	18.39%
Cumulative totals^c	135,291.79	154,192.24	176,567.83		

Source: Afreximbank.

* Notes: purchase programme and future flows pre-financing programme a Includes cofinancing and participations.

b AFGAP: Afreximbank Guarantee Programme/UKAFPA: Ukraine Crisis Adjustment Trade Financing Programme for Africa/PATIMFA: Pandemic Trade Impact Mitigation Facility.

c Since the Bank began operations in September 1994.

During the year, the Bank approved US\$150 million under the programme, 40.77 percent lower than the amount approved in 2023. The programme accounted for 0.67 percent of the total and mainly supported the manufacturing sector. Outstanding loans under the programme stood at US\$232.85 million, accounting for less than 1 percent of the total loans' portfolio (table 3.1 and figure 3.3).

3.1.1.5 Export Development Programme

The Industrialisation and Export Development Programme is designed to drive diversification and structural transformation of African economies into higher value-added and manufactured exports. The Bank combines credit, risk bearing, twinning, market access, and advisory services under the Export Development Programme, geared toward creating non-commodity export products for sale to a broad range of export markets. The goal is to facilitate non-commodity export production, especially export manufacturing, and to foster regional projects, including tradable infrastructure services.

Under the programme, the Bank approved US\$585.80 million in 2024, 45.41 percent less than the US\$1.07 billion approved in 2023. Transactions approved under the programme mainly supported large African corporations operating in the manufacturing sector.

Outstanding loans under the programme rose from US\$420.60 million in 2023 to US\$466.63 million in 2024 10.94 percent year-on-year increase. The loans represent about 2 percent of the Bank's total portfolio (table 3.1 and figure 3.3).

3.1.1.6 Asset-Backed Lending Programme

The Asset-Backed Lending Programme helps meet growing demand by African entrepreneurs for financing to acquire physical assets within the framework of privatisation and local-content promotion opportunities. One advantage of the programme is that the assets can serve as solid collateral because their values are normally expected to rise with inflation.

The Bank approved US\$92 million under the programme in 2024 in support of two transactions in the transportation sector.

Outstanding loans increased by 3.69 percent to US\$878.06 million in 2024, less than 3 percent of the total loan portfolio at the end of the year (table 3.1 and figure 3.3).

3.1.1.7 Note Purchase and Future Flows Pre-Financing Programmes

Through the Note Purchase Programme, the Bank provides financing to corporations through the purchase of promissory notes or similar instruments issued or accepted by them and avalised or guaranteed by an acceptable bank or corporation. When other forms of collateral are not easily available, debt offerings under the Future Flows Pre-Financing Programme provide flexibility in financing difficult transactions. These offerings rely for their repayment on receivables not generated from the export of physical goods, including credit card or cheque receivables, tourism receivables, migrant remittances, royalties arising from bilateral air services agreements, overflight fees, and fishing royalties.

In 2024, approvals under the two programmes decreased by 81.73 percent to US\$37.54 million. During the year, the

Table 3.1 (continued)

Share of approvals by type of programme			Outstandings (US\$ millions, end of period)			Growth rate (%)		Share of outstandings by type of programme		
2022	2023	2024	2022	2023	2024	2022/2023	2023/2024	2022	2023	2024
76.95%	51.81%	63.29%	13,721.58	17,602.36	17,270.61	28.28%	-1.88%	57.60%	62.65%	56.01%
11.23%	33.01%	26.92%	7,121.15	7,322.05	9,966.98	2.82%	36.12%	29.89%	26.06%	32.32%
5.35%	7.07%	5.92%	891.27	1,250.53	1,477.63	40.31%	18.16%	3.74%	4.45%	4.79%
1.70%	1.34%	0.67%	179.97	137.11	232.85	-23.82%	69.83%	0.76%	0.49%	0.76%
0.81%	5.68%	2.62%	306.05	420.60	466.63	37.43%	10.94%	1.28%	1.50%	1.51%
0.20%	0.00%	0.41%	1,146.12	846.83	878.06	-26.11%	3.69%	4.81%	3.01%	2.85%
3.76%	1.09%	0.17%	456.58	518.95	541.67	13.66%	4.38%	1.92%	1.85%	1.76%
4.99%	7.67%	6.92%	2,304.87	3,041.11	2,697.36	31.94%	-11.30%	9.68%	10.82%	8.75%
20.97%	20.76%	14.58%	9,308.13	9,704.31	8,718.08	4.26%	-10.16%	39.07%	34.54%	28.27%
10.99%	8.68%	4.91%	1,087.20	1,005.32	1,042.06	-7.53%	3.65%	4.56%	3.58%	3.38%
68.22%	35.34%	4.42%	8,163.51	12,190.97	8,341.61	49.33%	-31.58%	34.27%	43.39%	27.05%
100.00%	100.00%	100.00%	23,822.72	28,098.43	30,834.43	17.95%	9.74%	100.00%	100.00%	100.00%

,two programmes accounted for less than 1 percent of the Bank's total approvals. In terms of outstanding loans, the exposure to these two programmes was US\$541.67 million at the end of 2024, accounting for about 2 percent of the Bank's total loan portfolio (table 3.1 and figure 3.3).

3.1.1.8 Memorandum Items

3.1.1.8.1 Country Programme

Under the Country Programme, the Bank assists its member states in circumstances not amenable to solutions offered by any one item on the Bank's menu of products. The programme was designed to assist African countries undergoing economic difficulties and to support their economic development strategies. Six countries—Burundi, Cabo Verde, Côte d'Ivoire, Kenya, Sudan, and Zimbabwe—were eligible for support under the programme in 2024.

Approvals under the Country Programme increased by 6.74 percent from US\$1.45 billion in 2023 to US\$1.54 billion in 2024. The share of the programme in total approvals dropped slightly from 7.67 percent in 2023 to 6.92 percent in 2024.

Transactions under the programme covered several sectors, including financial services, energy, agriculture, and manufacturing. Countries eligible for support under this programme were also eligible for support from the Bank's Advance Procurement Commitment Guarantee for acquiring vaccines from global manufacturers. In terms of outstanding loans, the Bank's exposure to the programme decreased from US\$3.04 billion in 2023 to US\$2.69 billion in 2024, accounting for 8.75 percent of the Bank's total exposure at the end of the year (table 3.1 and figure 3.3).

3.1.1.8.2 Syndications Programme

The Syndications Programme is a risk-sharing device the Bank uses to leverage international financing in support of trade and project-related activities across the continent. Under this programme, the Bank arranges or joins a syndicate or club of reputable international or African banks to provide financing to African entities.

Approvals for syndicated transactions totalled US\$3.26 billion in 2024, down from US\$3.92 billion in 2023. The decrease mainly reflected challenges faced by the African syndicated loans market. The Bank, however, continued to play a leading role in the market. Syndicated deals accounted for 14.58 percent of total approvals compared with about 21 percent the previous year. These approvals mainly supported transactions in the energy, financial services, and transportation sectors. Outstanding syndicated loans decreased from US\$9.70 billion at the end of 2023 to US\$8.72 billion at the end of 2024. The programme accounted for 28.27 percent of the total portfolio at the end of the review period (table 3.1 and figure 3.3).

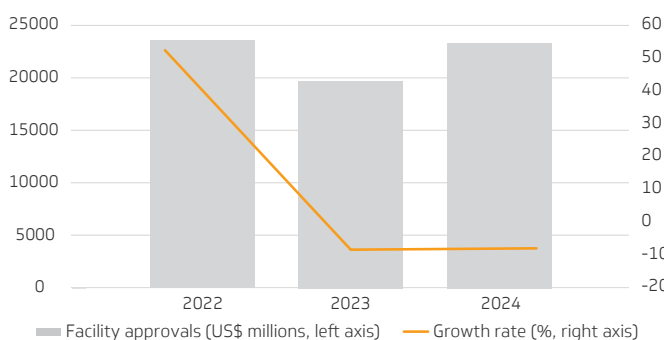
3.1.1.8.3 Guarantee Programme

The Guarantee Programme offers a variety of credit enhancement solutions as part of the Bank's "Exim-Plus" strategy, which offers comprehensive trade facilitation and financing solutions associated with export credit and specialised trade finance. It is intended to unlock capital and leverage financing

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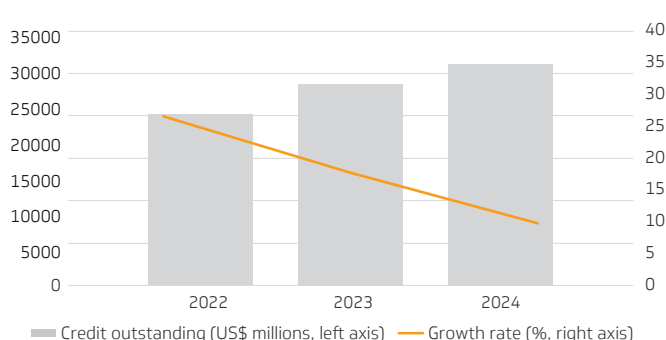
Operations and Activities

Figure 3.1 African Export-Import Bank: Facility approvals, 2022–2024



Source: African Export-Import Bank.

Figure 3.2 African Export-Import Bank: Credit outstanding as of 31 December, 2022–2024



Source: African Export-Import Bank.

to Africa by helping de-risk African transactions, making them more attractive to investors and financiers.

In 2024, the bank approved US\$1.09 billion under the programme, compared with US\$1.64 billion the previous year. Outstanding loans under the programme increased slightly, from US\$1.00 billion at the end of 2023 to US\$1.04 billion at the end of 2024. The programme accounted for 3.38 percent of the total loan portfolio (table 3.1 and figure 3.3).

3.1.1.8.4 Ukraine Crisis Adjustment Trade Finance Programme for Africa

Since its launch in March 2022, the Bank's Ukraine Crisis Adjustment Trade Finance Programme for Africa has been geared toward mitigating adverse impacts of the Ukraine conflict on African economies and businesses. In 2024, the Bank approved US\$989.48 million under the programme, down from US\$6.67 billion in 2023. Outstanding loans under the programme decreased from US\$12.19 billion at the end of 2023 to US\$8.34 billion at the end of 2024. The loans accounted for 27.05 percent of the Bank's total exposure (table 3.1 and figure 3.3).

3.1.1.8.5 COVID-19 Vaccine Financing

In March 2021, the board of directors approved a US\$2 billion advance procurement commitment guarantee to cover the supply costs of 400 million doses of the Johnson & Johnson COVID-19 vaccine to African Union member states and CARICOM countries. The costs were managed under the first-of-its-kind

pooled procurement structure put in place by Afreximbank in partnership with the Africa Vaccine Acquisition Task Team (AVATT). Following approval, the Africa Vaccine Acquisition Trust, a special purpose vehicle, and Johnson & Johnson signed a contract in 2021 for the supply of 220 million doses of the COVID-19 vaccine on a committed basis.

As of 31 December 2024, 41 African Union member states and 6 CARICOM member states had received their deliveries of the COVID-19 vaccine through AVATT. The No-Fault Compensation Scheme is also fully operational. There have been no claims for compensation under the scheme since its inception.

3.1.2 ANALYSIS OF TRANSACTIONS

3.1.2.1 Sectors Financed

The Bank approved US\$14.23 billion in loans to the financial services sector, a jump of 51.26 percent over the US\$9.41 billion approved in 2023. The share of the sector in total approvals rose to 63.63 percent in 2024 from 49.80 percent in 2023. The outstanding loans balance to the sector stood at US\$14.78 billion at the end of 2024, 6.34 percent higher than at the end of 2023 (US\$13.90 billion). The sector accounted for 47.95 percent of the Bank's total outstanding loans (table 3.2 and figure 3.4).

Approvals to the energy sector decreased by 14.27 percent from US\$4.74 billion in 2023 to US\$4.06 billion in 2024. The sector accounted for 18.16 percent of total approvals, making it the second-largest sector after the financial services sector. Support to the sector is of

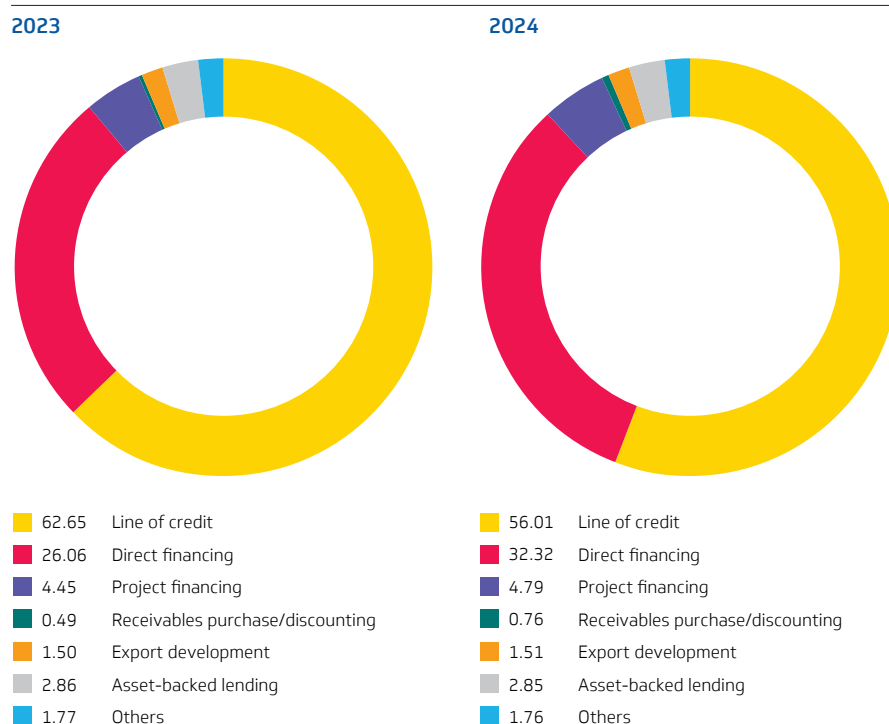
strategic importance for the continent as it strives to balance its developmental needs with climate change challenges. In terms of outstanding loans, the energy sector's share of the total stood at 22.70 percent, or US\$6.99 billion—7.07 percent higher than the level in 2023 (table 3.2 and figure 3.4).

During the year, the Bank approved US\$2.34 billion to the services sector, 41.49 percent higher than the US\$1.65 billion approved in 2023. The sector accounted for about 10.46 percent of total approvals for the year, more than all but two other sectors. The balance of outstanding loans to the services sector was US\$4.36 billion at the end of 2024, higher than the US\$3.72 billion at the end of 2023. The sector accounted for more than 14 percent of the total portfolio at the end of 2024 (table 3.2 and figure 3.4).

The manufacturing sector was the fourth-largest beneficiary sector in terms of approvals, with US\$1.24 billion approved in 2024. The sector accounted for about 6 percent of the year's total. Export development and direct financing were the key programmes deployed to finance the manufacturing sector in 2024. Outstanding loans for the sector stood at US\$2.96 billion at the end of 2024, up from US\$1.75 billion at the end of 2023. The sector accounted for about 10 percent of the the Bank's total exposure at the end of the year (table 3.2 and figure 3.4).

In 2024, the Bank approved a total of US\$254.00 million and US\$167.00 million for the metals and minerals and transportation sectors. Together these two sectors accounted for about 2 percent of the year's total approvals. In

Figure 3.3 African Export-Import Bank: Distribution of outstanding loans by type of programme, 2023–2024



Source: African Export-Import Bank.

terms of outstanding loans, they made up about 3 percent of the total, with an exposure of US\$450.67 million for the metals and minerals sector and US\$576.29 million for the transportation sector.

Approvals to the agriculture sector declined from US\$685.80 million in 2023 to US\$65.00 million in 2024, with the sector accounting for less than 1 percent of total approvals. There were no approvals for the telecommunications sector during the year. In terms of outstanding loans, the two sectors accounted for slightly more than 2 percent of the total at the end of the year (table 3.2 and figure 3.4).

3.1.2.2 Beneficiary Institutions

Approvals to financial institutions increased by 48.06 over the year, from US\$9.09 billion in 2023 to US\$13.46 billion in 2024. Financial institutions, mostly the Bank's trade finance intermediaries, remained the main instruments through which the Bank channelled support to economic sectors across the continent. The Ukraine Crisis Adjustment Trade Financing Programme and the Afreximbank Trade Facilitation Programme also continued to be key

interventions deployed by the Bank. Financial institutions accounted for about 60 percent of total approvals in 2024. Outstanding loans to financial institutions stood at US\$14.33 billion at the end of 2024, a 3.77 percent increase over the US\$13.81 billion in 2023. The share of financial institutions in the total portfolio decreased from 49.15 percent at the end of 2023 to 46.48 percent at the end of 2024 (table 3.3).

Corporations in the energy, manufacturing, agriculture, and services sectors remained the second-largest type of beneficiary of Bank approvals. In 2024, the Bank approved US\$6.10 billion to corporations, about 27 percent of total approvals during the year. The value of outstanding loans to corporations increased by 25.51 percent from US\$7.45 billion at the end of 2023 to US\$9.35 billion at the end of 2024 (table 3.3).

In 2024, the Bank approved US\$2.80 billion in sovereign loans compared with US\$1.36 billion in 2023. Sovereign loans accounted for 12.54 percent of total approvals during the year. Sovereign loans accounted for 23.17 percent, or US\$7.14 billion, of the total outstanding loan portfolio at the end of 2024 (table 3.3).

3.1.2.3 Direction of Trade Financed

In 2024, the Bank approved US\$8.91 billion in support of intra-African trade transactions, 31.09 percent more than in 2023. Intra-African trade approvals accounted for about 39.83 percent of total approvals during the year. The transactions spanned many sectors, among them financial services, energy, manufacturing, and services. At the end of 2024, the balance of outstanding intra-African trade loans stood at US\$9.86 billion, 32 percent of the Bank's total exposure and about 14.76 percent higher than at the end of 2023.

Approvals in support of mixed-directional trade (related to transactions expected to impact both intra- and extra-African trade) increased from US\$9.72 billion in 2023 to US\$12.92 billion in 2024. Transactions in support of mixed-directional trade remained largest in terms of share of total approvals at 57.78 percent. Transactions supporting extra-African trade recorded a level of approvals of US\$533.82 million in 2024 compared with US\$2.37 billion in 2023. Mixed-directional outstanding loans stood at US\$4.47 billion in 2024, accounting for 14.52 percent of total exposure. Outstanding loans to extra-African trade transactions increased to US\$16.48 billion in 2024, representing 53.48 percent of the total exposure (table 3.4).

3.1.2.4 Transaction Size and Other Transaction Features

The number of transactions approved by the Bank increased significantly from 144 in 2023 to 243 in 2024, reflecting higher approvals under the AFTRAF programme. The average size of transactions fell to US\$92.08 million in 2024 from US\$131.25 million in 2023 to (figure 3.5).

The average maturity of approved transactions decreased to 38.2 months in 2024 from 48.19 months in 2023. The standard deviation (measuring the dispersion around the average value) of approved transactions decreased from 30.83 months in 2023 to 17.45 months in 2024 (figure 3.6).

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Table 3.2 Afreximbank: Distribution of loan approvals and outstandings by sector, 2022–2024

Sector financed	Approvals (US\$ millions)			Growth rate (%)	
	2022	2023	2024	2022/2023	2023/2024
Financial services	13,688.34	9,412.98	14,238.06	-31.23%	51.26%
Energy	6,226.05	4,740.41	4,064.07	-23.86%	-14.27%
Telecommunications	20.00	291.91	0.00	1,359.55%	-100.00%
Services	1,059.40	1,654.16	2,340.41	56.14%	41.49%
Manufacturing	123.00	1,896.36	1,247.05	1,441.76%	-34.24%
Metals and minerals	634.08	50.00	254.00	-92.11%	408.00%
Transportation	727.49	168.83	167.00	-76.79%	-1.08%
Agriculture	105.00	685.80	65.00	553.14%	-90.52%
Total	22,583.36	18,900.45	2,2375.59	-16.31%	18.39%
Cumulative totals^a	135,291.79	154,192.24	176,567.83		

Source: Afreximbank.

^a Since the Bank began operations in September 1994.

Note: Gaps represent infinity.

3.1.2.5 Leveraging Financing into Africa

Traditional instruments used by the Bank to leverage financing to Africa and the Caribbean include arranging syndicated loans and club deals and inviting other financing partners to share the risk of such transactions; granting guarantees to lenders taking African and Caribbean exposures, enabling them to fund such facilities; and raising money in the Bank's name from financial markets and on-lending to borrower entities ordinarily unable to access the international financial markets.

In 2024, the Bank approved, as either arranger or participant, 19 syndicated transactions totaling US\$14.38 billion, compared with US\$13.27 billion in 2023. The Bank's share in these syndicated transactions totaled US\$3.26 billion, reflecting a leverage ratio of 4.4 (US\$4.4 leveraged into the continent for every US\$1 committed by the Bank in syndicated loans), compared with a ratio of 3.38 in 2023.

3.1.3 HIGHLIGHTS OF MAJOR ACTIVITIES

3.1.3.1 African Bank of the Year Award

For the second consecutive year, Afreximbank emerged as a double winner at the African Banker Awards, receiving both the "Bank of the Year" and the "Deal of the Year (Infrastructure)" honors. The prestigious recognitions were announced at a gala ceremony in Nairobi in May 2024, attended by more than 300 of the continent's leading figures in banking and finance.

The award organisers highlighted Afreximbank's exceptional performance across various metrics, key among them, "considerably changing the banking landscape by reaching out to new customers, offering new services, adopting inclusiveness by bringing the unbanked into the banking space, making use of new technologies, and helping to drive growth through a stronger financial sector." The Bank of the Year award reflected Afreximbank's outstanding financial performance. The results of the Bank for the financial year ending 31 December 2023 showed remarkable strength and resilience, surpassing its performance the previous year.

3.1.3.2 Launch of the Alliance of African Multilateral Financial Institutions

Africa's multilateral financial institutions, including Afreximbank, launched the Alliance of African Multilateral Financial Institutions (AAMFI) on the sidelines of the 37th Ordinary Session of the Assembly of Heads of State and Government of the African Union. Under the patronage of Nana Addo Dankwa Akufo-Addo, president of Ghana, the inauguration marked a pivotal moment in Africa's financial landscape.

Comprised of multilateral financial institutions established by treaty by African states, which are Africa-owned and Africa-controlled, AAMFI embodies the collective resolve of leaders across Africa to shape the continent's financial future. Founding members, including Afreximbank, Africa Finance Corporation, Trade and Development Bank Group, African Reinsurance Corporation, African Trade and Investment Development Insurance, Shelter Afrique Development Bank, and ZEP-RE (PTA Reinsurance Company), pooled efforts to promote sustainable economic growth and integration in alignment with the African Union's Agenda 2063 and the United Nations Sustainable Development Goals.

Table 3.2 (continued)

Share of approvals by sector (%)			Outstandings (US\$ millions, end of period)			Growth rate (%)		Share of outstandings by sector (%)		
2022	2023	2024	2022	2023	2024	2022/2023	2023/2024	2022	2023	2024
60.61%	49.80%	63.63%	12,483.01	13,903.71	14,784.95	11.38%	6.34%	52.40%	49.48%	47.95%
27.57%	25.08%	18.16%	6,071.22	6537.1	6,999.38	7.67%	7.07%	25.48%	23.27%	22.70%
0.09%	1.54%	0.00%	479.34	522.6	573.91	9.02%	9.82%	2.01%	1.86%	1.86%
4.69%	8.75%	10.46%	2,371.17	3,723.27	4,367.35	57.02%	17.30%	9.95%	13.25%	14.16%
0.54%	10.03%	5.57%	1,548.04	1,758.01	2,960.79	13.56%	68.42%	6.50%	6.26%	9.60%
2.81%	0.26%	1.14%	56.86	469.27	450.67	725.31%	-3.96%	0.24%	1.67%	1.46%
3.22%	0.89%	0.75%	722.27	1,105.14	576.29	53.01%	-47.85%	3.03%	3.93%	1.87%
0.46%	3.63%	0.29%	90.81	79.33	121.09	-12.64%	52.64%	0.38%	0.28%	0.39%
100.00%	100.00%	100.00%	23,822.72	28,098.43	30,834.43	17.95%	9.74%	100.00%	100.00%	100.00%

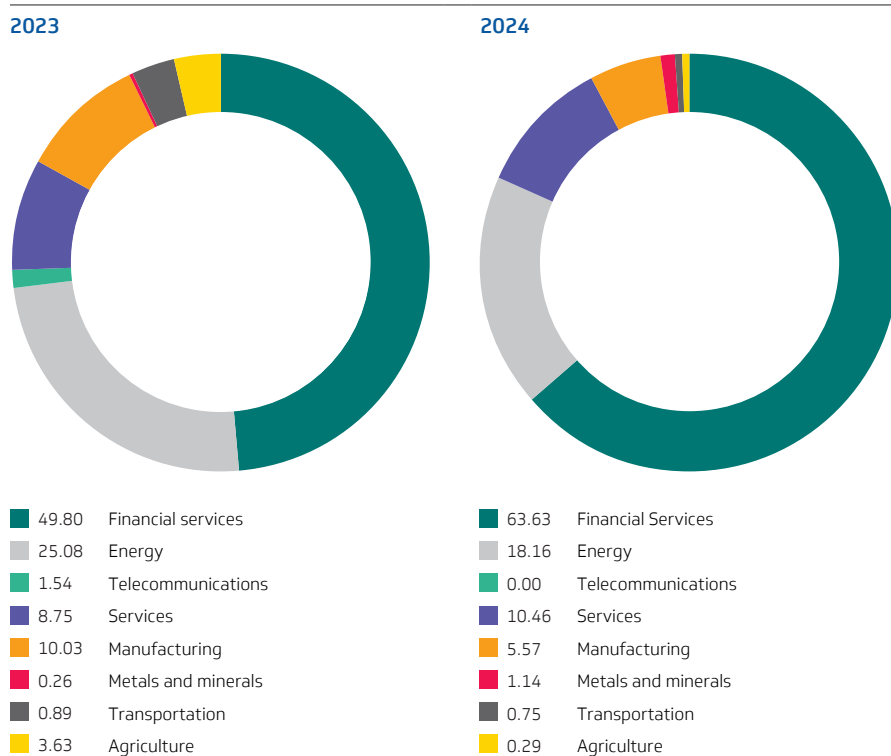
Members committed to collaborate to address Africa's development finance needs, promote the interests of member states, advocate for Africa on global finance issues, develop innovative finance tools, and support sustainable finance strategies.

3.1.3.3 Signing Ceremony of the Africa Energy Bank

On 3 June, 2024, Afreximbank and the African Petroleum Producers' Organization signed the Establishment Agreement and the Charter of the Africa Energy Bank in a ceremony at the Ministry of Petroleum and Mineral Resources of Egypt. Tarek El Molla, Egyptian minister of petroleum and mineral resources, hosted the event. Benedict Oramah, president and chairman of the board of directors of Afreximbank, and Omar Farouk Ibrahim, secretary general of the African Petroleum Producer's Organization, signed the agreement and the charter on behalf of their respective institutions.

The signing ceremony concluded two years of negotiations and preparations by the two parties, who had signed a memorandum of understanding in May 2022 toward the establishment of the Africa Energy Bank. The Bank was created to address the impending funding crisis in the African oil and gas industry, triggered by the global energy transition.

Figure 3.4 African Export-Import Bank: Distribution of loan approvals by sector, 2023–2024 (percent)



Source: African Export-Import Bank.

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Table 3.3 Afreximbank: Distribution of loan approvals and outstandings by type of beneficiary institution, 2022–2024

Type of beneficiary institution	Approvals (US\$ millions)			Growth rate (%)	
	2022	2023	2024	2022/2023	2023/2024
Financial institutions	11,916.84	9,092.98	13,463.06	-23.70%	48.06%
Corporates	8,136.44	8,439.75	6,107.15	3.73%	-27.64%
Sovereigns	2,530.08	1,367.72	2805.38	-45.94%	105.11%
Total	22,583.36	18,900.45	22,375.59	-16.31%	18.39%
Cumulative totals^a	13,5291.79	154,192.24	176,567.83		

Source: Afreximbank.

^a Since Afreximbank began operations in September 1994.

3.1.3.4 Launch of the Afreximbank Africa Diaspora Center

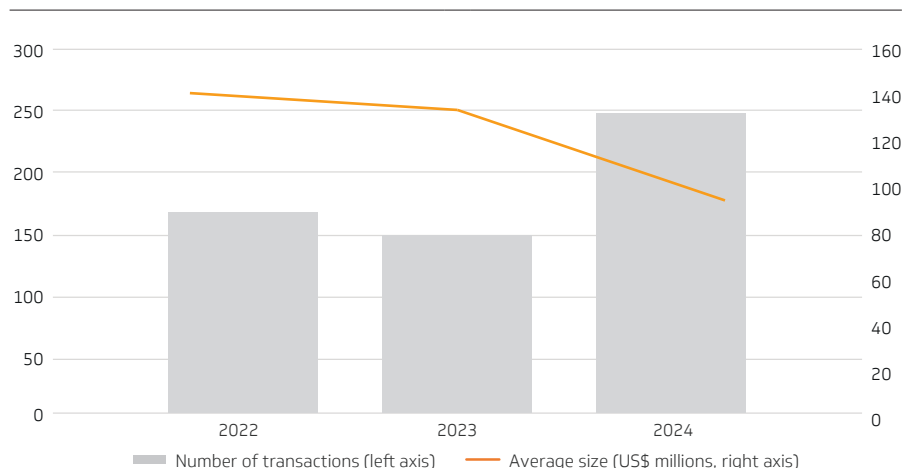
On 23 September 2024, the Africa Center and Afreximbank launched the Afreximbank Africa Diaspora Center, a groundbreaking initiative to help bridge the gap between Africans on the continent and the African diaspora. The Diaspora Center is envisioned as an institutional gateway that connects Africans and people of African descent to each other, allowing them to better harness economic opportunities in Africa and the diaspora, ultimately to the benefit of all Africans, irrespective of geographic location. The launch took place at the 2024 Future Africa Forum in New York.

The establishment of the Diaspora Center advances The Africa Center's mission to serve as a gateway for engagement with contemporary Africa, shifting understanding of the role of Africa, African people, and people of African descent in today's world.

3.1.3.5 Launch of the Global Africa Gateway

The Bank officially launched the Global Africa Gateway on 23 September 2024 in New York on the sidelines of the United Nations General Assembly. The launch was attended by more than 250 delegates and four heads of state, including Ralph Gonsalves, prime minister of Saint Vincent and the Grenadines, who gave the keynote address. The Global Africa Gateway will support implementation of the diaspora strategy and promote the Bank's products, initiatives, and services.

Figure 3.5 African Export-Import Bank: Number and average size of approved transactions, 2022–2024



Source: African Export-Import Bank.

3.1.3.6 Afreximbank Mid-Term Strategy Retreat

The Mid-Term Strategy Review Retreat of the Bank's Plan VI, was held in Sharm El Sheikh, Egypt, from 1 to 3 October 2024. The retreat was an opportunity to assess progress made in the delivery of the plan's expected outcomes. Executive management of the Bank, board members, external guests, and speakers, including former Bank presidents, heads of departments, and other staff members, were in attendance. Bank subsidiaries, the Fund for Export Development (FEDA), and PAPSS held their strategy review retreat on 4 October.

3.1.3.7 Collaboration with the World Trade Organization

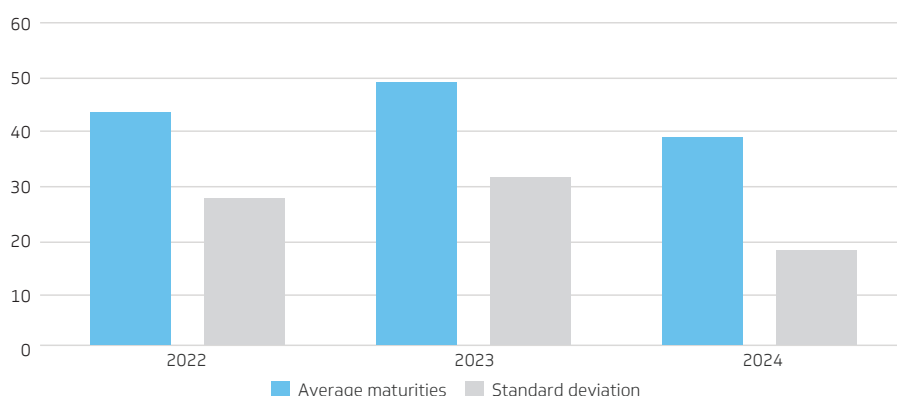
The Bank signed a memorandum of understanding with the WTO on 28 June 2024 to amplify the impact of efforts promoting global trade and leveraging Africa's unique resource endowment. The memorandum will allow the two institutions to pursue a collaborative framework for harmonising and coordinating their efforts to deepen key trade development activities on the continent.

Afreximbank and the WTO are part of an inter-agency partnership championing transformative change in the cotton industry in Africa's Cotton-4 Plus countries, made up of Benin, Burkina Faso, Chad, and Mali, as well as Côte d'Ivoire as an observer. The memorandum will afford the Bank and the WTO Secretariat

Table 3.3 (Continued)

Share of approvals by type of beneficiary institution (%)			Outstandings (US\$ millions, end of period)			Growth rate (%)		Share of outstandings by type of beneficiary institution (%)		
2022	2023	2024	2022	2023	2024	2022/2023	2023/2024	2022	2023	2024
52.77%	48.11%	60.17%	12286.87	13811.24	14,332.56	12.41%	3.77%	51.58%	49.15%	46.48%
36.03%	44.65%	27.29%	6740.91	7455.34	9,357.26	10.60%	25.51%	28.30%	26.53%	30.35%
11.20%	7.24%	12.54%	4794.94	6831.85	7,144.61	42.48%	4.58%	20.13%	24.31%	23.17%
100.00%	100.00%	100.00%	23822.72	28098.43	30,834.43	17.95%	9.74%	100.00%	100.00%	100.00%

Figure 3.6 Average maturities and standard deviation, 2022–2024 (months)



Source: African Export-Import Bank.

the opportunity to expand and deepen collaboration to support the cotton sector beyond the Cotton-4 Plus countries. Support will entail developing local and regional value chains of cotton in Africa and integrating them into the global value chain. Another area of collaboration under the memorandum will be addressing non-tariff barriers to trade, the digital economy, capacity building, the oceans' economic and fisheries subsidies, the sports and creative economies, and trading in the context of the African Continental Free Trade Agreement.

3.1.3.8 Collaboration with Africa Centres for Disease Control and Prevention

In June 2024, the Bank hosted John Kaseya, director general of the Africa Centres for Disease Control and Prevention, and his delegation to discuss ongoing collaboration and

to enter a cooperation agreement to leverage respective strengths in boosting health systems across Africa and improving the livelihoods of African citizens. This milestone agreement underscored the commitments of both institutions to enhance regional vaccine research, development, and sustainable manufacturing capabilities. Under the agreement, Afreximbank and the Africa Centres for Disease Control and Prevention will collaborate on various initiatives, including operationalization of the Africa Pooled Procurement Mechanism, in close cooperation with The United Nations Economic Commission for Africa. The two partners will develop and implement priority initiatives to advance Africa's unique healthcare manufacturing sector and topromote innovative financing mechanisms to support health research and development initiatives in African countries.

In alignment with the African Union's ambition under the New Public Health Order to produce 60 percent of the continent's vaccine needs in Africa by 2040, up from less than 1 percent today, with interim goals of 10 percent by 2025 and 30 percent by 2030, the expanded partnership will also focus on local manufacturing, including financing, market shaping, technology transfers, and talent development.

3.1.3.9 Collaboration with the Caribbean Export Development Agency

In June 2024, the Bank entered a memorandum of understanding with the Caribbean Export Development Agency. The objective of the memorandum is to formalise collaboration between the two institutions to support trade and investment flows between Africa and the Caribbean. The two institutions will also collaborate in capacity building and technical assistance, knowledge sharing and information exchange, and trade and investment promotion and facilitation. The memorandum is projected to support increased trade and investment between Africa and the Caribbean, encouraging mutual economic growth and development.

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Table 3.4 Afreximbank: Distribution of loan approvals and outstandings by trade direction, 2022–2024

Trade direction	Approvals (US\$ millions)			Growth rate (%)	
	2022	2023	2024	2022/2023	2023/2024
Intra-African ^a	7,786.26	6,798.93	8,912.98	-12.68%	31.09%
Extra-African ^b	2,635.83	2,378.28	533.82	-9.77%	-77.55%
Mixed-directional ^c	12,161.27	9,723.24	12,928.79	-20.05%	32.97%
Total	22,583.36	18,900.45	22,375.59	-16.31%	18.39%
Cumulative totals^d	135,291.79	154,192.24	176,567.83		

Source: African Export-Import Bank.

^a Related to transactions which are expected to have an impact exclusively on intra-African Trade.

^b Related to transactions expected to have an impact exclusively on extra-African Trade.

^c Related to transactions expected to have an impact on both intra- and extra-African Trade (mixed-directional trade).

^d Since the Bank began operations in September 1994.

3.1.3.10 Intra-African Trade Fair 2025 Hosting Agreement

During the year, the Government of Algeria signed the Intra-African Trade Fair 2025 Hosting Agreement. Nadir Larbaoui, prime minister of Algeria, witnessed the official signing ceremony in Algiers, Algeria. Key speakers included Tayeb Zitouni, minister of trade and export promotion of Algeria; Kanayo Awani, executive vice president for Intra-African Trade Export Development Bank chief Olusegun Obasanjo; chairperson of the Intra-African Trade Fair 2025 advisory council and former president of Nigeria; Chiza Charles Chiumya, representing ambassador Albert Muchanga, commissioner for trade and industry for African Union Commission; and Chawki Jaballi, representing Wamkele Mene, secretary general of the AfCFTA Secretariat.

3.1.3.11 Launch of the African Direct Investment Database

The Bank leveraged the inaugural project on African direct investment to create a data repository.

The database was created to address the lack of current and reliable data on investments made by Africans or entities of African origin in other African countries. Its primary objective is to serve the Bank's stakeholders by providing reliable data on direct investment in Africa for researchers, assisting development finance institutions in planning and executing targeted interventions, and aiding policymakers in designing policies aimed at attracting and fostering intra-African investment and influencing the destination of investments.

3.1.3.12 Update on Development of the African Quality Assurance Center

In June, the Bank announced commencement of project development activities through its second African Quality Assurance Center (AQAC) in Ngor Okpala, Imo State, Nigeria, in collaboration with Bureau Veritas. The Imo State AQAC will build on the successes achieved with the pilot AQAC project launched in Ogun State in 2022 by developing a conformity assessment centre focused on food, agricultural products, and other goods. The Imo State AQAC is expected to help Nigeria and neighbouring countries boost their exports and gain access to global and regional markets. The Bank also announced the commencement of project development activities through another AQAC in Kaduna State, in partnership with Bureau Veritas. The AQAC in Kaduna State will provide conformity assessment in the food and agricultural services, textile, leather, and packaging sectors for the Northern Region of Nigeria and neighbouring West African countries.

Through the Assurance Centres initiative, Afreximbank is mobilising financial and technical resources, in collaboration with governments, the private sector, and development partners. Together, they are working to develop world-class, internationally accredited laboratories offering conformity assessment services and to advocate for African countries to adopt appropriate national quality infrastructure to meet international trade standards and improve market access for "Made-in-Africa" products.

3.1.3.13 African Continental Free Trade Area Adjustment Fund

Pursuant to decisions of the African Union Summit and the AfCFTA Council of Trade Ministers, the Bank and the AfCFTA Secretariat have completed most work on the operational details and structure of the AfCFTA Adjustment Fund. The policy aspects of the Operational Guidelines of the Base Fund of the AfCFTA Adjustment Fund — eligibility criteria and resource mobilization by member states — were approved by the AfCFTA Council of Trade Ministers in June 2024. The credit committee of the AfCFTA Adjustment Fund Board's Credit Fund was also formally inaugurated during the meeting of the board of directors of the Fund in Kigali on 25 June 2024. As the fund became operational, US\$10 million was approved for disbursement under it.

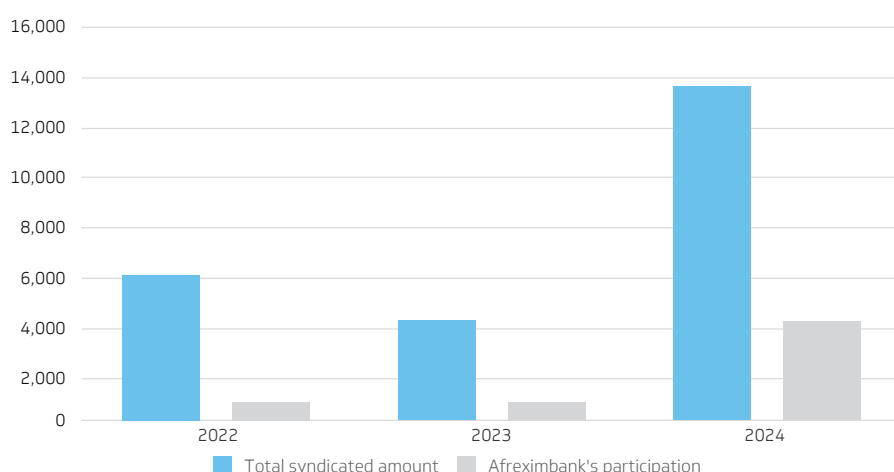
3.1.3.14 Inauguration of Fund for Export Development in Africa Office

On 20 March 2024, Afreximbank officially inaugurated the FEDA office in Kigali, Rwanda. Attendees included Edouard Ngirente, prime minister of Rwanda, Benedict Oramah, president and chairman of the board of directors of Afreximbank; executive vice presidents of Afreximbank; members of the board of directors of FEDA; and Marlene Ngoyi, chief executive officer of FEDA. In his address, Prime Minister Ngirente expressed satisfaction at the establishment of the FEDA office, which attests to the strong partnership between the government of Rwanda and Afreximbank.

Table 3.4 (Continued)

Share of approvals by trade direction (%)			Outstandings (US\$ millions, end of period)			Growth rate (%)		Share of outstandings by trade direction (%)		
2022	2023	2024	2022	2023	2024	2022/2023	2023/2024	2022	2023	2024
34.48%	35.97%	39.83%	6081.19	8598.12	9867.02	41.39%	14.76%	25.53%	30.60%	32.00%
11.67%	12.58%	2.39%	8786.76	8762.46	16489.50	-0.28%	88.18%	36.88%	31.18%	53.48%
53.85%	51.44%	57.78%	8954.77	10737.85	4477.91	19.91%	-58.30%	37.59%	38.22%	14.52%
100.00%	100.00%	100.00%	23822.72	28098.43	30834.43	17.95%	9.74%	100.00%	100.00%	100.00%

Figure 3.7 Syndications and club deals arranged or co-arranged by the African Export-Import Bank, 2022–2024 (US\$ millions)



Source: African Export-Import Bank.

3.1.3.15 Afreximbank Africa Collaborative Transit Guarantee Scheme

The Bank collaborated with ZEP-RE (PTA Reinsurance Company) on a US\$300 million global facility aimed at addressing the capacity gap in transit bonds within the Common Market for Eastern and Southern Africa (COMESA). The facility was designed to empower local and regional stakeholders, including primary sureties and retrocessionaires, to expand business operations and retain insurance premiums within Africa. The Bank also agreed to the Trans-Africa Bond Alliance, an unincorporated joint venture between Afreximbank and ZEP-RE to lead the effort to implement the Afreximbank Africa Collaborative Transit Guarantee

Scheme throughout the continent. The Alliance will also focus on promoting and originating bonds related to transit and trade facilitation.

In 2024, the Bank collaborated with the AfCFTA Secretariat to develop a continental regulatory framework for transit guarantees. The framework, developed and considered by the Directors General of Customs under the African Continental Free Trade Agreement, was presented by the Secretary General of the AfCFTA Secretariat to the council of ministers for consideration in November 2024. A key step in this process was the adoption of the COMESA Regional Custom Transit Guarantees Technology Platform.

3.1.3.16 Africa Trade and Distribution Company

As part of its Export Trading Companies strategy implementation, and with backing from the African Union, Afreximbank, in collaboration with the AfCFTA Secretariat and ARISE Integrated Industrial Platforms, agreed to establish the Africa Trade and Distribution Company in Rwanda. Subsidiaries are planned in Malawi and Zimbabwe. A market study and business plan for the Malawi ETC was presented to Malawi in May 2024 in accordance with a mandate issued by Malawi to the Bank. The incorporation is expected to be finalised in February 2025.

3.1.3.17 Harmonisation of Standards

In 2021, the Bank, in collaboration with the International Islamic Trade Finance Corporation through the Arab-Africa Trade Bridges Program, supported the Africa Organization for Standardisation (ARSO) to harmonise standards for pharmaceutical and medical devices in Africa. The standards are designed to promote the quality and safety of medicines and medical devices imported or produced on the continent. In total, 385 pharmaceutical standards have been harmonised under the programme, 139 in 2024. ARSO is advocating to ensure members implement the approved standards.

In collaboration with ARSO, the Bank was also working to harmonise standards in fashion, textiles, and leather products. By the end of 2024, ARSO had harmonised 60 standards, and it planned to harmonise 134 more in 2025. A grant agreement with

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ARSO was executed in 2024 to harmonise standards in gastronomy and food services.

3.1.3.18 Investment Promotion

In collaboration with the Southern African Development Community (SADC) Business Council, the Bank supported the Industrialisation and Investment Forum held on 26 and 27 February 2024 in Johannesburg, South Africa. The forum focused on promoting investment in Angola from the SADC region and the rest of Africa. It generated more than six potential business leads worth approximately US\$1.2 billion and was attended by more than 271 delegates.

The Bank participated in and supported the first edition of the ECOWAS Investment Forum in Lomé, Togo, on 4 and 5 April 2024.

The “Transforming Economic Community of West African States Communities in a Challenging Environment” forum led to six business deals worth US\$921 million.

The Bank collaborated with Invest Africa on “The Africa Debate and Afreximbank Project Showcase Investment Forum” on 4 to 6 June 2024 to promote foreign direct investment in Africa. This event led to US\$2.20 billion from more than five bankable investment opportunities identified during the project showcase. More than 30 international investors attended the event.

In collaboration with the Algerian Investment Promotion Agency, the Bank hosted the Algeria Investment Forum “Focus Algeria” in Algiers on 25 and 26 June 2024. The forum spotlighted investment opportunities in Algeria, drawing key Algerian partners, foreign businesses from across Africa, and senior officials from public institutions. The event resulted in four bankable business deals totalling US\$590 million and one promising lead worth US\$1.3 billion. With Bank support, the Confederation of Algerian Industrialists and Producers announced plans to send export missions to other African countries to showcase Algerian products and establish an Algeria-Mali Business Council.

In collaboration with the Zimbabwean Government and the SADC Secretariat, the Bank hosted an investment forum at the 7th Annual SADC Industrialisation Week and exhibition. The investment forum, “Promoting Innovation to Unlock Opportunities for Sustainable Economic Growth and Development Towards an Industrialised SADC,” was held in Harare, Zimbabwe, at the Harare International Conference Centre on 28 July to 2 August 2024. The Forum was attended by more than 3,000 delegates and generated more than US\$1.5 billion in investment deals.

3.1.3.19 Creative Africa Nexus Programme

Afreximbank’s Creative Africa Nexus (CANEX) initiative successfully released “One Drum,” a collaborative music album that celebrates the rich musical heritage of Africa and its diaspora. This unique project brought together an extraordinary lineup of artists from Africa and the diaspora, including Olodum (Brazil), Flavour (Nigeria), Scorpion Kings (South Africa), Sofiya Nzau (Kenya), Stephen Marley (Jamaica), and Reine Abla (Côte d’Ivoire). The album has been streamed more than 700,000 times.

Under the “CANEX presents Africa” initiative, the Bank facilitated the participation of more than 50 African fashion brands at prestigious global fashion platforms to showcase and connect them with global retail buyers, wholesalers, and international media. Held in March and September 2024 at the Paris, Tokyo, and New York fashion weeks, the initiative helped the brands secure orders from global buyers and retailers from Japan, the United States, Germany, France, the United Kingdom, and the United Arab Emirates, among others. A significant milestone in this initiative was the first ever “CANEX Presents Africa” fashion show 27 September 2024 at Paris Fashion Week, an event featured in the official Paris Fashion Week calendar. The success of this initiative culminated in Afreximbank being invited to host a “CANEX Presents Africa” pop-up at Galleries Lafayette, Europe’s largest luxury fashion retail store, in the heart of Paris, making African products directly accessible to global luxury fashion consumers.

The Bank partnered with Food Africa to provide a platform for African food entrepreneurs to exhibit at Food Africa Expo, a convention held in Cairo in December 2024 to promote African food brands and to connect them with global retail buyers, wholesalers, and investors.

To address the shortage of institutions supporting the commercialisation of African intellectual property rights, the Bank established CANEX Creations Incorporated in Kigali, Rwanda, in March 2024. Operating under FEDA, the institution supports the production and commercialization of African intellectual property rights within the creative and cultural industries.

CANEX Africa was launched as a digital platform for creatives to network, develop their businesses through learning modules, and create and earn through business-to-business opportunities. The Create, Learn, and Earn platform is designed to enable delivery and to scale Afreximbank CANEX programme focus areas.

Afreximbank also partnered in 2024 with Basketball Africa League and NBA Africa to address needs in capacity and talent development in sports. More than 300 athletes attended nine workshops in the key markets of Pretoria, Cairo, and Dakar), promoting financial literacy, nutrition, mental health, learning, and mentoring space for careers in coaching, marketing, entrepreneurship, and other aspects of the sports industry.

3.1.3.20 Implementation of the Automotive Strategy

In collaboration with the African Association of Automotive Manufacturers, the AfCFTA Secretariat, the African Union, and the United Nations Economic Commission for Africa, the Bank engaged a consultant to undertake an automotive continental value chains study. A draft report was developed and presented. The report captured value chain development opportunities in Africa, creating 10 business cases with an investment value of US\$125 million and projected 5-year financial models. Engagements with potential sponsors for the projects were launched, and they were expected to provide financial and non-financial support to realize of the identified opportunities.

3.1.3.21 Single African Air Transport Market Implementation

In accordance with the Abuja Aviation Safety Declaration and Targets, the Bank is providing support to the African Airlines Association to help African airlines obtain a newly established international certification from the International Air Transport Association. The certification is the industry's first globally accepted audit programme using internationally harmonised standards. One African airline has been selected to pilot the initiative and is in the final stages of completing training offered by the Association to obtain the international operational safety audit (IOSA) certification. This certification will enhance safety while improving connectivity in the continent because small airlines that pass the audit are able to enter code-sharing arrangements with larger airlines that have wider coverage.

The Bank also helped the African Airlines Association organise a workshop in Nairobi in October 2024 for the African Airlines Planning and Implementation Group initiative to reduce fuel burn, flying times, and carbon dioxide emissions in flight operations, all of which improve airline productivity.

3.1.3.22 Credit Rating

The Bank's annual management credit rating reviews were conducted in May 2024 with four credit rating agencies, Global Credit Rating Ltd. (GCR), Japan Credit Company Agency, Ltd. (JCR), Moody's, and Fitch Ratings. The outcome was positive, with all four agencies affirming the Bank's long-term credit ratings: Fitch (BBB, stable), JCR (A-, stable), GCR (A, stable), and Moody's: (Baa1, negative). In preparatory work for a possible future issuance of a Panda Bond in China, the Bank engaged the China Chengxin International Credit Rating Company for a credit rating. In December 2024, it assigned Afreximbank a national scale credit rating of AAA, with a stable outlook.

3.1.4 UPDATES ON SUBSIDIARIES

3.1.4.1 Fund for Export Development in Africa

Membership mobilization

FEDA remains committed to expanding the number of member states that accede to its Establishment Agreement. In 2024, six new member states acceded to the Agreement: Egypt, Nigeria, Benin, Malawi, The Gambia, and Guinea-Bissau. In total, 20 countries were members of FEDA at the end of 2024. The signings are testament to the strong support of member states for FEDA's commitment to transforming Africa's trade sector through its multi-investment impact fund platform. The accession to FEDA's Establishment Agreement by these countries will pave the way for ratification of the Agreement, facilitating increased investment by FEDA in member states.

Deal closing

FEDA closed several high-priority transactions in 2024, deploying about US\$287 million during the year. This sum included a substantial US\$200 million from its strategic initiative and an additional US\$77.50 million through its Africa Credit Opportunities Fund initiative.

FEDA's single-largest investment in 2024 was its strategic investment to secure a significant equity stake in Arise Integrated Industrial Platforms ("Arise IIP" or "Arise"). The investment builds on the debt funding relationship of more than 12 years between Arise IIP and Afreximbank, during which more than US\$1 billion has been provided to support Arise's investments across Africa, and on FEDA's previous US\$85 million investment in Arise. The funds are intended to accelerate Arise's expansion and operational efficiency across Malawi, Cameroon, Sierra Leone, Benin, Togo, Ivory Coast, Rwanda, Gabon, Democratic Republic of Congo, Congo, Chad, and Nigeria.

Another groundbreaking transaction in 2024 was FEDA's investment in Team Drogba, competing in the inaugural E1 Series—the world's first-ever all-electric boat racing championship. The investment aligned with the Afreximbank Creative Economy Strategy, which includes sports as a key vertical for advancing Africa's economic and cultural footprint. FEDA aims to inspire innovation

and sustainability in Africa's sports industry, fostering economic growth and development across the continent.

FEDA also completed six transactions totalling US\$100 million under the Africa Credit Opportunities Fund in 2024. The fund was fully committed on its funds under management as of December 2024.

Fundraising

FEDA secured significant funding commitments for the AMCE from external investors, including the Nigerian National Petroleum Corporation and the Bank of Industry. FEDA's support for the Africa Credit Opportunities Fund also yielded positive results, with an institutional investor receiving board approvals to commit. FEDA is leveraging these approvals to unlock commitments to the fund from other prospective investors.

Fund Strategy Report

Africa Credit Opportunities Fund

As of December 2024, under-management funds of the Africa Credit Opportunities Fund have been fully committed to transactions approved by its credit committee. The focus of the fund in 2025 will be full disbursement by the first quarter of 2025 of US\$125 million already committed to transactions as well as closing on existing commitments received from external limited partners to achieve the target fund size of US\$300 million.

African Continental Free Trade Area Adjustment Fund

The AfCFTA Adjustment Fund consists of three sub-funds: a base fund that provides grant funding and technical assistance to African Union member states to support their AfCFTA implementation efforts, a general fund that provides concessional funding development of infrastructure projects on the continent, and a credit fund that provides commercial funding to private sector players to increase their productive capacity in the expanded market created by the African Continental Free Trade Agreement. The credit fund was operationalised in the third quarter of 2024, following a US\$100 million commitment from Afreximbank. FEDA, the fund manager of the AfCFTA Credit Fund, obtained an approval in the fourth quarter of 2024 from the credit committee for an initial investment of US\$10 million.

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The fund is expected to deploy capital to its first portfolio investment by the first quarter of 2025.

Africa Film Fund

The Africa Film Fund is expected to become fully operational in 2025, following receipt of approval in November 2024 for an investment by FEDA Holdco of US\$150 million.

Portfolio Management Focus

In 2024, FEDA took an active part in value creation initiatives across its portfolio companies. Following FEDA's investment in Bloom Africa Holdings Limited, the company expanded its agency banking outlets across Gambia and made key management hires. Cabinda Oil Refinery recorded significant progress in its construction completion rate during the year, with plans to reach full completion by the third quarter of 2025. FEDA and Africa Finance Corporation completed the conversion of their credit-linked note investments in Arise IIP, leading to an equity injection of US\$443 million to better position the company for growth. FEDA's follow-on investment in TND SA, one of the largest homegrown importers and distributors of goods and consumer products in Mauritania, enabled construction of its dairy production line, expected to begin operating in 2025. Liquid Telecoms completed equity reorganization and debt refinancing, securing additional equity of US\$90 million from the United States International Development Finance Corporation, Google LLC, and the Finnish Fund for Industrial Cooperation Ltd. (FinnFund) to support the rollout of digital infrastructure and services across Africa.

3.1.4.2 AfrexInsure

Marketing and stakeholder engagement efforts in 2024 raised the company's profile and awareness among insurance market players and clients, which catalysed success in business development. The company's specialty insurance solutions were deployed to a growing number of consumers across several sectors and geographies. By year's end, AfrexInsure had completed transactions in 16 countries, up from 7 in 2023.

AfrexInsure scaled up operations and managed to deploy solutions to clients in the energy, mining, construction, manufacturing, and financial services sectors, among others, aligning with the Bank Group's Industrialisation and Export Development pillar. In support of the trade development agenda, in 2024, AfrexInsure provided specialty solutions to assets with a value of US\$3.44 billion and generated premiums of US\$9.6 million, bringing cumulative sums insured to US\$5.5 billion and generating gross premiums of US\$11.2 million. In its second year of operations, AfrexInsure managed to break even in the fourth quarter of 2024 and made a small profit for the year. In support of its mandate to keep premiums on the African continent, AfrexInsure was able to place more than 90 percent of the premiums written through Pan-African (re)insurance entities, increasing their access to larger pools of insurance premiums. This is a significant step toward building large and strong (re)insurance institutions on the continent and lowering Africa's reliance on foreign securities in the long run.

Exploration and extraction of energy and mining resources, increasing trade activities, the rebound of tourism activities, and the growth of infrastructure supporting all these activities require specialty insurance solutions. AfrexInsure is on standby to provide such solutions for projects funded by Afreximbank and those funded by other third parties. AfrexInsure continued to deploy its expertise and partnerships to provide bankable insurance programmes required by lenders and project sponsors to safeguard their assets and interests against exposure in cargo movement, construction, and operations.

In alignment with its 2024 plans to grow activities and operations, AfrexInsure extended its partnerships to include additional risk carriers and brokers, enhancing service delivery and facilitating penetration of specialty insurance across the continent and the Caribbean. Going forward, AfrexInsure, together with its framework and broking partners, will contribute to development of specialty insurance in Africa by facilitating trainings and workshops on the continent.

3.1.4.3 Pan-African Payment and Settlement System

PAPSS continued its growth trajectory in 2024, further solidifying its role as a critical component of the AfCFTA by significantly increasing its operational footprint and transaction volume. The year was marked by noteworthy achievements and strategic advancements that have enhanced PAPSS's contribution to the financial integration of Africa.

In 2024, PAPSS expanded its network by welcoming three additional central banks, increasing the total to 15. In addition, 50 new commercial banks joined the network, bringing the total connected to the system to 144. The addition of three more switches also widened the operational scope of PAPSS to 13, significantly enhancing its capabilities.

The transaction volume surged by 900 percent over 2023. This remarkable growth was driven by strategic moves, including integration of Suspense Settlement Account 3 into the operations of more banks, encouraging banks to promote PAPSS in their digital channels, and increasing awareness of the system among participating countries.

A significant innovation in 2024 was the pilot of the PAPSS African Currency Marketplace, which within just six months validated the effectiveness of the strategic product additions. PAPSS also laid the groundwork for the launch of a card scheme, set to be fully operational in 2025.

PAPSS sustained a high level of enterprise security and compliance, achieving re-certification for critical International Organization for Standardization standards and implementing successful anti-money laundering measures. Additionally, PAPSS held its first PAPSS Bank CEO Forum, which proved a monumental success, fostering essential discussions and insights among participants.

In 2025, the Bank plans to accelerate PAPSS product strategies and increase its contribution to cross-border intra-African payments. By focusing on automation, collaboration, and speedy execution, the Bank seeks to strengthen the role of PAPSS as a vital tool for implementing the African Continental Free Trade Agreement in the financial sector.

3.2 Activities

3.2.1 TREASURY ACTIVITIES, RISK MANAGEMENT AND COMPLIANCE

3.2.1.1 Treasury Activities

The Bank mobilised about US\$12.92 billion in 2024, spread across diverse sources. About 36.76 percent was raised under the Africa Resource Mobilisation Initiative from African and CARICOM central banks and non-central bank African and CARICOM institutions, another 26.65 percent through bilateral lines, 18.55 percent through syndications, 14.02 percent from development finance institutions and export credit agencies, and 4.01 percent through bond issuance.

The main transactions closed and drawn down in 2024 included US\$500 million in Asia-focused dual-tranche syndicated term loan transactions. The facility, initially launched at US\$400 million, was well received in syndication, achieving substantial oversubscription from 12 banks. The facility amount was subsequently increased to US\$500 million, and lenders were scaled back. The success of the facility is testament to the Bank's growing capability to harness resources to Africa for funding trade and trade-enabling projects and investments with a positive impact on Sino-African trade. To further diversify its borrowing portfolio, the Bank closed a landmark debut Samurai bond in November 2024, raising the equivalent of US\$530 million. It was comprised of five regular fixed-rate tranches totalling JPY 67.2 billion for tenors of 2 years, 3 years, 5 years, 7 years, and 10 years, as well as a retail 3-year fixed rate tranche totalling JPY 14.1 billion. The first Samurai bond offering by an African-based multilateral development bank paves the way for other issuers in the region to access the Japanese Samurai bond market. The transaction was the first standalone credit Samurai bond issuance by an issuer from the Africa region since the 2008 global financial crisis.

In November 2024, the Bank launched a two-stage syndicated loan transaction targeted to raise US\$1.5 billion. The first stage was closed in December, raising US\$1.4 billion from 22 initial mandated lead arrangers. This sum was more than 90 percent of the target amount, an exceptional result given it was achieved

well ahead of the second phase of general syndication. Such strong support is testament to the strength of the Bank's investor relationships, the high regard and confidence the market has for the Bank's financial strength, and the Bank's importance to the continent. In a bid to further enhance the diversification of its liability book, the Bank closed an equally successful Kimchi Club deal in which focused on South Korea, in December. This was the third time a facility of this nature was arranged for the Bank in Korea, following two concluded in 2018 and 2021. A total of 11 lenders participated in the club facility, which was oversubscribed and scaled back, to close at US\$300 million. The Bank raised about US\$3.4 billion and US\$1.8 billion through bilateral lines with its partner banks and from development financial institutions and export credit agencies, respectively.

On the domestic resource mobilisation front, US\$4.75 billion was raised between January and December 2024 from both existing and new depositors. Deposits were raised from a combination of institutions that included African central banks, commercial banks, insurance companies, and corporations. In furtherance of the Bank's Global Africa strategy, some of the funds were raised from entities headquartered in the CARICOM region.

The major repayment risk in the first half of 2024 was in June, with the maturation of a US\$750 million bond. The bond was refinanced from existing funds. In the second quarter, a syndicated loan of US\$1.2 billion matured in December and was refinanced by another syndication, raising US\$1.4 billion. The Bank managed to achieve its set target retention rate of at least 85 percent of Central Bank Deposit Programme deposits.

During the review period, the Bank continued to manage foreign exchange risk arising from its financing operations by borrowing in currency of lending and entering into foreign exchange derivative contracts with creditworthy counterparties whose currency of borrowing is non-functional. All foreign exchange derivatives entered into by the Bank in 2024 yielded a competitive cost well below the funding cost in the Bank's functional currency.

As part of its liquidity management process and in alignment with its investment policy, the Bank placed funds in liquid short-term investment instruments, with investment-grade-rated counterparties approved by the board of directors. By year's end, US\$3.29 billion had been placed with approved counterparties and US\$319 million had been invested in high-quality liquid fixed income securities. US\$1.17 billion was maintained in current accounts to ensure sufficient liquid balances per the Bank's liquidity management policy.

3.2.1.2 Risk Management

Afreximbank's risk management philosophy is to ensure risk-taking activities are undertaken within the Bank's risk appetite, to embed the evaluation of risks and rewards in all business decisions, and to enhance stakeholder value by adequately managing risks and taking advantage of opportunities. In pursuing its objectives, the Bank strives to operate within a knowledge-based, entrepreneurial, and risk-conscious culture that puts customers first and focuses on and rewards contribution and results, as well as practical ideas and expertise.

The Bank's key risk universe includes (1) business and strategy risk, (2) credit risk, (3) operational risk, (4) liquidity risk, (5) market risk, (6) compliance risk, (7) reputational risk, (8) mandate risk, and (9) environmental, social, and governance risk. The Bank's overall risk profile as of 31 December 2024 across all the risk categories complied with board-approved risk appetite and tolerance levels.

During 2024, risk management activities focused on strengthening and enhancing the Bank's Enterprise Risk Management Framework. Key initiatives included continuing risk assessment and control testing across the Bank to strengthen the risk and control environment. The Bank also focused on implementing its Fraud Risk Management, Information Risk Management, and Model Risk Management frameworks, as well as its Business Continuity Management oversight activities through routine control assessments and relevant control enhancements.

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The Bank continued to implement initiatives to strengthen its environmental, social, and governance framework, including establishing institutional and operational safeguards to promote a balanced approach to preserving the environment while optimising Africa's natural resources for development. During the year, the Bank developed its environmental, social, and governance reporting and disclosure framework for internal and external stakeholders. The Bank also continued building internal environmental, social, and governance capacity through workshops and webinars and its annual risk awareness programme. The Bank strengthened its risk management capacity by onboarding additional staff in information risk management, model risk management, market and liquidity risk management, and environmental, social, and governance functions.

The loan remediation function continued to make progress in ensuring the Bank's asset quality remained sound through proactive recovery and remediation efforts. The specialised risk function continued to provide technical risk support for project and infrastructure development financing activities and Bank-sponsored projects and initiatives.

3.2.1.3 Compliance Activities

The Bank continued to address emerging risks from expansion of its products and services offerings.

Promoting a Culture of Ethics and Compliance:

The Bank has consistently emphasised the significance of ethical behaviour by enhancing communication and offering guidance regarding staff conduct policies. In the fourth quarter of 2024, employees of Afreximbank successfully completed their annual declarations in accordance with the Bank's Conflict of Interest and Code of Conduct policies.

Complaints and Feedback Management:

The compliance function of the Bank maintained oversight of the Bank's Feedback Platform, effectively receiving and addressing complaints from clients and counterparties. Each complaint received was thoroughly processed and monitored until resolution.

Third-Party Risk Management: The Bank continued to enhance awareness and provide training on third-party risk management and onboarding requirements for vendors and other external parties, including beneficiaries of grants and sponsorships.

Policy Updates: The Anti-Money Laundering, Counter Financing of Terrorism, and Counter Proliferation Financing policy underwent updates and received approval from the board of directors in December 2024.

Stakeholder Training and Education: In addition to ongoing targeted training for frontline personnel throughout the year, the Bank, through the Afreximbank Academy, deployed an annual self-paced and assessed compliance training programme focused on preventing bribery and corruption.

Customer Onboarding: Through the compliance division, the Bank maintained support for customer onboarding processes, including customer due diligence assessments and screening, under the supervision of the Management Compliance committee. The Bank reinforced its anti-money laundering programme by ensuring all relationships established by the Bank are thoroughly assessed and screened for potential financial crime risks.

Automated Ongoing Customer and Transaction Monitoring:

The Bank continued to improve its anti-money laundering and counter-financing terrorism monitoring platform to ensure its ongoing suitability. All transactions were systematically screened to ensure the Bank's platform is not leveraged to facilitate illicit transactions.

Regulatory Updates: The Bank established a regulatory compliance page on its internal communications system to inform staff of new regulations that may affect the Bank's operations in various countries.

Enhancing Knowledge and advocacy Regarding Compliance Matters in Africa:

Through its compliance function, the Bank was represented at various regional forums and seminars. A significant initiative involved partnering with Making Finance Work for Africa to create the Compliance Association in Africa, aimed at supporting and empowering compliance

professionals across the continent to engage on compliance-related issues. In 2024, Afreximbank was granted observer status by the Inter-Governmental Action Group Against Money Laundering in West Africa and the EURASIAN Group. The Bank intends to capitalise on this opportunity to enhance knowledge, build capacity, and adopt best practices.

In 2025, it is anticipated that the Bank's compliance risk profile will remain within the established risk appetite, as the Bank continues to refine processes, strengthen controls, and enhance stakeholder capacity.

3.2.2 SHAREHOLDERS' MATTERS

The shareholders annual general meeting was held 15 June 2024 at the Baha Mar Convention Centre of the Grand Hyatt Hotel in Nassau, Commonwealth of the Bahamas. The meeting was preceded by related activities held on 12 to 14 June 2024. The meetings, "Owning Our Destiny: Economic Prosperity on the Platform of Global Africa," incorporated the annual AfriCaribbean Trade and Investment Forum and included seminars, a pan-African business awards gala and the Afreximfest cultural evening.

At the meeting, shareholders approved the annual report and audited financial statements, together with the declaration and distribution of dividends for 2023 as recommended by the board of directors. They also approved the appointment of Deloitte, Ghana, and Ernst and Young, Kenya, as joint external auditors for 2024. Shareholders received an update on implementation of the general capital increase and on implementation of the concessional finance window. Shareholders elected the following directors for the statutory period of three years:

In Class A:

Lydia Shehu Jafiya of Nigeria was elected to replace Aliyu Ahmed of Nigeria.

Amadou Hott of Senegal was elected to fill the African Development Bank nominee seat vacant since 2022.

In Class B:

Noel Alain Olivier Mekulu Mvondo Akame of Cameroon was elected to replace Jean Marie Benoit Mani of Cameroon.

In Class C:

Yu Wen of China was elected to replace Lili Yang of China.

Shareholders also approved amendments to the Bank's charter, including the increase of authorised capital from US\$5 billion to US\$25 billion. The increase was in recognition of the rapid growth of the Bank in response to challenges facing the African continent. It is designed to anticipate long-term capital needs so the ability to raise new capital does not constrain the Bank's capacity to fulfil the aspirations of its stakeholders. Amendments were also made to reinforce the African character of the Bank, in particular making it clear that directors of the Bank in Class A, the class reserved for African sovereigns, should be African nationals living on the African continent.

During the year, the Bank continued to implement the general capital increase approved by shareholders in 2021 to raise US\$2.6 billion in paid-in capital. The capital increase is designed to expand the Bank's capital base to more effectively implement initiatives to expand intra- and extra-African trade. Shareholders continued to support the Bank by injecting new capital and reinvesting dividends. In fact, two new shareholders joined the Bank by subscribing for new Class B shares.

In addition, 51 existing shareholders across all classes utilized their dividend to acquire new shares. Accordingly, the existing and new shareholders paid a total amount of US\$ 412.89 million, with cumulative dividends reinvested by existing shareholders amounting to US\$ 191.73 million.

Accordingly, at the end of 2024, the number of shareholders increased to 166. The total number of shares subscribed stood at 237,168 shares with a nominal value of US\$ 2.37 billion. At the end of the review period, all shareholders had met their obligations for their share subscriptions.

3.2.3 MEETINGS AND COOPERATION

Below is a brief presentation of major events organised by Afreximbank or attended by its delegations during the year.

3.2.3.1 From 12 to 15 June 2024, the Bank's 31st annual meeting was held in Nassau, The Bahamas. The event, "Owning our Destiny: Economic Prosperity on the Platform of Global Africa" included more than 2,000 delegates, including heads of state, ministers, government officials, and senior officers from financial institutions and corporate entities from Africa, the Caribbean, and beyond.

The meeting presented the opportunity to cement closer ties between African and Caribbean countries and to accelerate growth and prosperity in the two regions. The event emphasised the importance of accelerating global opportunities in the two regions.

3.2.3.2 The AfriCaribbean Trade and Investment Forum, held 12 to 15 June 2024 in The Bahamas, marked a successful gathering of Global Africa in the Caribbean. It attracted more than 3,500 delegates from Africa and the Caribbean, including 18 heads of state or their representatives. The event facilitated the signing of more than 15 deals worth more than US\$4 billion, several memoranda of understanding, and one memorandum of intent laying the groundwork for future collaboration and economic development between the regions. The event showcased the potential for strengthened economic ties and mutual prosperity, setting a new precedent for international cooperation and unity within the Global African community.

3.2.3.3 The Afreximbank annual Trade Finance Seminar and Factoring Workshops were held 5 to 8 November 2024 in Windhoek, Namibia. The event drew bankers, financiers, legal practitioners, insurers, and professionals from regulatory agencies and corporations across the African continent involved in trade finance. It addressed critical trade finance trends and tools, and it offered training in strategies to bolster Africa's trade ecosystem. It included speakers on a broad range of topics and technical training workshops. The Factoring Workshop "Solving the African Micro Small Medium Enterprise Trade Finance Gap through Factoring and Supply Chain Finance" provided valuable insights into how alternative financing can effectively bridge the finance gap.

3.2.3.4 The Bank held the 8th Annual Babacar Ndiaye Lecture on 26 October 2024, on the sidelines of the Annual Meeting of the International Monetary Fund and the World Bank Group in Washington, D.C. Yemi Osinbago, former vice president of Nigeria, delivered the lecture "Saving Lives Today versus Saving the Planet for the Future: Can the AfCFTA Resolve the Climate Change Dilemma," which underscored advantages of the AfCFTA to transform Africa's trade landscape, reduce carbon emissions, and foster innovation in green industries.

3.2.3.5 On 8 May 2024, the Bank held its Founders' Day meeting, "Expanding Opportunities and Deepening Impact," at the Royal Maxim Palace Kempinski Hotel in Cairo, Egypt. The annual event is a forum for reflection on the aspirations of the Bank's founders. Highlights included a speech by the Bank president, a staff essay competition, launch of the resilience campaign, and presentation of a long-service award. The event was attended by Bank staff, officials from the government of Egypt, and officials representing African embassies in Cairo, among others.

3.2.3.6 The Afreximbank Compliance Forum was held in Dakar, Senegal, from 4 to 6 September 2024. The Forum brought together compliance experts, regulators, and international trade professionals. The theme was "Better Compliance – Better Trade: The Implications of the New Financial Action Task Force Requirements on Ultimate Beneficial Ownership and Their Impact on Trade." Sessions and workshops explored best practices for complying with the regulations, as well as available tools and technologies. The impact of the requirements on trade was also discussed.

3.2.3.7 A Bank delegation led by Benedict Oramah participated in the 44th Ordinary Session of the African Union Executive Council and the 37th Ordinary Session of the African Union Assembly of Heads of State and Government, which was held 14 to 18 February in Addis Ababa, Ethiopia. In addition to the launch of AAMFI, participants recognised the pivotal role of the Africa Centres for Disease Control and Prevention, working with Afreximbank, the United Nations Economic Commission for Africa, and the COVID-19 special envoy in facilitating access to essential medical supplies through the African Medical Supplies Platform during the

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pandemic. Participants also adopted the supplies platform as the continental pooled procurement mechanism under the leadership of the Africa Centres for Disease Control and Prevention, with support from Afreximbank and the United Nations Economic Commission for Africa to improve the affordability and availability of and equitable access to essential medical supplies across the continent. Participants recognised the role of the private sector in implementing the African Continental Free Trade Agreement and the role of the financial sector through Afreximbank in supporting implementation.

3.2.3.8 In March 2024, a delegation from the AfCFTA Secretariat visited the Bank at its headquarters in Cairo, where it convened the 11th coordination meeting between the two institutions. Benedict Oramah and other members of the Bank's senior management engaged the AfCFTA delegation—led by Secretary General Wamkele Mene—on ongoing collaborative initiatives, including the Adjustment Fund, the African Trade Gateway, and the African Collaborative Transit Guarantee scheme. Participants discussed finalization of the operational guidelines for the Base Fund, in furtherance of operationalising the Adjustment Fund, as well as eligibility criteria and governance arrangements for the fund. Also discussed was an update on a study of the continent's automotive value chain. In alignment with the continental auto strategy approved by the AfCFTA council of ministers in 2023.

3.2.3.9 CANEX WKND 2024, held in Algiers, Algeria on 16 to 19 October 2024, showcased and deepened engagement amongst creative cultural industry practitioners. Attended by more than 3,876 delegates from 81 countries from Africa and around the world, the event was a resounding success. It included 108 exhibits and 12 masterclasses. Among the highlights:

- The Bank's Deal Room, constituted to facilitate focused conversations on opportunities in the sports, music, film and fashion industries, generated more than US\$540 million in deals.
- The ministerial roundtable was convened by Afreximbank in partnership with the African Union Commission, the AfCFTA Secretariat,

and the government of Algeria. It was attended by ministers of culture and representatives from 18 countries. Strategies and opportunities were discussed for enhancing cultural and creative industries across Africa and the Caribbean.

- The Bank hosted the first ever Angel Investor forum, "CANEX Presents the Angels," during which US\$350,000 was committed to African creative businesses. Twelve creative entrepreneurs from 10 African countries present their businesses to angel investors with a view to raising growth and expansion capital.

3.2.3.10 The Bank announced the launch of the CANEX Prize for Publishing in Africa, a partnership between CANEX Book Factory and Narrative Landscape Press Limited. The CANEX Book Factory, a key intervention under the CANEX programme, aims at promoting a vibrant literary culture across Global Africa and encouraging development of a sustainable business ecosystem in the literary sector. CANEX, launched in 2020 and recognised by the Bank to promote the relevance and opportunities sparked by the creative and cultural industries in Africa, has become a key driver for development and job creation on the continent.

The CANEX Book Factory spotlights and elevates the African book value chain through a writing workshop, an e-newsletter highlighting African literature, and a prize for publishing in Africa. At an award ceremony at the CANEX WKND in Algiers, Algeria, from 16 to 19 October 2024, a prize of US\$20,000 was awarded to the publisher of the best trade book. Trade books are books published for a general audience, including fiction, non-fiction, and poetry but excluding textbooks and academic books.

3.2.3.11 Benedict Oramah, president and chairman of the board of directors of Afreximbank, delivered the 8th Goddy Jidenma Foundation biennial lecture in Lagos, Nigeria. The lecture honours the memory of Goddy Jidenma, a leading Nigerian architect who died in 2006.

In the lecture, "The Trade Route to Poverty Reduction in Africa in a De-Globalising World," the president said that the world economy had changed significantly in recent years and become more fractured and fragmented while the

core pillars that supported global growth and poverty reduction had almost been dismantled. In this context, Oramah said in his lecture, the AfCFTA provides an opportunity for Africa to take its destiny into its own hands by opening regional supply chains that foster economic growth and development.

3.2.3.12 The 4th African Sub-Sovereign Governments Network Conference was held from 25 to 27 November 2024 in Kisumu, Kenya. The conference, "Leveraging the AfCFTA for Sustainable Trade and Investment: A Development Pathway for African Sub-Sovereigns," was co-hosted by Afreximbank, United Cities and Local Governments of Africa, and the county government of Kisumu, Kenya. It included a one-day investment promotion training session led by the *Financial Times*. Among the 938 participants at the conference were 27 governors, 16 mayors, 5 ministers and other sub-sovereign leaders, financial institutions, development partners, and private sector representatives from 21 countries. The conference highlighted the critical role of African sub-sovereign governments in advancing regional economic integration and implementing the African Continental Free Trade Agreement and in generating more than US\$1.7 billion in trade and investment deals.

3.2.3.13 On 22 February 2024, the African Medical Centre of Excellence held African Health Forum 2024 in Abuja, Nigeria. The forum, a significant milestone in advancing healthcare collaboration and innovation across the continent, brought together industry leaders, healthcare professionals, and stakeholders from across Africa and beyond to discuss critical issues facing the healthcare sector and to explore avenues for collaboration and progress.

At the event, Afreximbank and Nigeria's Ministry of Health and Social Welfare signed a memorandum of understanding to support development of Nigeria's healthcare sector under the Presidential Initiative for Unlocking Healthcare Value Chains. Through the US\$1 billion Healthcare Value Chain Programme, the partnership seeks to support the establishment of world-class medical and health facilities and to increase domestic manufacturing of essential pharmaceuticals, diagnostics, vaccines, biologics, and medical consumables. It

also seeks to reduce outbound medical tourism by elevating the quality and accessibility of healthcare services within Nigeria, promoting employment, fostering a culture of locally driven research and development, and attracting investments into Nigeria's healthcare value chain.

3.2.3.14 A delegation from Afreximbank attended the Africa-Korea Summit on 4 June 2024 in Seoul, South Korea. In high-level discussions and bilateral meetings, the delegation sought to promote Afreximbank's role in facilitating trade and development across the continent and to strengthen economic ties between Korea and Africa, focusing on energy, infrastructure, and investment opportunities. During the summit, Afreximbank actively participated in the 2024 Korea-Africa Energy Investment Forum and the Korea-Africa Infrastructure Forum. These sessions explored critical themes, including financial mechanisms for Korean companies entering Africa and policy support directions for infrastructure investments.

3.2.3.15 In February 2024, Afreximbank, the International Finance Corporation, and the legal firm White & Case hosted a one-day seminar, "Energy Transition and Infrastructure in Africa." The event attracted about 150 participants representing financial institutions, project sponsors and developers, and consultancy firms. The seminar featured two panel discussions and three workshops on issues pertaining to the energy transition in Africa. During the event, the Bank reiterated its commitment to support African leaders in navigating just energy transitions that bolster commitment to balancing renewables and fossil fuels to meet more sustainable energy demands.

3.2.3.16 On the sidelines of the 31st Annual Meetings, the Bank organised the Factoring and Receivables Finance Roundtable, bringing together industry leaders, experts, and stakeholders from Africa, CARICOM, and beyond. The roundtable explored various aspects of factoring and its implications for regional development, particularly in the Caribbean region.

3.2.4 THE BOARD OF DIRECTORS

The board of directors and its committees held statutory as well as ad-hoc meetings throughout the year in compliance with charter requirements. The board met quarterly to address strategic matters, including the growth and expansion of the Bank's financing activities, investments, and borrowings, as well as advisory services, strategy implementation, risk management and compliance, human resources, and information technology.

The board reviewed the annual report and approved financial statements of the Bank for the year ending 31 December 2023, together with the proposal to shareholders on 2023 dividends and a recommendation regarding the appointment and remuneration of external auditors for the financial year 2024. The board also reviewed and approved proposed amendments to the Bank charter for consideration by shareholders. These reports and proposals were subsequently considered and approved by shareholders at the 31st Annual General Meeting in Nassau.

The board was updated on implementation of the general capital increase as well as on the activities of subsidiaries and standalone units FEDA, PAPSS, the MANSA digital platform, and the Managed General Agency (AfrexInsure). Status updates on strategic initiatives were provided to the board, including the US\$2 billion AVATT COVID-19 Facility support, the AMCE, the African Quality Assurance Centre initiative, and the Industrialisation and Export Development Programme.

The board followed progress on implementation of the concessional financing window endorsed by shareholders at the 31st annual general meeting to support fragile and economically constrained countries.

The board received updates on progress in preparations for the 4th edition of the Intra-African Trade Fair to be held in Algeria from 4 to 11 September 2025, political developments on certain member states and their impact on the Bank's portfolio, and the update on CARICOM countries engagement. The transition programme concerning the office of the president was considered and approved by the board.

Professional development of the board continued with appropriate training to enhance directors' skills and understanding of evolving issues pertinent to their responsibilities.

The committees of the board also deliberated and provided guidance on issues relating to Bank strategy, operations, and activities. In this regard, the executive committee, the branch management committee, the audit committee, the strategy and risk committee, the remuneration committee, the Afreximbank Africa Trade Centre development committee, and the Founders Awards committee of the board met in accordance with their meeting schedules and deliberated on issues within their respective terms of reference.

The executive committee approved various credit facilities and received reports on the Bank's credit operations, and loan portfolio, including loan remediation, investments and borrowings, compliance, syndication and guarantees, and advisory and capital markets. Executive committee members also met outside scheduled quarterly meetings to consider and approve credit facilities.

The branch management committee reviewed reports on performance and activities of branch offices and made recommendations to improve operational and administrative efficiency.

The audit committee reviewed internal audit and external audit reports and follow-up reports on implementation of recommendations made by internal and external auditors. The committee also reviewed the annual report and 2023 financial statements and approved the scope of work of internal and external audits for 2024. Guidelines deriving from the global internal audit standard and aiming to improve assessment of internal audit projects and reporting were also reviewed and approved by the audit committee.

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The strategy and risk committee reviewed and assessed the risks of the Bank and duly considered the risk management and loan remediation reports. A special meeting of the strategy and risk committee was held, as is the practice, to review in detail the loan portfolio, including past-due obligations, the watch list, and transactions written off. The committee also actively exercised oversight on implementation of the Plan VI and strategic initiatives as well as reviewed a proposal on developments in Africa's political, economic, and debt situations and their implications.

The remuneration committee considered and approved the performance of the president and executive vice presidents along with short- and long-term incentive proposals for 2023 for the president, executive vice presidents, and staff. The remuneration committee noted progress on implementation of the Bank's organizational structure changes.

The Afreximbank African Trade Centre development committee provided strategic oversight on ongoing construction of Afreximbank African trade centres, which would incorporate Bank branch offices. The committee noted important milestones achieved in construction of the trade centres in the first two cities selected: Harare, Zimbabwe, and Abuja, Nigeria, as well as progress on acquisition of land for construction of tradecentres in the New Capital City, Egypt; Abidjan, Cote d'Ivoire; Kampala, Uganda; Yaounde, Cameroon; and Bridgetown, Barbados.

The award committee met to consider and approve proposed awards nominees for pan-African businesses, Afreximbank financial institutions, and staff. The awards were presented during a gala dinner at the 31st annual meeting.

3.2.5 MEMBERSHIP MOBILISATION

The number of African states participating in the Bank Agreement increased to 53 at the end of 2024 with the accession of Libya. At the end of the year, 49 had ratified the Bank Agreement. The Bank continued to actively engage other African countries, including South Africa and Somalia, to join the Bank. Efforts continued to encourage member states such as the Kingdom of Lesotho and the State of Libya to ratify the Bank Agreement.

The number of CARICOM countries signatories to the Partnership Agreement increased to 12 in 2024 with the accession of Haiti to the partnership agreement. The number of CARICOM countries that have ratified the Partnership Agreement increased to 10 with the ratification of Belize. Suriname and Haiti have yet to complete the ratification process.

3.2.6 BRANCH OFFICES

In 2024, the activities of the Bank's branch offices were in accordance with set operational targets.

3.2.6.1 Abidjan Branch Office

Afreximbank extended financing solutions to 9 of 10 countries in the region during 2024. Guinea Bissau, the only country not benefitting from Bank support, was engaged at different levels for finalization of the ratification of the Bank Agreement. The customer base expanded with financing solutions to sovereigns, financial institutions, and corporations. Financial performance in the region improved during the year. Total loans outstanding reached US\$1.24 billion, 72 percent of the target at the end of December 2024. Total disbursements reached US\$1.06 billion and represented 75 percent of the annual target. Revenues grew by 20 percent year-on-year to US\$125 million in 2024 compared with US\$104 million in 2023.

3.2.6.2 Abuja Branch Office

In 2024, the office achieved record income exceeding US\$1.24 billion. This figure reflected an increase of 22.94 percent compared with income in 2023. At the end of 2024, total assets, encompassing both funded and unfunded exposures, amounted to US\$10.65 billion. This sum comprised US\$9.72 billion in on-balance sheet loans and US\$0.93 billion in off-balance sheet exposures. Total disbursements reached US\$5.86 billion, representing a 6.75 percent increase over the budgeted amount of US\$5.49 billion for 2024. This outcome was consistent with the branch's historical performance. Considering this positive trajectory, the Abuja Regional Office established a strong pipeline of transactions for 2025.

3.2.6.3 Central Africa Branch Office

The Central Africa Branch Office increased sales revenue by 65 percent year-on-year,

reaching US\$104.34 million in 2024. The growth was primarily driven by trade finance, which accounted for 62 percent of the region's overall revenue. Key contributors to this revenue surge were the closing of two major sovereign loans and a reserve-based lending facility closed in the oil and gas sector. Reflecting the impact of these new facilities, total assets grew 63 percent annually, rising from US\$696 million in 2023 to US\$1.13 billion in 2024, as the branch reached a US\$1 billion asset base for the first time since it commenced operations. Total disbursements stood at US\$674 million in 2024, a 20 percent increase over the previous year. Despite these significant achievements, the branch office fell short of its budgetary targets, reaching 95 percent of sales revenue goals, 75 percent of the asset target, and 87 percent of disbursement objectives. This shortfall was primarily attributed to challenges in finalising certain transactions.

3.2.6.4 Harare Branch Office

During 2024, the volume of business generated by the Harare branch office increased 56 percent to US\$7.75 billion (2023: US\$5.02 billion). Of this amount, US\$2.43 billion (2023: US\$1.7 billion) in represented transactions approved by the executive committee of the board of directors in 2024, an increase of 43.23 percent above the US\$1.7 billion in 2023. The volume of transactions at different stages of development increased to US\$5.09 billion (2023: US\$3.46 billion). The volume of operational facilities at the end of the review period, however, amounted to US\$4.9 billion, made up of funded facilities at US\$4.7 billion and unfunded facilities at US\$0.23 billion, a 7 percent increase over US\$4.6 billion in 2023. Business activities of the office translated into annual revenue of US\$540 million, a 12 percent increase over US\$483 million in 2023.

3.2.6.5 Kampala Branch Office

The office provides coverage to 11 member countries in the Horn of Africa and the East Africa Community regions as well as to the island nation of Comoros. During 2024, the office's pipeline of transactions averaged US\$2.6 billion, an increase from the US\$2.3 billion recorded in 2023. Total operational facilities at the end of

December 2024 remained flat at US\$3.88 billion (US\$3.17 billion funded loan exposures and US\$865.7 million unfunded exposures), compared with US\$3.99 billion in 2023. Total disbursements decreased by 11 percent from US\$2.11 billion in 2023 to US\$1.88 billion in 2024. Overall, the office generated a total income of US\$348.09 million in 2024 compared with US\$315.69 million in 2023, a year-on-year growth rate of 10.3 percent.

3.2.6.6 North Africa Branch Office

The North Africa branch office reported 23 percent growth in total assets, which included outstanding loans and off-balance sheet items, from US\$8.04 billion at the end of 2023 to US\$9.9 billion at the end of 2024. Growth was driven by increased activity and disbursements. Total income earned by the branch also increased significantly by 130 percent, from US\$459.5 million in 2023 to US\$599.6 million in 2024. This boost in income and assets can be primarily attributed to new transactions initiated during the year. The level of off-balance sheet assets rose by 77 percent to reach US\$1.44 billion at the end of 2024 from US\$818.6 million at the end of 2023. The branch office's strategic focus included further diversification of the portfolio across countries and products.

3.2.6.7 Caribbean Branch Office

Haiti became the 12th CARICOM member state to accede to the Afreximbank Partnership Agreement at a signing ceremony Benedict Oramah, president and chairman of the board of directors of Afreximbank, and the then-Prime Minister of Haiti, Garry Conille, on the sidelines of the United Nations General Assembly in New York. Following Haiti's accession, Afreximbank announced plans to institute a facility of US\$250 million to assist rebuilding of the Haitian economy. The office began using an approved US\$1.5 billion, recording key disbursements aimed at supporting small and medium enterprises (SMEs), enhancing sports tourism, and an education-linked climate resilience programme. The disbursements are in addition to more than US\$2 billion already in the credit approval value chain.

During the year, Afreximbank provided financial support of more than US\$500,000 to Caribbean countries

devastated by Hurricane Beryl, and it developed the Afreximbank Disaster Relief and Assistance Programme. Recipient countries included Grenada, St. Vincent and the Grenadines, St. Lucia, and Barbados. The Bank also approved a grant of more than US\$600,000 for development of the Growth, Resilience and Sustainability Fund in conjunction with the Caribbean Development Fund. This fund will help Caribbean nations develop climate-resilient infrastructures.

Finally, the board of directors approved the proposal to set up the Afreximbank Africa Trade Centre project in Barbados. This project will host the Bank's regional Caribbean office.

3.2.7 HUMAN RESOURCES AND ADMINISTRATION

3.2.7.1 Human Resources

The Bank undertook key human resources activities in accordance with the six pillars of its Employee/Employer Value Proposition.

Talent Acquisition: In June 2022, the board of directors approved a new organization structure for the Bank as part of Plan VI. The structure, based on a group framework, was designed to ensure the Bank's operations are well-resourced, aligned with its strategic pillars, and capable of addressing the continent's dynamic trade patterns. Under the revised organization structure, the Afreximbank Group grew its human resources staff. As of December 31, 2024, total human resources staff stood at 717, a 22.56 percent increase over 585 staff in 2023. The total includes permanent, outsourced functions, and subsidiaries staff, along with short-term service contract consultants. The increase reflects the Bank's commitment to ensuring adequate capacity to deliver on its objectives and support its expanding footprint across Africa.

The Talent Management team focused on strengthening the Bank's human capital to meet its operational and strategic priorities. Recruitment efforts targeted critical departments such as client relations, credit assessment, trade information, export development, trade finance, and strategy and innovation. Subsidiaries and specialised initiatives including the PAPSS, FEDA, AMCE, and AfrexInsure also undertook focused

staffing efforts, resulting in the addition of 42 staff across headquarters and branch locations. Outsourced service providers continued to play key roles, with 119 staff supporting headquarters, 85 staff working across branches and subsidiaries, and 58 embedded support staff ensuring seamless office operations.

To enhance recruitment efficiency and branding, the Talent Management team introduced several strategic initiatives. The Multi-Stage Interview Process, launched in the fourth quarter of the year, improved the Bank's ability to identify top talent while maintaining high professional standards. Talent Acquisition Summits in Paris, New York, and London strengthened Afreximbank's position as an employer of choice among global African talent.

Performance: In alignment with its agenda to pursue the strategic objectives outlined in Plan VI, the Bank convened a staff communication forum in January to engage with all staff members, discuss the Bank's strategic direction for the year, and outline expected contributions of teams and individual staff members.

All staff members also participated in quarterly "How Is It Going" reviews, facilitating ongoing performance discussions between line managers and their teams. To further enhance performance management capabilities across the Group, the Bank collaborated with the Balanced Scorecard Institute West Africa in August 2024 to deliver specialised training on performance management using the Balanced Scorecard tool. Ten staff members were certified as Balanced Scorecard Professionals.

Development: A key staff development milestone reached in 2024 was the launch of the revised Afreximbank Talent Development Framework. The framework is designed to support personal and professional growth of Bank staff by clarifying the skills essential for success. The introduction of a structured job family framework and career progression model enabled employees to understand required core competencies required and to map clear pathways for career advancement while advancing the Bank Group's mission to transform trade across Global Africa. The implementation framework further supported internal mobility and career progression, ensuring

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alignment between workforce capabilities and organizational needs.

As part of ongoing efforts to develop and nurture talent within the organization, the Bank launched the third cohort of its Junior Professional Programme in November 2024. This strategic initiative aims to identify, train, and retain existing high-potential young professionals to build a strong talent pool to ensure the Bank's future growth and business continuity. Seventeen staff members are expected to graduate from the programme in late 2026.

In 2024, the Bank continued to advance research on trade and economic issues relevant to Global Africa by fostering collaboration with academics through its Research Sabbatical Programme. Through the initiative, the Bank welcomed three research professors to conduct studies on critical topics, including a comprehensive analysis of exchange rate mechanisms and the African Continental Free Trade Agreement implementation, constraints on intra-African manufactured exports as a barrier to realising the AfCFTA's potential, and Africa's competitiveness in participating in global value chains.

The Bank continued to foster knowledge transfer by providing hands-on experience to students across Global Africa through its Internship Programme. Thirty-nine students participated in the programme, including two from Brazil and one from the Caribbean region. The programme aims to equip students with comprehensive knowledge of the Bank and its operations, enabling them to share this knowledge with peers at their universities and to serve as Afreximbank ambassadors. The Bank received staff members from the Central Bank of Rwanda and the Russia Export Center as part of the Bank's Secondment Programme, which prioritises knowledge sharing.

Capacity building in trade-related matters remained a key pillar of the Bank's strategy. Since its launch in October 2022, the Afreximbank Academy has successfully implemented its learning platform, providing more than 100,000 learning programmes and delivering more than 12,000 capacity-building interventions to both internal and external stakeholders. The platform features a payment module that accepts

all African currencies, making the Afreximbank Academy one of the most competitive academies on the continent.

Reward: The Human Resources Division, along with the bank organization structure change committee, BOSCC II, spearheaded implementation of the new organizational structure and revised target operating model. Highlights included completion of a comprehensive job evaluation exercise in 2024. The objective of the exercise was to ensure the Bank's job, grade structure, and career path models are in alignment with the new group organizational structure.

The job evaluation led to implementation of an updated grade and salary structure and career progression model, part of the Afreximbank Talent Development Framework. The updates will allow more targeted workforce planning to enable the Bank to fulfil its strategic objectives whilst creating an encouraging environment for staff to fulfil individual career aspirations. A rewarding career is a key component of the total reward offering to ensure attraction and retention of sought-after professionals.

The comprehensive review of staff benefits first launched by Afreximbank in 2023 continued in 2024 with a study on maternity leave provisions. The study underscored the need to better support the professional aspirations and well-being of female staff. As a result of the study, the Bank increased the duration of paid maternity leave and also applied paid maternity leave to staff choosing to adopt or to have a child through the use of a gestational carrier.

Well-being: Employee well-being continued to be a cornerstone of Afreximbank Group's strategic priorities. The Group is committed to fostering a culture of preventative healthcare that supports the physical, psychological, and social well-being of its employees. Through innovative programs and initiatives, the Bank empowers staff to proactively manage their health while ensuring access to quality healthcare services. The Bank's Preventative Well-being Strategy is designed to promote proactive and sustained well-being for all employees.

In 2024, Afreximbank implemented proactive health assessments to help employees identify and address potential health risks early through regular, comprehensive medical checkups. Several well-being awareness and education sessions to equip staff with the knowledge and resources needed to make informed decisions about their physical and mental health were held. Awareness sessions, workshops, and expert-led talks were organised to provide staff with practical strategies for maintaining overall well-being.

To ensure timely and convenient access to care, Afreximbank expanded its network of high-quality healthcare providers, including hospitals and medical centres, across all Bank locations. This initiative supported employees and their families. Additionally, the HR Shared Services model was enhanced to standardise service delivery across regional offices and subsidiaries.

In 2024, Afreximbank also focused on medical emergency preparedness by conducting regular training in first aid and emergency response procedures. Furthermore, case were offered to staff and their families, empowering them to respond swiftly and confidently during health crises.

Culture and Behaviour: In 2024, Afreximbank launched its Values Campaign, aimed at embedding the Bank's core values throughout the year. The campaign included a variety of events and activities aligned with specific themes to drive staff engagement and reinforce key cultural principles. These included celebrations such as Valentine's Day, International Women's Day, Founders Day, Well-being Day, Let's Get Sporty, and other internal staff engagement activities.

Afreximbank prioritised leadership development through initiatives like the Coaching for Leaders Programme, extended to nine senior leaders. Over nine months, each leader worked with an external coach to focus on key areas of leadership improvement. Leadership conversations also continued in 2024, featuring influential figures, including actress Viola Davis, fostering knowledge-sharing and leadership growth across the organization.

The focus on organization culture demonstrated Afreximbank's commitment to fostering continuous improvement, leadership, and alignment with its strategic vision while ensuring the embodiment of its core values at every level of the organization.

3.2.7.2 Administration

Since 2018, the Bank has been advancing its project to build a network of trade facilitation hubs in key commercial capitals across Africa and the Caribbean. The Afreximbank-Africa trade centres provide integrated trade information, services, finance, and ancillary facilities. Trade centres are planned in Abuja, Nigeria; Kampala, Uganda; Cairo, Egypt; Abidjan, Côte d'Ivoire; Yaoundé, Cameroon; Bridgetown, Barbados; Kigali, Rwanda; and Tunis, Tunisia. They will link buyers, sellers, suppliers, service providers, enterprises, governments, chambers of commerce, financial institutions, economic development organizations, and the general African and global trade and investment community.

The Abuja Trade Centre made remarkable progress in 2024, with construction 94 percent complete at year's end. Targeted for formal commissioning in April 2025, the project incorporates futuristic design. Superstructural works for both the hotel and office wings were completed, along with installation of mechanical, electrical, plumbing, and fire systems. Substantial progress was also made on tiling, plastering, and the façade.

The Harare Trade Centre is scheduled for completion in August 2025. Crews have made significant progress on the hotel tower, installing columns on the ninth floor, completing pool bottom slab shuttering, and advancing conference centre columns and slab works. Seven floors of the office tower are well underway, along with air conditioning installation. Significant progress has been made on brickwork and on mechanical, electrical, and plumbing as well as on fire installations across multiple floors.

In Kampala, construction on a trade centre project entered its implementation phase. After a contract with China State Construction Engineering Corporation, Ltd. was finalised and countersigned, a groundbreaking ceremony was held 25 November 2024.

3.2.8 BUSINESS CONTINUITY AND CRISIS MANAGEMENT

Several activities were conducted according to the approved 2024 Business Continuity Management programme.

The first was the second edition of the Resilience Culture Programme, reinforcing Bank preparedness through targeted awareness campaigns, leadership engagement, and interactive training sessions to enhance employee capability and embed resilience. The programmes covered several key activities, including health, safety, environment, well-being, information security, and business continuity management.

Business continuity management software was successfully launched, streamlining continuity processes through automation. The software is vital for enhancing operational resilience, providing centralised data management, and enabling real-time monitoring and response capabilities.

The focus of the key activities was on enhancing crisis and emergency management skills and on preparedness through training and awareness both at headquarters and regional offices. The Cairo Crisis Management Team and the Regional Office Incident Management Teams were trained in March 2024 during a workshop and tabletop exercise conducted by International SOS. A workshop on emergency planning and case management, including a simulation exercise, was conducted in June 2024 for control room personnel at Bank headquarters to enhance capabilities and improve overall team preparedness and performance.

3.2.9 INFORMATION AND COMMUNICATION TECHNOLOGY

In 2024, the Bank attained ISO 27001:2022 certification, the globally recognised standard for information security management systems. The certification recognises the Bank's efforts in (1) developing a structured approach to protecting sensitive data, mitigating security risks, and reducing the likelihood of breaches and cyberattacks; (2) demonstrating proactive efforts in meeting legal and regulatory standards; and (3) maintaining the highest standards of information security and reinforcing the Bank's reputation as a trusted partner in the global financial sector.

The Bank also completed the MVP (Minimum Viable Product) for the enhanced customer online portal, positioning it as the central system for customer interaction. The enhanced customer portal allows the Bank to simplify the process of gathering extensive customer data through: (1) streamlined customer registration, (2) robust customer profile management integrated with an advanced role management system, (3) adherence to open banking standards and the integration of advanced security measures, (4) implementation of back-office screening for customer relations and facility applications, (5) digitalization of Afreximbank's product catalogue with personalised suggestions for customers, (6) introduction of secure authentication mechanisms for customer signup and login, (7) automation of know-your-customer information and supporting documentation, (8) automation of account opening information and documentation collection processes, and (9) development of a case manager module enabling customers to make inquiries and requests efficiently.

During the year, the treasury management system was upgraded with improved functionalities to support expanded business requirements, seamless integration with dependent systems, and enhanced reporting capabilities. In addition, the Security Operation Centre and Network Operation Centre were operationalised to ensure 24/7 monitoring and protection of the Bank's infrastructure.

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Box 3.1 Creative Africa Nexus Programme: Global Africa's Centre for Creativity and Innovation

Harnessing Africa's Creative Potential

In the 21st century, creativity and innovation are not only key ingredients for development, but they are also economic imperatives. The African continent, home to more than 1.4 billion people, and the African diaspora of about 200 million more are endowed with a deep well of artistic expression, cultural heritage, and creative talent. Yet for decades, the immense potential of Africa's creative industries—spanning music, fashion, film, literature, visual arts, digital content, and gastronomy—remained largely undercapitalised and under-recognised in global markets.

For far too long, African creativity was either overlooked or appropriated, its genius diluted through the lenses of others. Africans are now writing a new narrative. It is vibrant, unfiltered, defiant, and deeply rooted in the rich, diverse cultural heritage the peoples of the African continent have brought to the world.

Recognising both that urgency and opportunity, in 2020 the Bank launched the Creative Africa Nexus (CANEX) Programme, a platform designed to harness, nurture, and elevate the continent's creative and cultural industries. Today, CANEX stands as the leading pan-African initiative fostering intra-African collaboration and connecting Africa's creative ecosystem with the global market, including its diaspora.

Creative Industries as Engines of Growth

Africa's creative and cultural industries represent a powerful engine for inclusive growth, youth employment, and export diversification. The United Nations Educational, Scientific, and Cultural Organization estimates the global creative economy generates more than US\$2.25 trillion annually and accounts for nearly 30 million jobs worldwide. In the African continent, the creative sector is

estimated to generate more than US\$4.2 billion in annual revenue and employ more than 5 million people. However, the continent's share of the global creative economy is less than 3 percent, a figure that highlights both the immense gap and the opportunity to close it.

Some key statistics are the following:

- Africa's film industry generates an estimated US\$5 billion in annual revenue and employs more than 5 million people, yet it loses US\$1 billion each year to piracy and lack of infrastructure.
- The fashion sector in Africa is valued at US\$15.5 billion, with the potential to triple in size.
- Africa's music industry, fuelled by the popularity of the Afrobeats and Amapiano subgenres, is among the fastest-growing industries globally, with streaming revenues alone increasing by 25 percent annually across key markets.
- The African continent has the largest youth population in the world, with 60 percent of its people under the age of 25. These young people represent an unparalleled reservoir of creative energy and digital fluency.

Creative Africa Nexus Programme: A Strategic Platform for the Creative Economy

CANEX was conceived as a holistic response to the challenges and aspirations of Africa's creative sector. Its vision is clear: to create an enabling environment where African creatives can access capital, skills, markets, and policy support, allowing them to commercialise their talent and contribute to Africa's sustainable development.

Key pillars of the CANEX Programme include the following:

1. Access to finance. Afreximbank has committed more than \$2 billion to supporting creative and cultural industries across Africa and the diaspora. These funds provide loans, equity investment, and project financing tailored to the needs of creators, entrepreneurs, and creative businesses. To expand beyond debt solutions, Afreximbank launched CANEX Creations Inc., a new subsidiary of its equity investment arm, the Fund for Export Development

in Africa. Charged with acquiring, aggregating, and commercializing intellectual property, CANEX Creations Inc. makes strategic investments across the creative, life sciences, and technology sectors to unlock long-term value.

2. Capacity building. CANEX offers a range of training, mentorship, and business development programs, empowering young creators with the skills required to thrive in a fast-evolving digital landscape. Initiatives such as the CANEX Prize for Publishing, Script to Screen, CANEX Shorts, and industry-focused masterclasses help bridge critical knowledge gaps. CANEX partnered with design school Azza Fahmy and Trace Academia to deliver an online jewelry making course. More than 6,000 people have enrolled. More than 50 African luxury brands have benefitted from CANEX Presents Africa, a customized incubation programme led by industry experts.

The CANEX Book Factory, launched in 2024, seeks to enable a literary culture in global Africa and to support the development of a sustainable business ecosystem and increasing capacity in the sector. Twenty writers from across Africa and the Caribbean participated in the inaugural Book Factory creative writing workshop in Aburi, Ghana.

The CANEX Music Factory has been effective in developing the work of emerging artists across Africa and ensuring that they know the necessary steps to retain ownership of their intellectual property. The Music Factory is a mobile studio with a production arm, SoundBank. Through this initiative, 130 emerging artists produced songs with globally renowned music executives Commissioner Gordon and Oskido. The effort resulted in the release of two commercial albums on major streaming platforms: iTunes, Spotify, and Deezer.

3. Access to markets. Through platforms such as the CANEX WKND and the Creative Pavilion at the Intra-African Trade Fair, CANEX connects African talent with buyers, investors, and collaborators from around the world. The 2024 CANEX WKND in Algeria attracted more than 6,000 creative innovators, investors, and stakeholders from 70 countries, resulting in business deals valued at more than US\$500 million.

Since September 2022, the Bank has been facilitating the entry of African and diaspora fashion brands into high-value markets and fostering export opportunities through CANEX Presents Africa. The initiative has enabled successful connections between designers and industry stakeholders, including buyers, investors, manufacturers, and the global press. It has spurred access for African products to global markets and the successful launch of African brands in, among other countries, France, Germany, Japan, the United Arab Emirates, and the United States. CANEX Presents Africa has showcased 90 designers from 32 countries at international fashion weeks in New York, Paris, Portugal, and Tokyo.

The success of the CANEX Presents Africa initiative has resonated far beyond the African continent, earning it an invitation from iconic French retailer Galeries Lafayette to host an African pop-up store in its prestigious Paris flagship in June 2025.

4. Policy advocacy. CANEX engages with governments and regional bodies to advocate for policies that enable copyright protection, ease of cross-border trade, and investment in creative infrastructure. As a result, several African countries are now reviewing their intellectual property laws and adopting more supportive frameworks for creative entrepreneurs.

Through the Bank's partnership with the African Organisation for Standardisation it has embarked on a project to harmonise more than 150 standards in textiles, leather, and apparel to improve trade across the continent. The Bank plans to expand this initiative in 2025 to include the harmonisation of food and food safety standards to support the food, gastronomy, and culinary arts value chain.

Uniting Global Africa: The Power of the Diaspora

One of the unique strengths of CANEX is its ability to serve as a bridge between Africa and its global diaspora. The African diaspora is a formidable force in creative industries around the world, contributing significantly to fashion, music, film, technology, and literature in markets such as Brazil, the Caribbean, France, the United Kingdom, and the United States. Diaspora creative innovators—from global music icons to award-winning

filmmakers and designers—are not only shaping cultural trends, but also investing in collaborations with innovators on the African continent.

CANEX leverages this network by fostering partnerships, co-productions, knowledge exchange, and investment flows between the continent and its diaspora. Initiatives such as the Afreximbank Global Africa Gateway at the Africa Center in New York, CANEX Presents Africa, One Drum music EP, and other collaborations with diaspora-led creative institutions strengthen these transcontinental links and open new markets for African content.

Looking Ahead: Building a Bankable and Export-Ready Creative Sector

As Afreximbank deepens its commitment to the creative economy, the future of CANEX is bold and expansive. Upcoming priorities include:

- Scaling up CANEX financing in venture capital and debt.
- Ensuring a presence for CANEX at the Intra-African Trade Fair 2025.
- Strengthening intellectual property protection and digital rights management across Africa to ensure creators receive fair value for their work.
- Establishing an African publishers' market and supporting the development of a pan-African film distribution network.

The Way Forward: CANEX is Where Africa's Future Begins

At its core, CANEX is about unlocking the potential of Africa's greatest asset—its people. By providing the tools, networks, and capital required for creativity and innovation to flourish, CANEX is positioning Africa as a global producer and exporter of culture, ideas, and innovation.

From Nairobi to Lagos, from Dakar to Johannesburg, young creators are using smartphones, editing apps, and social media to leap over institutional barriers and reach global audiences. Their music thunders through the streets of New York and London, their fashion graces the runways of Milan and Paris, their films are streamed in more than 190 countries. What was once “niche” is now in demand.

The future of African trade and development will be shaped as much by music, art, and storytelling as by minerals and commodities. Through CANEX, Afreximbank is laying the foundation for a vibrant, inclusive, and globally competitive creative economy where the dreams of Africa's youth, creators, and entrepreneurs take centre stage on a global platform. The creative future of Africa is here. And with CANEX, it is bankable, export-ready, and limitless.

Chapter Three

Operations and Activities

Box 3.2 Africa Trade Gateway: Building Trust and Confidence for an Integrated and Connected Global Africa

The Africa Trade Gateway (ATG), supported by the African Export-Import Bank and the African Continental Free Trade Area (AfCFTA) Secretariat, is reshaping how Africa and its global diaspora engage in trade, commerce, and investment. A comprehensive digital ecosystem, ATG simplifies complex trade interactions, builds trust across markets, and connects Africa to its extended global community. The ATG is unlocking the vast potential of a connected Global Africa, where businesses, governments, and financial institutions on the African continent and the diaspora can collaborate through a trusted, innovative digital platform.

A Transformational Digital Ecosystem

ATG integrates a full suite of trade-enabling services into one unified platform, removing traditional barriers and fostering a seamless trade experience. It offers the following services:

- **ATG for due diligence (MANSA)** for due diligence and trust-building
- **ATG for payments (PAPSS)** for instant cross-border payments in local currencies
- **ATG for intelligence (TRADAR)** for market intelligence and regulatory navigation
- **ATG for e-commerce (ATEX)** for verified trade and supply chain matching
- **ATG Connect** for accessing finance, investment, and logistics

Key Components Enhancing Trust and Connectivity

MANSA. Africa's premier due diligence data platform, MANSA provides a single, trusted source of primary data on African business entities. Certified by the International Organization for Standardization, the platform offers subscribers access to a continent-wide repository of African entities, all of whom contribute to the platform know your customer/customer due diligence information. The information is in turn verified by MANSA to ensure both authenticity and credibility. MANSA also disseminates valuable information to subscribers on African markets, including insights into investment climate and opportunities, economic profiles, key industries, products, services, and relevant news and events. As a catalyst for boosting intra-African trade, especially under the African Continental Free Trade Agreement, MANSA promotes a culture of good governance. MANSA assigns an Africa Entity Identifier code to MANSA-verified entities, enhancing their ability to leverage and facilitate trade within Africa and beyond.

Pan African Payment and Settlement System (PAPSS). A centralised financial market infrastructure that effectively links central and commercial banks, payment services providers, and governments, PAPSS facilitates faster, more affordable and inclusive trade transactions across the African continent. PAPSS revolutionises the way cross-border payments are conducted within intra-African trade, making transactions—all in local currencies—easier, less costly, and safer. In line with the vision of creating a unified African market, the full implementation of PAPSS is expected to save more than US\$5 billion annually in payment transactions. PAPSS plays a crucial role in formalising a significant portion of informal cross-border trade, thereby boosting overall trade activity.

TRADAR. A dynamic member-driven tool that delivers comprehensive African trade and market information, TRADAR facilitates business-to-business networking. TRADAR also provides insights into applicable regulations for exporting and importing goods or services across jurisdictions, including standards, laws, licenses, and permits. It is an essential tool for businesses to navigate the complex markets and regulatory landscapes of Africa with ease and confidence.

African Trade Exchange (ATEX). A revolutionary business-to-business e-commerce platform, ATEX empowers businesses in Africa to tap into new markets and optimise their supply chains. Through ATEX, members can access a network of verified suppliers, discover new products, and simplify quota information to ensure adherence to regulations throughout the AfCFTA. Trusted by both multinational corporations and governments, it provides businesses with tailor-made trade finance solutions and the opportunity to secure competitive rates through consolidated negotiation. This comprehensive approach ensures African businesses are well-equipped to expand their reach and enhance their operational efficiency in the ever-evolving marketplace.

ATG Connect. A digital platform that extends the capabilities of the ATG digital ecosystem, ATG Connect links clients needing finance with financiers, potential investors with investment opportunities, and businesses with freight service providers and engineering, procurement, and construction contractors for tender and contract opportunities. It offers African service providers the chance to expand their revenue streams by tapping into a wealth of opportunities originating from the ATG digital ecosystem and its associated services, along with other independent providers listed on the platform.

Through this “one window” approach, users in both Africa and the wider global diaspora can easily explore markets, find trusted partners, secure financing, comply with regulations, and conclude payments, all within a single digital environment.

Building Trust and Confidence Across Global Africa

At its heart, ATG is about trust—trust that businesses are legitimate, that payments will flow securely, and that regulations are clear and accessible. Through its platforms and its partnerships with banks across 30 African countries, ATG is eliminating uncertainty in cross-border transactions and opening doors for African businesses to confidently connect with global partners.

Progress and Success Stories

Since its launch, ATG has achieved significant impact. Among its successes:

- **ATG** has secured engagement from 84 banks and more than 7,000 companies registered across 30 countries, reflecting broad market acceptance.
- **MANSA** has grown into Africa's trusted due diligence platform, with more than 30,000 verified businesses - a breakthrough in building confidence for international transactions.
- **ATEX** has successfully facilitated transactions that include a 12,500 metric ton urea fertilizer import by an East African corporation. It has repeatedly overcome foreign exchange challenges and linked verified suppliers, buyers, and financiers across borders.
- **PAPSS** is operational across key markets, providing instant, secure local currency settlements. Once fully scaled, it is projected to save businesses more than \$5 billion annually in transaction costs.
- Institutional partnerships with chambers of commerce, export promotion agencies, and key trade bodies have deepened ATG's ecosystem and visibility.

These success stories are not isolated. They represent growing confidence among users, from SMEs to major corporations, that ATG delivers tangible value in driving intra-African and global-African trade. By integrating services through a single digital gateway, ATG brings to life the vision of a unified Africa. Traders register to find deals, banks offer financing and payment services, logistics providers connect to new clients, and regulators ensure transparent compliance all within one trusted environment.

Through continuous innovation, real-world success, and growing adoption, the ATG is advancing dream embodied in the AfCFTA of a single African market and expanding it to include the global African community.

The Way Forward

The ATG stands as a transformational force for building an integrated and confident Global Africa. As trade volumes grow, as more businesses and financial institutions join, and as diaspora communities reconnect with opportunities across the continent, ATG will be the digital backbone supporting Africa's next era of prosperity.

In the journey towards sustainable growth, global competitiveness, and a truly interconnected Africa, ATG is not just facilitating trade, it is leading it.

Chapter Three

Operations and Activities

Box 3.3 Global Africa Gateway: A Bridge to the African Diaspora

New Era of Global African Integration

Numbering more than 200 million people worldwide, according to the World Economic Forum, the African diaspora is a key but underleveraged asset for the development of Africa. Concentrated particularly in the Caribbean, Europe, Latin America, and North America, the diaspora constitutes a powerful force of intellectual capital, remittances and investment capital, entrepreneurial energy, and cultural influence.

The African Export-Import Bank (Afreximbank), recognising the growing need to engage this global community, launched the Global Africa Gateway in New York City in 2024. Strategically situated in one of the world's most influential financial and cultural hubs, the Gateway is designed to be the Bank's physical and symbolic bridge to Africans wherever they may be. It offers a tailored space for diaspora trade facilitation, investment mobilisation, policy dialogue, and cultural diplomacy.

The Gateway embodies Afreximbank's commitment to building an integrated Global Africa, in which diaspora and continental Africans collaborate in Africa's structural transformation. In 2025, the platform is expected to come into full operational maturity, delivering high-impact programming and partnerships across business, cultural, and policy spheres.

Redefining Diaspora Engagement: From Sentiment to Strategy to Reality

For decades, diaspora engagement has been framed through a sentimental and cultural lens, often focused narrowly on remittances or symbolic nation-branding. The Bank's approach is distinct: it is grounded in strategic, institutionalised, and scalable mechanisms to leverage diaspora capital, expertise, and networks to further the economic goals of Africa.

The Bank's Intra-African Trade Strategy defines intra-African trade as the exchange of goods and services not

only between African countries but also as trade between Africa and Africans, regardless of geographical location. By providing a robust platform for structured engagement, Afreximbank has enabled diaspora actors to shift from the margins to the mainstream of Africa's development architecture. The hallmark of this approach is ensuring shared value creation rooted in mutual benefit, sustainable development, and African agency.

The Global Africa Gateway operates as both an outpost and commercial catalyst, aligning cultural diplomacy with real economy outcomes. It serves as a living bridge, facilitating a reciprocal flow of knowledge, capital, creativity, and opportunity between the five regions of the African continent and its sixth—the diaspora.

Through this Gateway, Afreximbank is implementing critical initiatives to further trade intelligence solutions, business development, skills exchange, and policy advocacy. As part of its skills exchange initiatives, the Bank is implementing an internship placement programme for exceptional diaspora graduate students and a diaspora professionals network platform to promote the transfer of skills and knowledge and foster collaboration with the African continent. The policy advocacy component includes a comprehensive study of emerging economic and cultural trends in the African diaspora.

Strategic Objectives of the Global Africa Gateway

The Global Africa Gateway is anchored in five interrelated objectives:

- 1. Investment mobilisation.** Position the diaspora as a key source of capital for Africa's development priorities by facilitating investment flows into export-enabling sectors and connecting diaspora wealth to Afreximbank's investment vehicles, such as Fund for Export Development in Africa.
- 2. Trade linkages.** Enhance diaspora access to intra-African and global markets through trade facilitation mechanisms, export readiness programs, and diaspora-focused market entry support.

- 3. Policy and institutional engagement.**

Create spaces for knowledge exchange and collaborative policymaking between diaspora leaders and African institutions, particularly in trade, education, health, technology, and innovation.

- 4. Skills and knowledge exchange.**

Provide technical capacity building through the repatriation of diaspora skills back into the continent.

- 5. Culture and heritage.**

Provide a pan-African platform for harnessing culture and heritage to shape the African narrative to influence and support Africa's development, and to effectively commercialize that rich heritage to create jobs for Africa, Africans, and descendants of Africans around the world.

Laying the Foundation for a Global Africa

As Africa furthers its economic integration through the African Continental Free Trade Agreement and embraces the digital transformation reshaping global commerce, the African diaspora is emerging as a vital engine for sustainable growth and development.

Looking ahead, the Bank is committed to deepening thematic collaborations with the diaspora in trade, investment, and innovation. Through these efforts, Afreximbank continues to bridge the gap not only in geography but also in structure and opportunity, thereby transforming diaspora engagement from episodic to institutional, inclusive, and impactful.

The Global Africa Gateway is a cornerstone of Afreximbank's vision for an integrated Global Africa in which Africans, regardless of location, are united by shared purpose, empowered to invest in the continent's future, and positioned as co-creators of Africa's development story.

By embracing the full potential of Global Africa, Afreximbank is not only honoring the continent's collective heritage, but also laying the foundation for a resilient, connected, and prosperous future. This is a future where every African has the tools, trust, and platform to contribute meaningfully to Africa's progress.



Afreximbank launched the Global Africa Gateway in New York City in 2024. Strategically situated in one of the world's most influential financial and cultural hubs, the Gateway is designed to be the Bank's physical and symbolic bridge to Africans wherever they may be. It offers a tailored space for diaspora trade facilitation, investment mobilisation, policy dialogue, and cultural diplomacy.

4

Trade Development Impact of the Bank's Operations and Activities

The past year marked the beginning of the second half of the implementation of the Bank's sixth Strategic Plan, **Impact 2026: Extending the Frontiers (Plan VI)**. Despite the intense geopolitical and economic challenges of the past two years, the Bank continued to focus on its strategic priorities.



Chapter Four

Trade Development Impact of the Bank's Operations and Activities

4.1 Intra-African Trade

In the evolving context of intra-African trade, significant progress has been made in creating a more integrated continent, accelerated by implementation of the African Continental Free Trade Agreement. Amid shifting global dynamics, Africa is increasingly turning inward, strengthening regional cooperation, economic integration, and intra-African trade to build resilience and reduce external dependencies. As of 2024, 39 countries have started actual trading under the agreement's Guided Trade Initiative, reflecting growing confidence in this transformative trade deal and a shared commitment to expanding intra-African trade. The agreement-enabling initiatives developed by Afreximbank, in collaboration with the AfCFTA Secretariat and the African Union Commission, are helping facilitate seamless trade under the agreement. The Bank is also developing strategic partnerships and investment in industrial and trade-enabling infrastructure to support member states in expanding intra-African trade and accelerating long-term industrialisation, economic integration, and export development. More than US\$18 billion was disbursed in 2024. While 2024 remained challenging overall, the Bank's operations nonetheless delivered significant results.

Projects financed in 2024 under the Intra-African Trade strategic pillar will connect 296,241 rural farmers and small and medium enterprises (SMEs) in Africa to formal markets. With the help of Afreximbank and the agreement, standards have been adopted for 385 pharmaceutical and medical devices, 139 standards in 2024 alone, along with 60 standards in fashion, textiles, and leather goods. In the area of trade facilitation, the Dar es Salaam railway project, spanning 1,596 kilometres in Phase 1 and 1,685 kilometres in Phase 2, has made significant progress, with lots 1 and 2 (722 kilometres) now complete. Afreximbank financing helped leading exporters on the African continent win more than US\$1 billion in construction contracts and helped manage the exodus of international banks by financing their acquisition by leading African-owned financial institutions.

In advancing its work under the industrialisation and export development strategic pillar, the Bank continued to deepen its support through financing and technical services for the development of industrial infrastructure and the creation of value-added exports. In 2024, the Bank facilitated more than 50 transactions across the five African regions, stimulating US\$1.6 billion in manufactured exports, equivalent to 1.4 percent of Africa's total manufactured exports. The completion of two vertically integrated industrial parks in West Africa has created opportunities to generate more than 22,000 direct and indirect jobs. The first phase of a 60,000-barrel-per-day high-conversion petroleum modular refinery in Southern Africa is nearing completion and is set to be finalised in 2025, having already created 2,873 jobs during construction. In East Africa, the construction of an oil jetty and a 150,000-square-meter storage depot to support an industrial development free zone is scheduled for commissioning in 2025; these projects have the potential to generate US\$2.2 billion in additional government revenues over the next five years. The 141-megawatt Integrated Power Project in West Africa was completed in 2024 and is expected to reduce power outage costs for manufacturers by US\$1.3 billion annually, increase manufacturing output by US\$707 million, attract 2,000 new industries, support more than 28,000 local SMEs, and create 3,300 jobs.

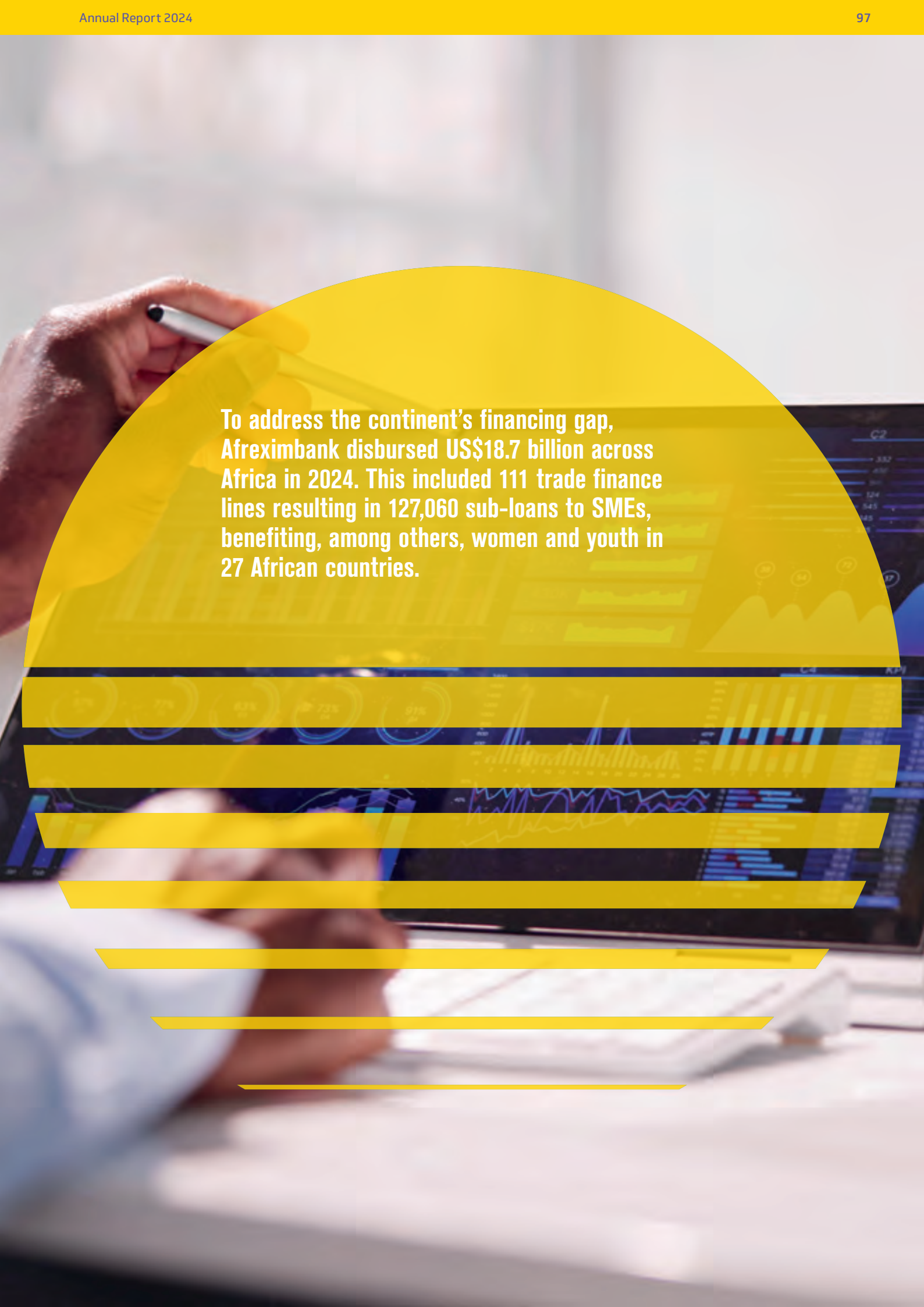
In Central Africa, investment is being made in a 200-unit solar photovoltaic power station with a 15-megawatt capacity; the station is projected to increase renewable energy production by 1.04 percent and to create 400 jobs during construction and 100 during operation. A leading agricultural processing company in East Africa supported by the Bank since 2021 has produced 924,104 meters of yarn and grey fabrics, 47 metric tons of knitted fabrics, and 64,313 garment pieces, benefiting 613 local enterprises and creating 370 direct jobs (40 percent held by women). The AMCE in West Africa is 80 percent complete and is set for commissioning in 2025. Feasibility studies reunderway for similar projects in other regions.

With respect to the Trade Finance strategic pillar, the Bank contributed to narrowing the trade finance gap in Africa by 18 percent (above the 15 percent annual target) in 2023. By the end of 2024, the Bank had cumulatively onboarded 533 African banks and extended letters of credit confirmation to 256 banks, benefiting 49 member states. The Bank also granted 111 trade finance lines, totalling US\$10.4 billion to 27 countries — predominantly least developed countries — across Africa to meet their trade financing needs. These finance lines resulted in 127,060 sub-loans to SMEs, benefiting, among others, women and youth. The Bank's Payment Services Programme made it possible for 203 banks and 134 corporations in 46 member states to access payment services, benefiting more than 321 sub-clients. An additional 11,239 profiles were added to the MANSA digital platform in 2024 for a total of 26,561, compared with 15,322 in 2023.

4.1.1 SUPPORTING IMPLEMENTATION OF THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT

The 39 countries that have commenced actual trading under the African Continental Free Trade Agreement's Guided Trade Initiative demonstrate growing confidence in this transformative trade deal and a shared commitment to boosting intra-African trade. The African Continental Free Trade Agreement-enabling initiatives developed by Afreximbank, in collaboration with the AfCFTA Secretariat and the African Union Commission, are helping facilitate seamless trade under the agreement, supporting the continent's economic integration and development.

The Pan-African Payment and Settlement System is streamlining transactions under the African Continental Free Trade Agreement. In 2024, the PAPSS network was expanded to three additional central banks, bringing the total using the system to 15. The system also welcomed 50 new commercial banks, increasing the total number of connected banks to 144. The integration of 3 additional switches further enhanced its operational capabilities, resulting in 13 switches.



To address the continent's financing gap, Afreximbank disbursed US\$18.7 billion across Africa in 2024. This included 111 trade finance lines resulting in 127,060 sub-loans to SMEs, benefiting, among others, women and youth in 27 African countries.

Chapter Four

Trade Development Impact of the Bank's Operations and Activities

The AfCFTA Adjustment Fund helps countries and the private sector adapt to the new trading landscape. Afreximbank, in collaboration with the AfCFTA Secretariat, has put in place the US\$8 billion AfCFTA Adjustment Fund. The African Union appointed Afreximbank as the manager of the fund platform that will compensate countries for tariff revenue losses arising from implementation of the African Continental Free Trade Agreement while preparing companies and countries to adjust to the new trading regime in an orderly manner. Afreximbank is contributing US\$1 billion to the fund.

The AfCFTA Transit Guarantee Scheme improves efficiency by enabling the seamless movement of goods under a single transit guarantee across 110 borders. In 2024, the Bank approved the Customs Bond/Guarantee Facility, covering all container-related obligations, including damage and total loss. This facility eliminates the need for users to pay upfront deposits—typically between US\$4,000 and US\$5,000 per container—to shipping lines.

In a market of 55 countries, harmonising standards and conformity assessments is essential for boosting intra-regional trade. To support this effort, the Bank is providing grant funding to the African Regional Standards Organization (ARSO) to standardize key sectors. So far, 385 pharmaceutical standards have been harmonised, including 139 in 2024. In fashion, textiles, and leather, 60 standards were harmonised during the year, with ongoing efforts in gastronomy and food services.

The Bank is establishing African quality assurance centres to enhance testing, inspection, and certification across the continent. The first is operational, with more centres underway in Benin, Gabon, Chad, and other countries.

4.1.2 DEEPENING ACCESS TO TRADE AND INVESTMENT INFORMATION

The Intra-African Trade Fair launched by Afreximbank, in collaboration with the African Union Commission and the AfCFTA Secretariat, has become a pivotal platform for advancing the Agreement's vision. The last fair, in Cairo in November 2023, drew 28,000 visitors and engendered trade deals worth US\$43.77 billion. The next fair is scheduled in Algiers in 2025.

To bridge the trade and market information gap, the Bank under its TRADAR Club, a prestigious member-driven network comprising TRADAR Intelligence and TRADAR Regulations, is helping businesses easily identify potential suppliers of inputs or distributors of their products in other parts of the continent as well as discover new markets, save time, access expert support, and respond to new business opportunities.

4.1.3 CONNECTING AFRICAN INDUSTRIES TO MARKETS

The Bank continued to make deliberate efforts to attract intra-African investment to encourage trade and create regional value chains.

Despite geopolitical and economic uncertainties, the Bank facilitated more than US\$1 billion worth of contracts for leading African firms in 2024 to help them compete effectively with global players in African markets, enabling them to win contracts across Africa and the Caribbean, specifically Comoros, Nigeria, Gabon, Guyana, and Mozambique. The contracts range from trade-enabling infrastructure to support for acquisition of African banks by leading continental banks.

Through its Diaspora Strategy, the Bank supports trade and investment cooperation between Africa and the Caribbean. It hosted the Africa-Caribbean Trade and Investment Forum in June 2024, an event which attracted more than 3,682 delegates and generated US\$4 billion in trade and investment deals.

4.1.4 INTRA-AFRICAN TRADE FACILITATION

Addressing constraints to intra-African trade also entails establishing efficient trade facilitation and logistics. The Bank is investing in railway construction, cross-border road networks, port upgrades, warehouses, and streamlined logistics processes to drive Africa's economic transformation. For example, with support from Afreximbank, Beitbridge border post in Zimbabwe, has increased its capacity by 30 percent, significantly reducing the average waiting time for commercial trucks from 35–39 hours to just 5 hours and saving approximately US\$567 to US\$671 per truck for each trip.

Similarly, the Dar es Salaam railway project, spanning 1,596 kilometres in Phase 1 and 1,685 kilometres in Phase 2, has made significant progress, with lots 1 and 2 (722 kilometres) now complete. Sixty-five passenger coaches and 17 electric locomotives have been delivered via the project. As of August 2024, 548 train trips carrying 393,910 passengers between Dar es Salaam, Morogoro, and Dodoma were completed. A total of 21,586 direct jobs and 80,000 indirect jobs have been created to date. Once complete, the railway will connect Dar es Salaam's ports to landlocked neighbouring countries, including Burundi, the Democratic Republic of Congo, Malawi, Uganda, and Zambia, fostering regional trade and economic integration across East Africa.

The Bank supports the construction of the Lobito-Luau railway, a narrow-gauge line linking Angola's port city of Lobito to Dar es Salaam in Tanzania and passing through the Copperbelt region of Zambia and the Democratic Republic of Congo. The Bank also backs investment to construct a 45-kilometre road linking Liberia's capital city to its only international airport, Roberts International Airport, and to the southwestern part of the country, which hosts its two major rubber plantations. When finished, the road is expected to facilitate the cross-border movement of more than 350,000 tons of cargo annually and to create 700 direct jobs.

Through its Project Preparation Facility, the Bank provides technical and financial support to the modernisation and expansion of a shipyard in the oil and gas-free zone in Onne, Nigeria. When completed, the project will increase dry dock crane lifting capacity from 500 metric tons to 9,000 metric tons, extend the ship repair vessel length by 76 meters, and expand the handling capacity from 1 vessel to 10 vessels. It is expected to generate about 2,000 direct jobs during the construction phase and 3,000 direct and indirect jobs once in operation.

4.1.5 TRANSFORMING INTRA-AFRICAN TRADE THROUGH INNOVATION

Digital innovations have the potential to enhance trade-related logistics, streamline customs processes, improve cross-border transaction payments and finance,

and encourage greater private sector participation in African trade.

The Bank's digital ecosystem, the Africa Trade Gateway, supports trading under the African Continental Free Trade Agreement through five digital platforms: PAPSS, MANSA, TRADAR Intelligence, TRADAR Regulations, and Africa Trade Exchange. The trade exchange has evolved beyond its role of aggregating Africa's demand to enhance market power in response to the Ukraine conflict into a seamless digital marketplace connecting buyers and sellers across Africa. In 2024, the Africa Trade Exchange facilitated US\$142 million in intra-African trade across eight countries, supporting 11 African exporters and importers of fertilizers, food, and oil and gas, while reducing cross-border transaction costs and generating US\$7 million in savings.

4.2 Industrialisation and Export Development

Unlocking the full potential of the African Continental Free Trade Agreement requires strategic partnerships and investments. The Bank plays a facilitative and catalytic role, working with the public and private sectors and international organizations. It is involved in work to support the building of a sustainable healthcare system, a regenerative export sector, and viable industrial and trade-enabling infrastructure that empower SMEs and create jobs for 420 million Africans.

4.2.1 DRIVING AGRIBUSINESS TO DIVERSIFY ECONOMIES

A significant share of value addition in the production of final goods on the continent occurs within the agricultural sector. The Bank, through investment in a leading agricultural processing company in Tanzania since 2021, has facilitated production of 924,104 meters of yarn and grey fabrics, 47 metric tons of knitted fabrics, and 64,313 garment pieces. The investment has benefited 613 local SMEs enterprises and created 370 direct jobs (40 percent filled by women). In 2024, the Bank expanded its support to this company to enable it to invest in high-tech machinery capable of processing short-fibre lint—a key challenge in local textile

production. This investment aims to reduce dependence on fabric and yarn imports. The support is expected to create 170 additional direct jobs across the continent and to benefit 2,424 local SMEs, further strengthening Africa's textile and garment industry.

As part of its ongoing effort to build a resilient food system, the Bank, in 2024, supported the construction and operationalisation of a 30,000 metric-ton-per-annum cashew processing factory within a vertically integrated company in Nigeria. The facility aims to enhance local processing capacity, add value to raw cashew exports, and strengthen the country's position in the global cashew market. Upon completion, the project is expected to boost value-added exports by US\$481 million, create about 450 jobs, and benefit 80 local SMEs, strengthening local industry and enhancing economic growth.

The Bank is supporting investment in construction of a freezing, processing, and storage plant for fish, with a capacity of 300 tons per day. The project in Mauritania is expected to boost exports by US\$110 million and to create 158 direct jobs, 34 percent of which will be held by women. In addition, the Bank is supporting one of Mauritania's largest food and consumer goods distributors, which previously relied on imports, to transition into a major integrated food production and distribution group in the subregion. This support will benefit more than 4,700 local SMEs and generate 319 direct jobs (40 percent of which will be held by women), strengthening regional food security and supply chains.

4.2.2 ENABLING ACCESS TO TRADE-RELATED INFRASTRUCTURE

Overcoming infrastructure bottlenecks requires development of well-functioning special economic zones as integrated production and trade hubs. In partnership with Arise Integrated Industrial Platform, Afreximbank is driving industrial growth by investing in such zones across Africa. Established zones in Gabon, Benin, Togo, Chad, and Rwanda, along with ongoing projects in Côte d'Ivoire, Nigeria, the Democratic Republic of Congo, Zambia, Kenya, and Malawi, are strengthening regional value chains, boosting intra-African trade and investment, and creating opportunities for small businesses,

especially for youth and women. Notably, the Gabon Special Economic Zone has generated 8,000 direct and 12,000 indirect jobs and attracted more than US\$1.6 billion in foreign direct investment. Togo's Adétikopé Industrial Platform is set to generate 8,200 direct and indirect jobs while Benin's special economic zone is expected to create 14,000 direct and indirect jobs. Special economic zones in the Democratic Republic of the Congo and Zambia are positioned to tap into Africa's 19 percent share of global critical minerals, supporting the US\$7.7 trillion electric vehicle market, projected to reach US\$46 trillion by 2050, strengthening Africa's role in the global energy transition.

In the oil and gas sector, the Dangote refinery, which began operations in 2024 with Afreximbank as primary lender, is reshaping Nigeria and Africa's energy landscape. The Bank had earlier financed the refurbishment of a refinery to produce 210,000 barrels-per-day and is supporting the recent development of another 200,000-barrels per day integrated refinery and petrochemical complex in Nigeria. The Bank is also financing the construction of a high conversion petroleum modular refinery in Cabinda, Angola. The first phase, with a capacity of 30,000 barrels per day, is expected to be completed in 2025. Ultimately, the refinery is expected to produce double that. About 2,873 jobs have been created during the ongoing construction phase.

In Djibouti, an Afreximbank-supported oil jetty and 150,000-square-meter storage depot project is set to be commissioned in 2025, enhancing marine connectivity to the Djibouti Industrial Development Free Zone and strengthening the country's position as a regional transshipment and logistics hub. This project is expected to generate US\$2.2 billion in government revenues over the next five years.

In the power sector, the Bank is investing in energy infrastructure to provide access to affordable electricity. A key example is Tanzania's Rufiji Dam Project, the largest intra-African engineering, procurement, and construction initiative developed entirely by African contractors and financed by African banks. Once complete, it is projected to generate 2,115 megawatts of electricity, significantly improving access to power in Tanzania and driving economic growth across East Africa.

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Trade Development Impact of the Bank's Operations and Activities

The 141-megawatt Aba Integrated Power Project in Nigeria was completed in 2024 and is set to significantly boost the local economy. It is expected to reduce power outage costs for manufacturing firms by US\$1.3 billion annually, increase manufacturing output by US\$707 million (8.1 percent of the state's GDP), attract 2,000 new industries, support more than 28,000 local SMEs, and create 3,300 direct and indirect jobs.

In Cameroon, the Bank is supporting construction of a 200-unit solar photovoltaic power station with a 15-megawatt capacity, enhancing the country's energy diversification. The project is expected to increase renewable energy production by 1.04 percent, create approximately 400 direct jobs during construction and 100 during operation, and benefit thousands of SMEs, industries, and households.

Lastly, the Bank is supporting the construction and installation of a solar-powered electricity generation project in Angola that is expected to produce 482,000 megawatts of clean energy, providing power to industries, small and medium enterprises and households and generating more than 800 jobs. Through its Project Preparation Facility, the Bank is also providing technical and financial support in preparation and development of 166 megawatts of hydropower and 46 megawatts of solar power in the Democratic Republic of Congo, with opportunities to attract US\$420 million in investment and create 2,000 direct and indirect jobs.

4.2.3 SUPPORTING SMALL AND MEDIUM ENTERPRISES OPERATING IN EXPORT SUPPLY CHAINS

Youth and women play a dominant role in the creative sector, which serves as a crucial driver of their economic empowerment. Afreximbank's Creative Africa Nexus initiative addresses the financing gap in Africa's creative industries by providing funding for infrastructure and strengthening activities across the creative value chain—including sports, film, music, fashion, arts and crafts, culinary arts, and more.

The CANEX Music Factory has benefited 68 aspiring songwriters, with two 12-rack CANEX music albums currently available on major streaming platforms, including iTunes and Spotify. More than 700,000 streams have been recorded since August 2024. The endeavour gives Africans in the creative industries a unique opportunity to join the growing list of recognised African songwriters with publishing stakes in the songs they help write.

In a similar vein, 50 African fashion designers representing 12 countries were supported under the CANEX to showcase and connect African Brands with global players at the Paris, Tokyo, and New York Fashion weeks in 2024, securing orders from France, Germany, Japan, the United Arab Emirates, the United Kingdom, and the United States.

The Afreximbank Factoring Programme, developed in 2017, is bridging the knowledge and financing gap for African SMEs in the export supply chain. Egypt, the Republic of Congo, Côte d'Ivoire, Mali, Niger, Togo, and Burkina Faso are among the countries that have adopted the Afreximbank Model Law. Nigeria, Kenya, and Madagascar are in the final stages of adoption. The Democratic Republic of Congo has amended its banking law to include factoring as a recognised banking product.

In addition, 27 factoring seminars have been conducted in 13 African countries over the past seven years. The Bank, in partnership with Factors Chain International, an online learning programme, has successfully trained more than 380 registered participants. Since its launch in 2022, 102 people have enrolled in Afreximbank's Certificate of Trade Finance in Africa programme. Forty-nine students have earned certificates of finance in international trade.

The Bank's support has contributed to the emergence of factoring companies in Cameroon, Senegal, Botswana, the Republic of Congo, Kenya, Uganda, Nigeria, Zimbabwe, Tanzania, Cabo Verde, Côte d'Ivoire, Togo, Niger, Burkina Faso, Mali, and Benin. Egypt, Mauritius, Morocco, and South Africa (the major markets for factoring) have witnessed a remarkable growth in their factoring companies from 33 in 2017 to 187 in 2023.

4.2.4 THE FUND FOR EXPORT DEVELOPMENT IN AFRICA

FEDA, a subsidiary of the Afreximbank Group, is dedicated to transforming Africa's export sector through its multi-investment impact fund platform.

In 2024, FEDA made seven strategic investments across various sectors, including value-added agricultural exports, telecommunications, logistics and transportation, financial services, and the creative industry. Its largest investment of the year was in Arise Integrated Industrial Platforms, reinforcing their joint commitment to developing special industrial zones across Africa, having already established such zones in Gabon, Benin, Togo, Chad, and Rwanda, with ongoing projects in Côte d'Ivoire, Malawi, Nigeria, the Democratic Republic of Congo, and the Republic of Congo.

Six new member states were added to the African Continental Free Trade Agreement in 2024: Egypt, Nigeria, Benin, Malawi, Gambia, and Guinea-Bissau. The Agreement had 20 signatories as of the end of December 2024.

4.3 Trade Finance

As implementation of the African Continental Free Trade Agreement intensifies, navigating the trade finance landscape effectively will be crucial for unlocking Africa's full trade potential and driving long-term economic growth across the continent.

In 2024, the Bank helped narrow the trade finance gap in Africa by 18 percent (above the 15 percent annual target). Through its Trade Facilitation Programme, the Bank cumulatively onboarded 533 African banks and extended letters of credit confirmation to 256 banks, benefiting 49 member states. The Bank also granted 111 trade finance lines totalling US\$10.4 billion to 27 countries across Africa (predominantly least-developed and landlocked countries) to meet their trade financing needs. These lines of credit resulted in 127,060 sub-loans to SMEs, benefiting, among others, women and youth.

The Bank's Payment Services Programme made it possible for 203 banks (233, including non-regional banks) and 134 corporations (222, including non-regional corporations) in 46 member states (67 including non-regionals) to access payment services, benefiting more than 321 sub-clients.

During 2024, the MANSA digital platform grew by 73.35 percent, onboarding 11,239 verified entities, bringing total onboarded entities to 26,561 from 15,322 in 2023. Onboarded entities include 21,834, SMEs 4,367 corporations, and 360 financial institutions, representing 82.20 percent, 16.44 percent, and 1.35 percent of the total entities, respectively.

Finally, AfrexInsure has made significant progress in 2024. Marketing and stakeholder engagement efforts raised the company's profile and awareness among insurance market players and clients, which catalysed success in business development. The company's specialty insurance solutions were deployed to a growing number of consumers across several sectors and geographies. By the end of the year, AfrexInsure had completed transactions in 17 countries, up from 7 in 2023.

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Box 4.1 Leveraging African Small and Medium Enterprises for an Integrated Global Africa

Once regarded as peripheral, SMEs are now considered of major strategic importance in modern economic and community development planning. There is broad consensus on the merits of devising strategies to enhance the contribution of such enterprises to socio-economic development, and on the positive impact they have on trade, job creation, industrialization, and innovation. SMEs make up 80–90 percent of all formal sector enterprises in Africa—even more when the informal sector is taken into account. The growth of these smaller businesses is among the most important stimulants of inclusive growth on the continent.

The African Export-Import Bank (Afreximbank) is deeply attuned to the prominent role SMEs can play in shaping the direction and volume of trade flows to and from the African continent. They represent a major opportunity to increase Africa's share of export markets, especially if enabled to supply larger domestic firms before becoming direct exporters.

Given that SMEs on the African continent often operate with limited access to finance, technology, equipment, and skilled human resources, a key challenge is to facilitate the growth of those with the capacity to be more competitive on a global scale. To that end, Afreximbank has launched several initiatives, including the Export SME Development Programme, Creative Africa Nexus, Innovation Lab, and Factoring and Supply Chain Solutions, which facilitate financial and non-financial support to enterprises that are aligned with the Bank's export-development objectives. These programmes are designed to provide the resources necessary for export-oriented SMEs to penetrate global value chains, expand their operations, and contribute to Africa's economic growth in a sustainable way.

Afreximbank identifies the critical enablers for SMEs throughout Global Africa to fulfil their potential as access to finance, capacity development and access to markets, technology and innovation, and favourable policies. The Bank has built support interventions for each of these enablers, as described in the following sections.

1. Access to finance. A major challenge to the development of SMEs on the continent is availability of financing and a scarcity of capital. Lenders and investors are typically skeptical of such enterprises, due to the limited assets they can offer as collateral. They are also rarely at ease with the sector's innovation-driven character, and there is a (sometimes unfounded) perception that SMEs struggle to commercialise their products and drive profitability.

To address the continent's financing gap, Afreximbank disbursed US\$18.7 billion across Africa in 2024. This included 111 trade finance lines resulting in 127,060 sub-loans to SMEs, benefiting, among others, women and youth in 27 African countries. Afreximbank has also committed US\$25 million to the establishment of a venture fund to provide equity, quasi-equity, and venture debt financing to high-impact, early-stage ventures throughout Global Africa.

2. Capacity development and access to markets. Human capital development is an essential building block of any commercial activity. Participation by SMEs in economic development is stymied by skills shortages, poor internal management practices, and low levels of workforce training. African SMEs are behind relative to such firms in other developing markets, such as Asia, in the use of managerial practices and methods. That gap limits the smaller businesses' ability to identify business opportunities and market niches and to take full advantage of opportunities arising from regional economic integration under the African Continental Free Trade Agreement. This gap also impedes SMEs' uptake of digital technologies and their effective use to enhance productivity and access new markets.

Afreximbank's initiatives are primed to mitigate those impeding factors. Under its Export SME Development Programme, the Bank facilitated skills development

training to more than 3,100 SMEs in 2024 through tailored incubator and accelerator programmes and workshops. The objective is to provide export-readiness support to SMEs with the propensity to participate in cross border trade and integrate into export value chains. Under the programme, training support was extended to SMEs in 45 countries, including 38 in Africa and seven in the Caribbean. The programme spanned countries where myriad languages are spoken. Capacity building programmes prioritized addressing underserved constituencies. Of beneficiaries, 68 percent were younger than 40 and 60 percent were women.

The Bank's interventions also connected 296,241 SMEs on the African continent to new markets. Initiatives included support to export trading companies, linkages to manufacturers in industrial parks, digital solutions under the Africa Trade Gateway, and the Intra-Africa Trade Fair.

3. Technology and innovation. The contribution of SMEs to innovation dynamics throughout Global Africa has increased in recent years, as technological advancements have enabled them to strengthen their value propositions and scale up quickly.

While not all African SMEs are innovative, smaller tech-enabled ventures are nimble and often the driving force behind radical innovations that are likely to propel Africa's industrial revolution. Such innovations are critical for economic growth, since they can work outside of dominant paradigms and exploit technological or commercial opportunities neglected by more established companies. African startups are increasingly able to quickly adopt innovation generated elsewhere, modify them to suit their indigenous contexts, and develop products to solve local problems.

In recent years, Afreximbank has scaled its support for technology-enabled SMEs, helping them drive export growth by leveraging digital solutions within the ATG, such as the Pan-African Payments and Settlement System (PAPSS), Trade Intelligence Solutions (TRADAR), and MANSA. In addition, the Bank is set to launch an Innovation Lab through which novel ideas that complement Afreximbank's mandate are nurtured and scaled, either as independent companies

or as initiatives that are integrated into the business of the Bank.

4. Favourable policies. Afreximbank's efforts on behalf of the development of SMEs on the African continent and beyond encompasses all pertinent areas in the legal and regulatory environment. However, the Bank continues to place particular emphasis on robust protection of intellectual property, the absence of which in African countries is frequently cited as a barrier to growth of the sector, particularly in the creative industries.

A functioning system of intellectual property rights regulate ownership, add value, and facilitate trade in goods and services, benefitting individual innovators and creative communities. The incentives and rewards such a system affords, encourage investment and the development of sustainable business models, helping produce lasting economic and social benefits. To foster such protections, Afreximbank has launched CANEX Creation Inc, an intellectual property holding company aimed at supporting the commercialization of intellectual property assets in Global Africa. The Bank will continue to work with the African Union and other key stakeholders to develop substantive intellectual property systems that provide effective copyright protection to African SMEs.

The Way Forward

The efforts of Afreximbank, supported by Africa's young, dynamic population and strong culture of innovation, along with sustained investment in the development of SMEs in the Caribbean and throughout Global Africa, will integrate these enterprises into global value chains and unlock their potential to compete effectively in the global economy.

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Box 4.2 Africa and the Diaspora: Past, Present, and Future Towards Global Africa

As Old as Human Civilization

Global Africa dates back to the very dawn of human civilization, when the earliest ancestors emerged on what is now the African continent and then migrated around the globe. Throughout human history, that migration—developed partially because of wars, enslavement, natural disaster and human exploitation—has had global impact. Unacknowledged for centuries by global forces, the African peoples' emerging interconnectedness through knowledge of culture has forged a presence rooted from a rich enduring continent with multifaceted identities worldwide.

Recent trade initiatives by the African Export-Import Bank (Afreximbank), under the auspices of the African Union, both honor and advance the enduring connections of that history and of Africans around the globe. Global Africa is based upon cultural affinity, now enjoying a re-emergence that is propelled forward by the vision and mission to restore Global Africa's stolen legacy.

Stolen Legacy and Continuous Resistance

Scholarly writings on Global Africa's rich heritage in all aspects of life shed light on Africa's stolen legacy, with notable focus on Egypt, Dahomey, Timbuktu, and Zimbabwe. Over the centuries, conquering powers plundered essential artifacts of this culture and knowledge for their museums and libraries, while erasing Global Africa's contributions to human civilization in the histories they wrote and taught. The conquerors took credit for all human knowledge, despite influences from the very societies they pillaged and sought to erase.

The oppressors false narrative of intellectual superiority served as the critical foundation upon which the current world order emerged, marked by prejudice, racism, inferiority complex, selective education, and more. Untruthful narratives and perspectives also resulted

in the oppression of African peoples, the slave trade, colonialism, and deeply unequal economic development.

The systematic forces of oppression put in place to keep Global Africa's stolen legacy unacknowledged decreed it illegal for Africans living in countless places in the world to learn to read and write, partake in their traditions, intermarry with others, and learn about themselves.

Despite such hateful efforts, history is replete with the successful resistance by Global Africans everywhere to centuries of oppression. Resistance has included rebellions, spiritual callings to the ancestors, the creation of maroon communities and secret societies, pan-African global congresses, and countless other acts that contributed to the eventual independence of Global Africa in mind and soil—and the resulting current reality.

With Trade as the Catalyst, Reclaiming the Stolen Legacy

Global Africa is reclaiming its stolen legacy every day, through trade amongst African nations, trade links to the nations of the Caribbean, and enhanced trade with other nations around the globe as the central force. Afrximbank is leading this charge on behalf of the African Union. The Bank has fostered intra-African trade through establishment of the African Continental Free Trade Area and promoted trade with the Caribbean under a trade treaty currently with 12 Caribbean nations that have strong cultural and historical affinity to Global Africa.

In the spirit of pan-African global congresses held during the Africa pre-independence period, three Afri-Caribbean Investment Forums have been held since 2022, with a fourth set to take place in Grenada in July 2025. These forums have illuminated a flame between Africa and the peoples of the Caribbean, many of whom are descendants of African peoples. The launching of an African Trade Center in Barbados, the first such trade hub in a former slave colony outside the African continent, is a historic step in the reversal of the stolen legacy of Global Africa. In addition, the Pan African Payment and Settlement System (PAPSS), Central Bank Deposit Programme, and the envisioned establishment of a CARICOM Export-Import Bank will have a long-lasting positive impact on trade and the

continued reversal of the stolen legacy. The role of emerging technologies and creative exports from Africa will continue to reshape the future so that the true history of African peoples is engrained notably in the minds of Global Africans everywhere.

Endless Future Potential

When the minds of Global Africans are set free from mental slavery and the lessons of their stolen legacy are understood, their genius will be fully unleashed. Greater interaction and trade opportunities among Global Africans will result in considerable creative energy devoted to positive economic outcomes. Global Africa is moving towards becoming an economic powerhouse, with Africans and descendants of Africans projected to make up 25 percent of the world's population by 2050, rising to 40 percent by 2100.

Furthermore, the focus on increasing trade and improving direct means of transportation among Global Africans should lead to major growth and development throughout the numerous regions where Africans and their descendants live. While human limitations and increased global challenges make the future of Global Africa difficult to predict, by understanding our rich legacy, endless possibilities abound. Global Africa marches on to reclaim its rightful place in the annals of history, guided by the spirits of the ancestors and deliberate actions of Global Africans to come.

Box 4.3 Reinventing the Middle Passage: Partnership Between African Export-Import Bank and the Caribbean Community

Genesis of the Partnership between Afreximbank and the Caribbean Community

August 2025 will mark two years since the official opening of the Caribbean Office of the African Export-Import Bank (Afreximbank) in Christ Church, Barbados, which made history as the first office of the Bank located outside of the African continent. The opening took place less than one year after the inaugural AfriCaribbean Trade and Investment Forum, also held in Barbados, during which the partnership between Afreximbank and the Caribbean Community (CARICOM) was formalized by the accession of several CARICOM member states to the Bank's Partnership Agreement. For many Caribbean delegates in attendance, this forum, which continues to be lauded as a tremendous success, was their first introduction to Afreximbank. However, the Bank had already made significant contributions to the region. In 2021, the Bank provided a US\$ 2 billion facility to support the joint procurement of 400 million doses of COVID-19 vaccines by the African Vaccine Acquisition Trust (AVAT) for African Union member states and Caribbean countries. This first, and most needed, intervention by the Bank in the region was a timely solution to a seemingly insurmountable challenge – the inability of Caribbean countries to secure vaccines due to their small populations – and a catalyst for the October 2021 signing of a Memorandum of Understanding between Afreximbank and the Government of Barbados. Since those initial engagements, Afreximbank has increased its role significantly in the development of Caribbean economies.

Accession of CARICOM Member States to Afreximbank Partnership Agreement

To date, 12 of the 15 CARICOM member states have acceded to the Afreximbank Partnership Agreement, with the Republic of Haiti the most recent. The parliaments of 11 of the member states have ratified the agreement. The accession to and ratification of the Agreement, which makes explicit reference to the African Union's designation of the African Diaspora as the sixth region of Africa, by the vast majority of CARICOM member states is a tangible recognition of the historical, cultural, and social ties between the two regions and the willingness of Caribbean nations to strengthen bonds with Continental Africa through increased integration and cooperation.

Expanding African-Caribbean Trade

The goal of strengthening ties between the Caribbean and Africa took a major step forward in 2022, when the inaugural AfriCaribbean Trade and Investment Forum, themed "One People. One Destiny. Uniting And Reimagining Our Future," was held in Bridgetown, Barbados. In her remarks at the opening ceremony, Secretary General of the CARICOM Secretariat, Dr. Carla Barnett, called the forum a platform for building bilateral cooperation and promoting trade, investment, technology transfer, innovation, tourism, culture, and other services. The forum brought together more than 1,200 delegates from 108 countries and a wide array of industries.

The 2023 forum, "Creating a Shared Prosperous Future", held in Guyana, built on the success of the first gathering. Participants focused on accelerating industrialization and manufacturing capacity; creating conditions to accelerate private sector investment; improving infrastructure, financing and trade logistics; developing Special Economic Zones and Industrial Parks; promoting trade, tourism, and regional integration; and improving agricultural productivity and agribusiness.

The 2024 forum, "Owning Our Destiny | Economic Prosperity on the Platform of Global Africa", was held in conjunction with the 31st Afreximbank Annual Meetings in The Bahamas, the first time the Bank's annual meetings were held in

the Caribbean. The historic proceedings brought together thousands of African and Caribbean delegates, including Heads of State, government officials, public and private sector representatives, industry leaders, and academics. They included plenary sessions and panel discussions on a range of topics pertinent to the development of both regions and facilitated business to government and business to business meetings to encourage increased trade and investment.

The event also featured the launch of the "Strengthening AfriCaribbean Trade and Investment" project, a joint endeavour of the International Trade Centre (ITC) and Afreximbank. Its goal is to boost trade and investment in Africa and the Caribbean and to enhance private sector cooperation. The launch followed the 2022 release of the ITC's Expanding African-Caribbean Trade report at the first forum which highlighted the limited and undiversified levels of trade between the regions despite their shared history and cultural ties and emphasized the importance of removing barriers to trade between Africa and the Caribbean to increase integration and cooperation. As stated by Professor Benedict Oramah, "The report confirms the vast Africa-Caribbean trade and investment opportunities that remain untapped. It provides a strong validation of Afreximbank's Caribbean Strategy. With a project pipeline of US\$2.5 billion and an investment pipeline worth US\$1.5 billion, the Bank has demonstrated its commitment to realizing opportunities across the region."

Building Disbursement Pipeline in Caribbean Deals

In the two years since it was established, the Afreximbank Caribbean Office has disbursed more than US\$60 million in support of regional projects and initiatives. The first was a US\$6 million education rehabilitation climate-linked sovereign term loan facility to the Government of Saint Lucia to support infrastructure rehabilitation in the country, including 25 schools damaged in June 2023 by tropical storm Bret.

Afreximbank has also disbursed a US \$25 million term loan facility to Kensington Oval Management Inc. to finance rehabilitation and maintenance of sports

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infrastructure ahead of the June 2024 International Cricket Council T20 World Cup, and a US \$30 million term loan facility to the Bahamas Development Bank to finance the trade and trade-related transactions of SMEs.

Through its presence in the Caribbean, Afreximbank is supporting a range of sectors of strategic importance to the region. It has established a US \$1 billion oil service financing facility in Guyana to enhance local participation in the petroleum industry in alignment with the government's local content policies. The Bank also signed a US \$200 million infrastructure agreement with the Government of the Bahamas to develop climate-resilient and trade enhancing infrastructure including road construction and energy sector development.

Contributing to Growing Resilience in the Caribbean

In addition to traditional financing, Afreximbank has made significant contributions to Caribbean nations through the provision of grants, technical assistance, and support. In 2024, following the passing of the category 4 Hurricane Beryl, the Bank donated more than US \$500,000 for disaster relief and rebuilding efforts in the Grenadian islands of Carriacou and Petite Martinique, several islands in Saint Vincent and the Grenadines, Saint Lucia, and Barbados. The Bank also established the Afreximbank Disaster Relief Assistance Programme to provide immediate and sustainable support in the future to its member countries in the aftermath of natural disasters.

In February 2025, while participating in the 48th Regular Meeting of the Conference of Heads of Government of CARICOM in Barbados, Afreximbank once again demonstrated its commitment to the region's efforts by awarding the CARICOM Development Fund a €708,000 grant agreement to support the development of the Growth, Resilience, and Sustainability Fund. The Fund is designed to provide blending and concessional financing and other commercial funding options to empower CARICOM member states to invest in critical infrastructure, climate adaptation projects, and sustainable development initiatives.

Also in 2025, Afreximbank offered a grant of US \$450,000 to facilitate the completion of a feasibility study for the establishment of a CARICOM Export-Import Bank. Such a bank, modelled on Afreximbank, would facilitate and deploy greater economic leverage for CARICOM member states, support increased competitiveness, contribute to trade expansion and diversification, promote economic growth, and build resilience.

The Bank has also forged strategic partnerships with key regional stakeholders including several multilateral organizations, development banks, trade and investment promotion agencies, and financial institutions, further cementing its commitment to the Caribbean region.

Afreximbank African Trade Centre

In March 2025, Afreximbank held a groundbreaking and land-handover ceremony for the Barbados Afreximbank African Trade Centre. The centre will be a business and investment hub designed to provide seamless access to integrated trade services, market data, and networking opportunities. The establishment of the trade centre is reflective of the Bank's steadfast commitment to championing trade across the region by fostering strong partnerships and creating a thriving ecosystem where businesses, investors, and policymakers can unite to drive sustainable economic progress. The centre will include a four-star hotel, conference centre and exhibition space, business innovation and incubation hub, and the Bank's regional office. The groundbreaking ceremony was attended by several Heads of State, including the prime ministers of Barbados and Grenada and the secretary general of the CARICOM Secretariat, who gave remarks on the importance of the burgeoning Africa-Caribbean partnership and expressed gratitude to the Bank for its work in advancing it.

Future of Afreximbank-CARICOM Partnership

In the two years since the opening of the Bank's Caribbean Branch Office, the Afreximbank-CARICOM Partnership has achieved tremendous success, serving as a representation of the opportunities for economic growth and development presented by integration and cooperation between Africa and the Caribbean region. Given recent geopolitical developments that have further highlighted the need for increased and diversified trade and investment between the regions, it is imperative that the momentum so far be sustained through continued engagements and the removal of impediments. This is reflected in the theme of the 4th AfriCaribbean Trade and Investment Forum, "Resilience and Transformation | Enhancing Africa-Caribbean Economic Cooperation in an Era of Global Uncertainty," to be held in St. George's, Grenada in July 2025. Afreximbank also continues to support the region through numerous financial instruments and initiatives, among them the Pan African Payment and Settlement System, which has been endorsed by Caribbean central banks and is the blueprint for the development of a Caribbean Payment and Settlement System. Finally, the Bank continues to push for the removal of barriers to trade, including through the establishment of direct air links between the regions which would further facilitate trade, investment, and tourism.

Images on following page:

1. New York, USA September 2024 – Haiti becomes the 12th CARICOM Member State to accede to the Partnership Agreement between and among CARICOM Countries and Afreximbank.
2. Nassau, Bahamas April 2024, Afreximbank and the Government of the Bahamas sign the Agreement for the Commonwealth of the Bahamas to host the 31st Afreximbank Annual Meetings and the 3rd AfriCaribbean Trade and Investment Forum.
3. Bridgetown, Barbados September 2022 – The Most Honourable Mia Amor Mottley, Prime Minister of Barbados, delivers remarks at the opening ceremony of the inaugural AfriCaribbean Trade and Investment Forum.

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5

Management's Discussion and Analysis of the Results of the Financial Year Ended 31 December 2024



Chapter Five

Management's Discussion and Analysis of the Results of the Financial Year Ended 31 December 2024

5.1 Introduction

This report presents and discusses the consolidated financial statements of African Export-Import Bank (“the Bank”) and its subsidiaries (together, “the Group”). The following are the subsidiaries within the Group: (1) the Fund for Export Development in Africa (FEDA) platform, comprising specific wholly owned Afreximbank subsidiaries, namely FEDA Holdings, FEDA Investment Management, and FEDA Capital; (2) Afreximbank Insurance Management Company (AfrexInsure); (3) African Medical Centre of Excellence Limited (AMCE); (4) African Quality Assurance Centre Limited (AQAC); (5) AFCFTA Adjustment Fund Corporation Limited (AFCFTA); and (6) CANEX Creations Incorporated (CANEX). The ensuing discussion presents the Group’s audited consolidated and separate Statements of Financial Position, Statements of Comprehensive Income, and Statements of Cash Flows for the year ended 31 December 2024.

5.2 Operating Environment

The year 2024 was marked by geopolitical tensions, notably the ongoing conflict in Ukraine and hostilities in the Middle East, resulting in volatility and uncertainty in financial markets. These challenges, combined with persistent inflationary pressures, elevated interest rates. Growing concerns over global debt sustainability further strained the global economic environment. While inflation showed signs of declining in some major economies, it remained elevated, prompting major money centers to maintain tight monetary policies. Consequently, financial markets remained tight, negatively impacting both sovereign and corporate borrowing costs.

Despite these challenges, the global economy grew by a modest 2.6 percent in 2024, representing the highest growth rate in the past three years. However, growth trajectories varied significantly across regions as the United States and China saw moderate expansion of 2.3 percent and 4.5 percent, respectively, while the Eurozone, United Kingdom, and Japan experienced economic slowdowns.

Supported by strategic investments in infrastructure, energy, and technology, along with the benefits of regional trade agreements, including the African Continental Free Trade Agreement (AfCFTA), Africa once again demonstrated resilience despite global challenges. Africa’s growth rate of approximately 3.5 percent in 2024 was pivotal in driving global growth. However, this rate was lower than the 4 percent recorded in 2023, primarily due to Africa-specific challenges, including debt sustainability concerns, high borrowing costs, and declining commodity prices. On the other hand, the economies of the Caribbean Community (CARICOM) remained strong in 2024 despite high debt levels, global economic uncertainty, and climate-related risks. The region’s overall growth was primarily fueled by the strong performance of the tourism sector, with a significant boost from Guyana’s emerging oil boom.

Amid these challenges, Afreximbank supported the African continent and CARICOM economies by providing customized financial solutions, delivered through strategic partnerships and

innovative financing structures, designed to address, Africa-specific and other challenges. These interventions were essential in boosting economic activities, ensuring food security, mitigating supply chain disruptions, and financing climate adaptation initiatives, thereby ensuring that African economies remained on a steady growth trajectory.

Building on the growth momentum of 2023, Afreximbank exceeded expectations, and delivered robust financial performance in 2024. The Group reaffirmed its position as a key financial partner for African economies, demonstrating its agility and resilience in navigating the complexities of the operating environment.

5.3 Summary of Group Financial Results

The financial results of the Group for the year ended 31 December 2024 are summarized as follows:

Matric	Key Highlights
Total assets and contingent liabilities	The Group’s total assets and contingencies grew by 7.55 percent to reach US\$40.1 billion as of 31 December 2024 (FY 2024), compared with US\$37.3 billion as at 31 December 2023 (FY 2023).
On-balance sheet assets	Total assets on the Group’s balance sheet were US\$35.3 billion at FY’2024, up from US\$33.5 billion at FY 2023.
Net loans and advances (loan portfolio)	The Group’s net loan portfolio grew by 8.54 percent to US\$29.0 billion as of 31 December 2024, compared with US\$26.7 billion as at FY 2023.
Liquidity position	Liquid assets made up 13 percent of Group total assets at the end of 2024, compared with 17 percent in 2023.
Asset quality (NPL ratio)	The Bank’s non-performing loan (NPL) ratio improved to 2.33 percent as of 31 December 2024, from 2.47 percent in FY 2023.
Performance	Gross income increased by 23 percent, reaching US\$3.3 billion in FY 2024 from US\$2.6 billion achieved in FY 2023; Net interest income rose by 25 percent to US\$1.8 billion for FY 2024, compared with US\$1.4 billion in FY 2023; and Net income grew by 29 percent to US\$973.5 million in FY 2024, up from US\$756.1 million in FY 2023.
Operational efficiency	The cost-to-income ratio improved to 18 percent in FY 2024, down from 19 percent in FY 2023, reflecting enhanced efficiency.
Profitability	Return on average shareholders’ Equity: increased to 15 percent in FY 2024 (FY 2023: 13 percent), and return on average assets was higher at 2.96 percent for FY 2024 (FY 2023: 2.56 percent).
Earnings per share (EPS)	Basic EPS increased to US\$10,395 in FY 2024, compared with US\$8,478 in FY 2023.
Capital adequacy	The Group maintained a capital adequacy ratio of 24 percent as of 31 December 2024 (FY 2023: 25 percent).

The Group's financial performance was primarily driven by the contributions from the Bank and FEDA while other subsidiaries remained in their early growth stages. AfrexInsure broke even in 2024, further strengthening the Group's financial stability. A detailed analysis of the Group's financial performance for the year ended 31 December 2024 compared to 31 December 2023 is presented below.

5.4 Statement of Financial Position

The Consolidated Statement of Financial Position shows the position of the Group's assets and liabilities as well as the shareholders' funds as of 31 December 2024. A detailed discussion of the Group's assets and liabilities for the year ended 31 December 2024 is presented hereunder.

5.4.1 ASSETS

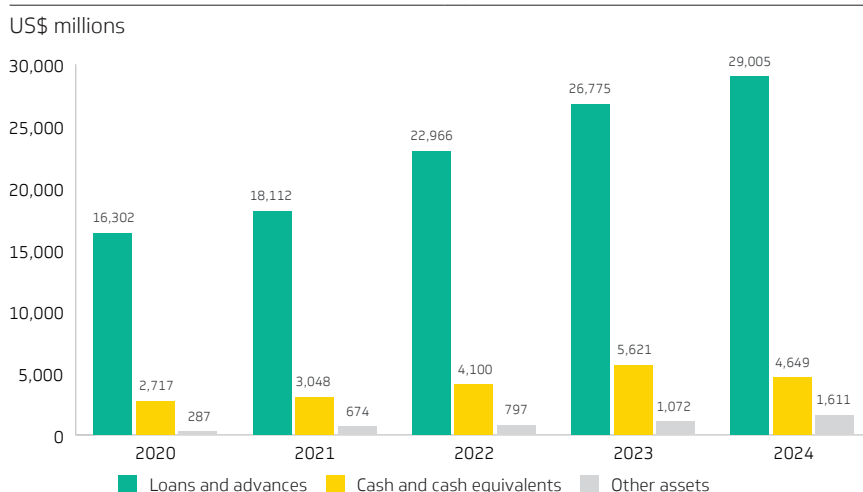
The Group's total assets, including guarantees and letters of credit, grew by 7.55 percent, reaching US\$40.1 billion as of 31 December 2024, compared to US\$37.3 billion at the close of FY 2023.

Total on-balance sheet assets of the Group grew by 5.37 percent from US\$33.5 billion as at FY 2023 to US\$35.3 billion as of FY 2024. The growth in Group assets was largely driven by increases in net loans and advances to customers, investments at fair value, and property and equipment.

Loans and advances to customers closed FY 2024 at US\$29.0 billion (FY 2023: US\$26.7 billion) and constituted 82 percent (FY 2023: 80 percent) of the Group's total assets as at FY 2024. The growth in loans and advances was on account of additional disbursements made during 2024 as the Bank continued to support the continent through various product offerings.

The loans and advances were mostly structured trade finance facilities, funded directly by the Bank on a bilateral basis or through syndicated arrangements. An analysis of the loan portfolio by beneficiary as of the end of 2023 showed that the share of corporations, including state-owned enterprises, was 33 percent (FY 2023: 34 percent), financial institutions' share was 50 percent (FY 2023: 50 percent)

Fig 5.1 Group assets, 2020–2024



and sovereigns' (governments') share was 17 percent (FY 2023: 16 percent). In line with its strategy, the Bank provided financial institutions with lines of credit to support their trade finance business. This strategy, whilst enhancing the Bank's footprint on the continent, also enables financial institutions to support their local counterparties, who, for various reasons, would not be able to access financing directly from the Bank.

The Bank achieved a wider geographical diversification of the portfolio, providing facilities in 47 African countries and 10 in the Caribbean Community (CARICOM) region.

Group cash and cash equivalents balances closed FY 2024 at US\$4.6 billion (FY 2023: US\$5.6 billion). The decrease in cash and cash equivalents arose from management's deliberate strategy to meet maturing obligations using internal resources while also controlling the costs associated with holding high levels of cash. The liquid assets to total assets ratio, at 13 percent as of FY 2024 (FY 2023: 17 percent), remained relatively high and within the Bank's strategic levels. The high liquidity levels enabled the Group to continue its planned impactful business activities, including ensuring the timely settlement of maturing obligations.

The Group's contingencies, which were made up of letters of credit and guarantees stood at US\$4.8 billion as at FY 2024, compared to US\$3.8 billion as of FY 2023. This significant growth is aligned with the Bank's strategic thrust to increase this line of business.

The carrying value of property and equipment increased by 33 percent, rising from US\$328.1 million to US\$436.4 million, primarily driven by the accelerated construction of the state-of-the-art Afreximbank African Trade Centre (AATC) facilities in Abuja, Nigeria, and Harare, Zimbabwe.

Included in the Group's total assets at FY 2024, were FEDA holdings' impactful investments amounting to US\$565.3 million (FY 2023: US\$297.2 million).

A summary of the key assets of the Group is shown in Figure 5.1

5.4.2 LIABILITIES

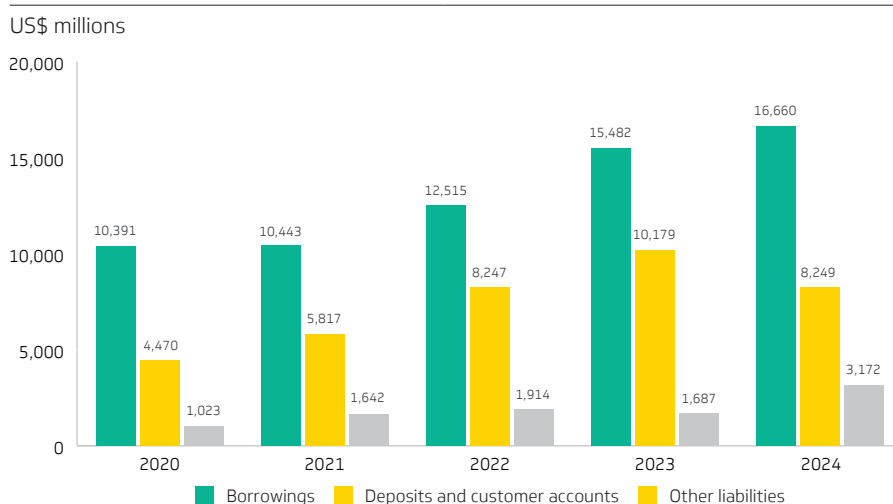
The Group's total liabilities position stood at US\$28.1 billion at FY 2024, representing an increase of 2.68 percent compared to the FY 2023 level of US\$27.3 billion.

Borrowings due to banks and debt securities in issue closed the period at US\$14.0 billion (FY 2023: US\$12.6 billion) and US\$2.6 billion (FY 2023: US\$2.9 billion), respectively. The increase in borrowings due to banks of US\$1.4 billion supported growth in loans and advances. On the other hand, the decline in debt securities in issue, after accounting for the US\$518 million raised during the year through Samurai bonds, was due to the repayment of matured bonds totaling US\$750 million. Money market deposits closed the FY 2024 period at US\$2.8 billion, compared to the FY 2023 level of US\$1.4 billion.

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Management's Discussion and Analysis of the Results of the Financial Year Ended 31 December 2024

Fig 5.2 Group liabilities, 2020–2024



Source: Afreximbank

As of 31 December 2024, the proportion of total borrowings (comprising borrowings due to banks and debt securities in issue) relative to the Group's liabilities remained stable at 59 percent (FY 2023: 57 percent). Deposits and customer accounts accounted for 29 percent of the Group's total liabilities (FY 2023: 37 percent) whilst money market deposits accounted for 10 percent of the Group's total liabilities (FY 2023: 5.03 percent).

The Group's total liabilities included US\$3.2 million owed by subsidiary entities to third parties outside the Group.

As can be seen in Figure 5.2, the major component of total liabilities over the past five years was borrowings, which comprised borrowings due to banks and debt securities in issue. In terms of geographical distribution, the outstanding borrowings were spread across mainland Europe, North and South America, the United Kingdom, Asia, the Middle East, and Africa.

5.4.3 SHAREHOLDERS' FUNDS

The Group's shareholders' funds, which closely align with those of the Bank, recorded a growth of 17 percent in 2024, reaching US\$7.2 billion (FY 2023: US\$6.1 billion). This growth was primarily driven by the successful capital-raising efforts under the GCI(II) programme, which secured fresh equity contributions totalling US\$412.8 million during the year.

Additionally, the net income of US\$973.8 million generated in 2024 contributed to the increase in equity. FY 2023 dividends of US\$314.5 million were appropriated following the shareholders' approval in June 2024.

The Bank's callable capital, a significant proportion of which was credit enhanced as part of the Bank's Capital Management Strategy, amounted to US\$4.3 billion as of 31 December 2024 (FY 2023: US\$3.7 billion).

5.5 Group Financial Performance

5.5.1 GROUP INTEREST INCOME AND FEES AND COMMISSION

Total Interest income reached US\$3.1 billion for FY 2024, compared to US\$2.5 billion for FY 2023. The 23 percent increase in Interest income was driven by higher market interest rates and a larger average volume of interest-earning assets.

Interest expenses reached US\$1.3 billion for FY 2024 compared to US\$1.0 billion recorded for FY 2023. This increase was driven by the increased interest-bearing liabilities and the prevailing higher interest regime.

Resultantly, FY 2024 net interest income amounted to US\$1.8 billion, a 25 percent growth in comparison to FY 2023. This increase reflects the impact of higher interest income earned during FY 2024, along with the effective and efficient management of borrowing costs.

Fees and commission income earned during the year under review grew by 26 percent from US\$140.1 million in FY 2023 to US\$176.9 million. This performance was largely driven by fees earned on Advisory services, letters of credit, and guarantees, which amounted to US\$64.2 million (FY 2023: US\$57.7 million), US\$61.2 million (FY 2023: US\$54.0 million), and US\$20.6 million (FY 2023: US\$19.4 million), respectively. The increases in the average volumes of letters of credit and guarantees were the primary drivers of the growth in the respective fees and commission income earned.

5.5.2 OPERATING INCOME

The Group's total operating income, which is the sum of net interest income, net fees and commissions income, and other operating income, reached US\$2.0 billion, a 26 percent increase over the level achieved in 2023. This increase was primarily driven by a 23 percent growth in gross revenues, which reached US\$3.3 billion in 2024, (FY 2023: US\$2.6 billion). The largest contributor to gross Income was interest income, amounting to US\$3.1 billion. This growth in interest income, was driven by an increase in interest-bearing assets and elevated global interest rates.

5.5.3 OPERATING EXPENSES

Operating expenses of the Group increased by 21 percent, reaching US\$367.7 million (FY 2023: US\$304.5 million). This increase was mostly driven by a 6.32 percent increase in personnel expenses and a 32 percent increase in administrative expenses, which totaled US\$136.4 million and US\$209.9 million, respectively. The increase was mainly due to global inflationary pressures and increased human resources capacity to support increased business activities as envisaged in the five-year Sixth Strategic Plan currently under implementation until December 2026.

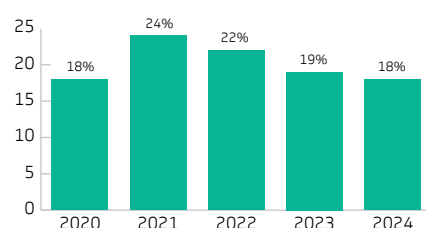
Depreciation and amortization expenses for FY 2024 increased by 22 percent to reach US\$21.3 million largely due to the increased depreciable assets of the Group.

The Bank accounted for 97 percent (FY 2023: 96 percent) of total expenses of the Group. Operating expenses of the subsidiary entities were US\$8.7 million (FY 2023: US\$13.1 million) for FY 2024 and mainly comprised personnel costs and Administrative expenses incurred by FEDA entities, AfrexInsure, AMCE, and AQAC.

5.5.4 COST-TO-INCOME RATIO

The cost-to-income ratio for the Group for FY 2024 stood at 18 percent (FY 2023: 19 percent) and was in line with the strategic target range of 17 percent to 30 percent. This improved level of efficiency was achieved notwithstanding the increase in operating expenses.

Fig 5.3 Group cost to income ratio: 2020–2024



Source: Afreximbank

5.5.5 EXPECTED CREDIT LOSS

The charge to the Group's Statement of Profit or Loss and Other Comprehensive Income in respect of Expected Credit losses (ECL) on financial instruments subject to IFRS-9 impairment amounted to US\$641.1 million for FY 2024 (FY 2023: US\$576.6 million). The increase in the ECL charge for the year was, in the main, due to the increase in lending activities, as evidenced by the 8.56 percent increase in net loans and advances.

Although loans and advances made up 64 percent of the Group's total financial assets (including unfunded balances) as of FY 2024, up from 60 percent in 2023, they represented 99 percent of the cumulative ECL for the year (FY 2023: 97 percent). This disproportionate contribution of loans and advances to the cumulative ECL was due to the perceived risks associated with loans and advances compared to other financial instruments.

As shown in Figure 5.4, total loans and advances of the Bank classified under IFRS-9 as Stage 1 and Stage 2 on 31 December 2024 represented 97.67 percent (FY 2023: 97.53 percent) of the Bank's total gross loans and advances, reflecting the consistently sound quality of the Bank's portfolio and the low probability of significant losses occurring in the near term. The asset quality was within the Bank's risk appetite levels. The NPL ratio on 31 December 2024 was 2.33 percent (FY 2023: 2.47 percent). The ECL ratio on loans and advances was 4.97 percent (FY 2023: 3.75 percent).

The consistently sound quality of the loans and advances portfolio, despite the increasingly challenging trading environment, demonstrated management's deep knowledge of the African markets, a direct result of prudent structured trade finance-based lending mechanisms and the benefits of preferred creditor treatment across the Bank's member countries.

Fig 5.4 IFRS-9 staging of the loans and advances.

	31 December 2024 to FY 2024				31 December 2023 to FY 2023			
	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000
Gross amount	28,049,638	2,066,139	718,661	30,834,438	25,262,563	2,142,458	693,415	28,098,436
Loss allowance	(66,074)	(887,037)	(580,026)	(1,533,137)	(140,487)	(556,550)	(356,863)	(1,053,900)
Modification loss	-	(43,035)	(1,649)	(44,684)	-	-	(7,756)	(882)
Suspended interest	-	-	(136,848)	(136,848)	-	-	(262,046)	(262,046)
Total provisions	(66,074)	(930,072)	(718,522)	(1,714,668)	(140,487)	(556,550)	(626,665)	(1,316,828)
Carrying amount	27,983,565	1,136,066	139	29,119,770	25,122,076	1,585,907	66,750	26,781,607

Source: Afreximbank.

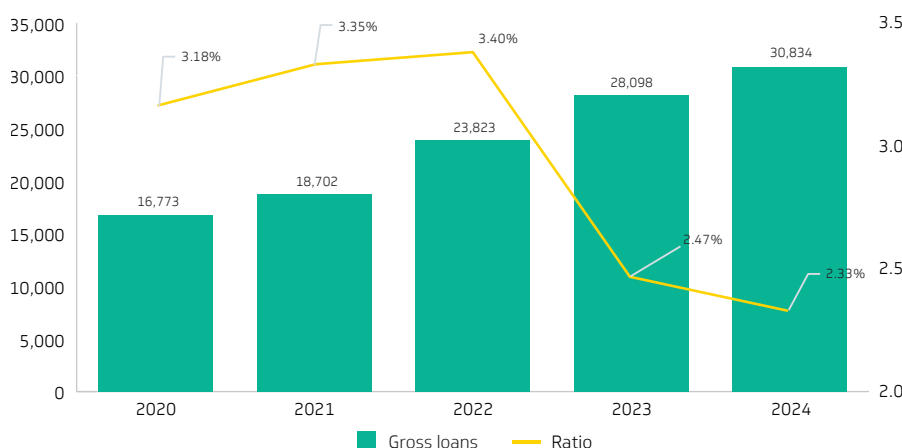
Stage 1 – Financial instruments with no significant increase in credit risk since recognition or with low credit risk at reporting date.

Stage 2 – Financial instruments with significant increase in credit risk since recognition but with no objective evidence of impairment.

Stage 3 – Financial instruments with objective evidence of impairment at reporting date.

Fig 5.5 Bank Non-Performing Loans (NPL) ratio versus gross loans, 2020–2024

US\$ millions



Source: Afreximbank

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Management's Discussion and Analysis of the Results of the Financial Year Ended 31 December 2024

5.5.6 DIVIDENDS

Due to the higher net income achieved during the year under review and in line with historical trends, directors recommended a dividend payout of US\$300 million (FY 2023: US\$264.6 million) to shareholders, representing a payout ratio of 31 percent (FY 2023: 35 percent). Additionally, in accordance with the resolution passed at the 2023 Annual General Meeting, a special dividend of US\$50 million for the concessionary financing window was proposed for FY 2024 (FY 2023: US\$50 million).

In determining the dividend level, the board of directors considered various factors, including the Bank's business needs, steady dividend growth, profit performance, inflation, capital adequacy, and earnings retention to support ongoing business expansion. This approach ensures a balance between internal and external financing sources.

Furthermore, as part of the General Capital Increase II initiative to raise capital for business growth, shareholders will have the option to acquire additional ordinary shares of the Bank out of their dividends.

Conclusions and Outlook

In a challenging and rapidly evolving global geopolitical and economic environment, the Group delivered a robust financial performance for the year ended 31 December 2024, exceeding expectations and outperforming the prior year. This achievement underscores management's commitment to executing the 6th Strategic Plan, ensuring operational efficiency, and enhancing value for stakeholders. The Group closed the year with a strong financial position, supported by solid liquidity, a well-capitalized balance sheet, and a high-quality asset portfolio.

Management remains confident in the Group's ability to navigate ongoing economic headwinds and sustain growth. Strategic initiatives to mitigate risks and optimize business operations reinforced the foundation for long-term success. As the Group advances toward the conclusion of its 6th Strategic Plan in December 2026, it will continue to focus on maintaining a prudent balance of profitability, liquidity, and risk management while pursuing sustainable expansion.

Looking ahead, global economic conditions are expected to remain volatile, with inflationary pressures, tighter financial conditions, and geopolitical uncertainties posing potential financial risks. However, Africa and the CARICOM economies present promising growth prospects, driven by economic transformation, infrastructure investments, and deepening regional and continental trade opportunities. The Group is well-positioned to leverage these opportunities while proactively managing risks, ensuring financial stability, and contributing to sustainable economic progress across the continent.

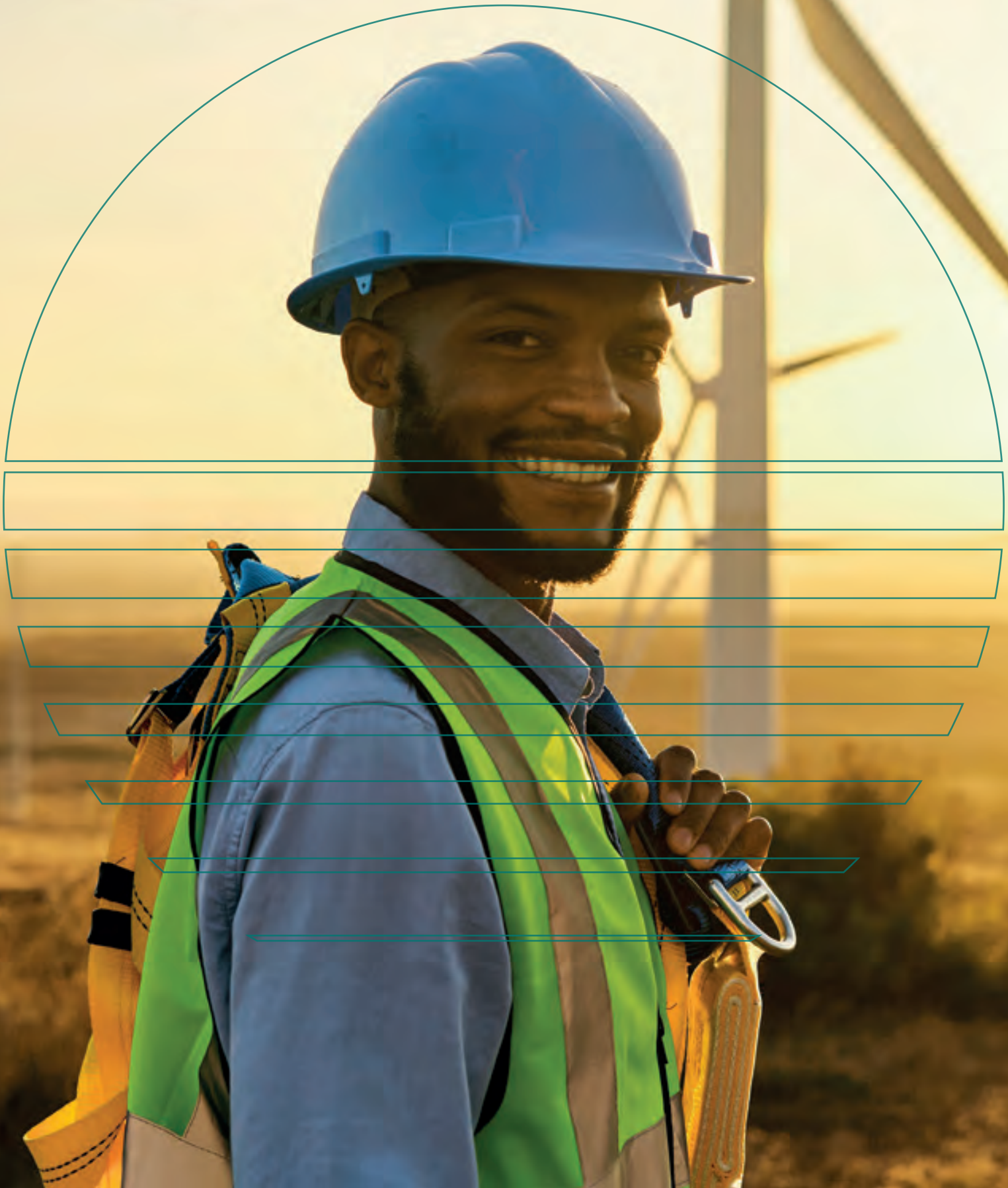


In a challenging and rapidly evolving global geopolitical and economic environment, the Group delivered a robust financial performance for the year ended 31 December 2024, exceeding expectations and outperforming the prior year.

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Financial Statements for the Year Ended 31 December 2024





Chapter Six

Financial Statements for the Year Ended 31 December 2024

Report of the Audit Committee to the Board of Directors and General Meeting of the African Export-Import Bank

In compliance with the provisions of Article 30(1) and (3) of the Charter of the African Export-Import Bank and pursuant to the terms of Resolution No. Afrexim/BD/9/95/02 concerning the establishment, membership, functions and powers of the Audit Committee of the African Export-Import Bank (as amended), the Audit Committee considered the audited Consolidated Financial Statements of the Bank and its subsidiaries, herein referred to as the Group, for the year ended 31 December 2024, at its meeting held on 20 March 2025.

In our opinion, the scope and planning of the audit for the year ended 31 December 2024 were adequate.

The Committee reviewed Management's comments on the Auditors' findings and both the Committee, and the Auditors are satisfied with Management's responses.

Attributable earnings of the Group amounted to US\$973.5 million (2023: US\$756.1 million), a 29 percent growth compared to the prior year on account of increased interest income, fees and commission income, and well managed cost of borrowing.

Despite the increase in Operating expenses mostly driven by global inflationary pressures and increased human resources capacity to support increased business activities as envisaged in the five-year Sixth Strategic Plan currently under implementation until December 2026, the Group maintained low Cost to Income ratio of 18 percent (2023: 19 percent).

The Return on Average assets (ROAA) and Return on Average Equity (ROAE) at 2.96 percent (2023: 2.56 percent) and 15 percent (2023: 13 percent), respectively, were also satisfactory and in line with internal targets.

Asset quality remained relatively high with NPL ratio of 2.33 percent (2023: 2.47 percent), well within the strategic ratio of 4 percent.

The Group's Shareholders' funds, at US\$7.2 billion, grew by 17 percent year on year on the back of capital injections and internally generated capital arising from higher profitability. With the Capital Adequacy ratio of 24 percent (2023: 25 percent), the Group's capitalisation is considered adequate in terms of the internal Capital Management guidelines as well as international benchmarks.

After due consideration, the Committee accepted the Report of the Auditors to the effect that, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Bank as at 31 December 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank's Charter.

The Committee, therefore, recommended that the audited Consolidated Financial Statements of the Group for the Financial Year ended 31 December 2024 and the Auditors' Report thereon be approved by the Board and presented for consideration to Shareholders at the thirty-second General Meeting.

The Committee accepted the provision made in the Financial Statements for the remuneration of the Auditors for the year ending 31 December 2025 and recommends that the Board accepts same. Furthermore, the Audit Committee recommends to the Shareholders the reappointment of Deloitte, Ghana and Ernst and Young Kenya as the Bank's External Auditors for the Financial Year 2025 at the combined Audit fee level of US\$462,500.



Mr. Kee Chong Wing
Chairman, Audit Committee

Members of the Committee

Mr. Kee Chong Wing, Mr. Ronald S. Ntuli, Mrs. Lydia Jafiya, and Ms. Yu Wen

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Financial Statements for the Year Ended 31 December 2024

Deloitte.



Independent Auditors' Report to the Shareholders of African Export-Import Bank

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of African Export-Import Bank (Afreximbank or the Bank) and its subsidiaries (together the "Group"), set out on pages 124 to 202, which comprise the consolidated and separate statements of financial position as of 31 December 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended and notes to the financial statements, which include material accounting policy information and other explanatory information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of African Export-Import Bank and its subsidiaries as of 31 December 2024 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the Bank's charter.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matter is the matter that, in our professional judgement, is of most significance in our audit of the consolidated and separate financial statements of the current year. This matter is addressed in the context of our audit of the consolidated and separate financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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Financial Statements for the Year Ended 31 December 2024

Deloitte.



Independent Auditors' Report (continued)

Key Audit Matter	How Our Audit addressed the Key Audit Matter
<p>Expected credit losses on loans and advances</p> <p>This key audit matter is applicable to the separate financial statements.</p> <p>IFRS 9 Financial Instruments requires the recognition of expected credit losses (ECL) on certain financial assets and off-balance sheet exposures within the scope of its impairment model.</p> <p>The ECL on instruments, which are in scope of IFRS 9 for impairment purposes is measured using the three-stage model, which is outlined in note 8.2, 9.3, and 25 to the consolidated and separate financial statements.</p> <p>The impairment of loans and advances was a matter of utmost significance due to the significant management judgement applied in determining the impairment, particularly in relation to classifying credit exposures according to the relevant impairment stages (as informed by Significant Increase in Credit Risk (SICR) criteria, and default status) due to the management judgements and assumptions used in the staging of the loans and advances.</p> <p>For facilities in Stage 2, there is the risk that the Bank</p> <ul style="list-style-type: none"> – has not appropriately applied the default definition as stated in the ECL policy – has not identified all default conditions (delinquency information and credit ratings) applicable to the loan asset – has not appropriately identified facilities that are in default and as result, the related facilities have not been transitioned to a higher credit risk category (Stage 3). <p>The Bank's loan and advances, subject to credit risk, were US\$ 30.83 billion as of 31 December 2024 (2023: US\$ 28.10 billion), which represents a material portion of the Bank's financial position and results.</p> <p>Furthermore, the total impairment position of the Bank on the loans and advances was US\$ 1.53 billion as of 31 December 2024 (2023: US\$ 1.05 billion).</p>	<p>Our audit of the expected credit losses on loans and advances included the following procedures:</p> <ul style="list-style-type: none"> – We assessed the appropriateness of accounting policies and evaluated the impairment methodologies applied by the Bank against the requirements of IFRS 9. – We evaluated the design and tested the implementation of relevant controls relating to the determination of changes in credit risk, that is, significant increases in credit risk and default criteria, and the modelling process, including governance of models monitoring and approval of key assumptions. – We utilised our valuation experts to assess whether the models used by the Bank complied with the requirements of IFRS 9. – For loans and advances classified in Stage 2, we assessed the judgement applied by management in determining staging by understanding the assumptions and comparing them with financial information and other publicly available information relating to borrower, credit ratings, historical performance of exposures, contractual terms, and other appropriate data. – We tested the mathematical accuracy of the expected credit losses for a sample of loans. – We assessed the completeness and adequacy of disclosures in the financial statements against the requirements of IFRS 7. <p>Based on the procedures described above, we found management's estimate to be reasonable.</p>

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Financial Statements for the Year Ended 31 December 2024

Deloitte.



Independent Auditors' Report (continued)

Other Information

The directors are responsible for the other information, which comprises the information included in the document titled "African Export-Import Bank Annual Report 2024. It should be made available to us after the date of the auditors' report. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information, and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the Bank's charter and for such internal control as the directors determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group and/or the Bank or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Group and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 Group and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate 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 auditors' report. However, future events or conditions may cause the Group, Bank, or both to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Deloitte.



Independent Auditors' Report (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Bank's charter, we also report that we have obtained all the information and explanations we consider necessary for the purposes of our audit. The Group's financial statements agree to the accounting records.

The engagement partners on the audit resulting in this independent auditors' report are Emmanuel Martey (ICAG/P/1476) and Tom Nyakoe (ICPAK P/2283).

Deloitte & Touche

Deloitte & Touche (ICAG/F/2025/129)
Chartered Accountants
The Deloitte Place
Off George Walker Bush Highway
North Dzorwulu
Accra, Ghana

Date: 28 March 2025

Ernst & Young

Ernst & Young LLP (ICPAK PF/3)
Certified Public Accountants
Kenya Re Towers
Upper Hill
Off Ragati Road
Nairobi, Kenya

Date: 28 March 2025

Chapter Six

Financial Statements for the Year Ended 31 December 2024

AFRICAN EXPORT-IMPORT BANK

Consolidated and Separate Statements of Financial Position for the Year Ended 31 December 2024

		GROUP		BANK	
	Note	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
ASSETS					
Cash and cash equivalents	24	4,649,088	5,621,887	4,648,638	5,621,431
Derivative assets held for risk management	11	17,346	3,763	17,346	3,763
Financial assets at fair value through profit or loss	29 a)	565,307	297,205	–	–
Loans and advances to customers	25	29,004,989	26,722,831	29,119,770	26,774,733
Prepayments and receivables	26	188,005	145,595	196,615	203,842
Investment securities at amortised cost	29 b)	364,749	318,838	364,449	318,838
Other assets	28	26,658	19,159	26,409	18,280
Property and equipment	33	436,428	328,100	282,055	226,130
Intangible assets	34	12,080	11,231	9,995	11,231
Investment in subsidiaries	27	–	–	598,219	295,542
Total assets		35,264,650	33,468,609	35,263,496	33,473,790
LIABILITIES					
Derivative liabilities held for risk management	11	–	25,751	–	25,751
Money market deposits	31	2,818,977	1,376,761	2,824,527	1,377,820
Borrowings due to banks	30	14,041,190	12,629,756	14,041,190	12,629,756
Deposits and customer accounts	35	8,248,996	10,178,933	8,278,172	10,188,316
Debt securities in issue	32	2,618,628	2,852,509	2,618,628	2,852,509
Other liabilities and provisions	36	353,114	284,122	361,090	281,464
Total liabilities		28,080,905	27,347,832	28,123,607	27,355,616
EQUITY					
Share capital	37	990,126	920,528	990,126	920,528
Share premium	38	2,531,247	2,188,009	2,531,247	2,188,009
Warrants	39	167,423	183,914	167,423	183,914
Reserves	40	1,752,377	1,438,868	1,750,669	1,438,868
Retained earnings	41	1,740,375	1,389,458	1,700,424	1,386,855
Capital and reserves attributable to owners of the Bank		7,181,548	6,120,777	7,139,889	6,118,174
Non-controlling interests		2,197	–	–	–
Total capital funds		7,183,745	6,120,777	7,139,889	6,118,174
Total liabilities and equity		35,264,650	33,468,609	35,263,496	33,473,790

The Board of Directors approved the financial statements on 23 March 2025 and signed on its behalf as follows:

Professor Benedict Okey Oramah
Chairman of the Board of Directors

The above consolidated and separate statements of financial position should be read in conjunction with the accompanying notes from note 1 to 47.

AFRICAN EXPORT-IMPORT BANK

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2024

	Note	GROUP		BANK	
		2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Interest income calculated using the effective interest method	14	3,059,722	2,483,271	3,068,850	2,485,121
Interest expense calculated using the effective interest method	15	(1,263,604)	(1,044,764)	(1,263,793)	(1,044,764)
Other interest income/(expense)	16	15,164	5,868	(1,186)	(10,286)
Net interest income		1,811,282	1,444,375	1,803,871	1,430,071
Fee and commission income	17	176,923	140,051	155,330	139,950
Fee and commission expense	18	(4,045)	(9,535)	(4,045)	(9,535)
Net fee and commission income		172,878	130,516	151,285	130,415
Other operating revenue	19	19,784	20,556	20,138	20,416
Personnel expenses	20	(136,422)	(128,309)	(130,690)	(124,391)
General and administrative expenses	21	(209,941)	(159,060)	(221,893)	(150,839)
Depreciation and amortisation expense	33, 34	(21,300)	(17,130)	(19,681)	(16,156)
Exchange adjustments		(4,928)	15,038	(2,781)	16,393
Fair value gains from financial instruments at fair value through profit or loss	11	27,926	34,507	21,985	20,616
Fair value loss on modification of financial instruments at amortised	9.3.4	(44,684)	(7,756)	(44,684)	(7,756)
Credit losses on financial instruments	22	(641,063)	(576,633)	(641,063)	(576,633)
PROFIT FOR THE YEAR		973,532	756,104	936,487	742,136
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Gains on revaluation of land and buildings	33	5,116	17,466	3,408	17,466
Total items that will not be reclassified to profit or loss		5,116	17,466	3,408	17,466
Total other comprehensive income		5,116	17,466	3,408	17,466
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		978,648	773,570	939,895	759,602
Profit for the year attributable to:					
Owners of African Export-Import Bank		973,835	756,104	936,487	742,136
Non-controlling interest in AfCFTA Adjustment Fund		(303)	–	–	–
		973,532	756,104	936,487	742,136
Earnings per share					
Basic earnings per share (expressed in US\$000 per share)	23	10.39	8.48	10.00	8.32
Diluted earnings per share (expressed in US\$000 per share)	23	4.23	3.56	4.07	3.49

The above consolidated and separate statements of comprehensive income should be read in conjunction with the accompanying notes from note 1 to 47.

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Financial Statements for the Year Ended 31 December 2024

AFRICAN EXPORT-IMPORT BANK

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital US\$000	Share premium US\$000	Non- controlling interest US\$000	Warrants US\$000	General reserve US\$000	Asset revaluation reserve US\$000	Project preparation facility fund reserve US\$000	Retained earnings US\$000	Total US\$000
Balance as at 1 January 2024	920,528	2,188,009	–	183,914	1,375,908	54,192	8,768	1,389,458	6,120,777
Comprehensive income									
Profit for the year	–	–	(303)	–	–	–	–	973,835	973,532
Other comprehensive income									
Asset revaluation reserve	–	–	–	–	–	5,116	–	–	5,116
Total comprehensive income	–	–	(303)	–	–	5,116	–	973,835	978,648
Transactions with equity owners of the Bank									
Transfer to/(from) reserves	–	–	–	–	310,981	–	–	(310,981)	–
Depreciation transfer: buildings	–	–	–	–	–	(2,588)	–	2,588	–
Warrants issue/cost of unredeemed warranty in issue	–	–	–	(16,491)	–	–	–	–	(16,491)
Issued and paid in capital during the year	69,598	343,238	2,500	–	–	–	–	–	415,336
Dividends declared out of profit for the year ended 31 December 2023	–	–	–	–	–	–	–	(314,525)	(314,525)
Balance as of 31 December 2024	990,126	2,531,247	2,197	167,423	1,686,889	56,720	8,768	1,740,375	7,183,745
Balance as of 1 January 2023	849,504	1,909,267	–	183,914	1,104,893	40,722	10,977	1,107,516	5,206,793
Comprehensive income									
Profit for the year	–	–	–	–	–	–	–	756,104	756,104
Other comprehensive income									
Asset revaluation reserve	–	–	–	–	–	17,466	–	–	17,466
Total comprehensive income	–	–	–	–	–	17,466	–	756,104	773,570
Transactions with equity owners of the Bank									
Transfer to/(from) reserves	–	–	–	–	271,015	–	(2,209)	(268,806)	–
Depreciation transfer: buildings	–	–	–	–	–	(3,996)	–	3,996	–
Issued and paid in capital during the year	71,024	278,742	–	–	–	–	–	–	349,766
Dividends declared out of profit for the year ended 31 December 2022	–	–	–	–	–	–	–	(209,352)	(209,352)
Balance as of 31 December 2023	920,528	2,188,009	–	183,914	1,375,908	54,192	8,768	1,389,458	6,120,777

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes from note 1 to 47.

AFRICAN EXPORT-IMPORT BANK

Separate Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital US\$000	Share premium US\$000	Warrants US\$000	General reserve US\$000	Asset revaluation reserve US\$000	Project preparation facility fund reserve US\$000	Retained earnings US\$000	Total US\$000
Balance as of 1 January 2024	920,528	2,188,009	183,914	1,375,908	54,192	8,768	1,386,855	6,118,174
Comprehensive income								
Profit for the year	–	–	–	–	–	–	936,487	936,487
Other comprehensive income								
Asset revaluation reserve	–	–	–	–	3,408	–	–	3,408
Total comprehensive income	–	–	–	–	3,408	–	936,487	939,895
Transactions with equity owners of the Bank								
Transfer to/(from) reserves	–	–	–	310,981	–	–	(310,981)	–
Depreciation transfer: buildings	–	–	–	–	(2,588)	–	2,588	–
Warrants issue/cost of unreedemed waranty in issue	–	–	(16,491)	–	–	–	–	(16,491)
Issued and paid in capital during the year	69,598	343,238	–	–	–	–	–	412,836
Dividends declared out of profit for the year ended 31 December 2023	–	–	–	–	–	–	(314,525)	(314,525)
Balance as of 31 December 2024	990,126	2,531,247	167,423	1,686,889	55,012	8,768	1,700,424	7,139,889
Balance as of 1 January 2023	849,504	1,909,267	183,914	1,104,893	40,722	10,977	1,118,881	5,218,158
Comprehensive income								
Profit for the year	–	–	–	–	–	–	742,136	742,136
Other comprehensive income								
Asset revaluation reserve	–	–	–	–	17,466	–	–	17,466
Total comprehensive income	–	–	–	–	17,466	–	742,136	759,603
Transactions with equity owners of the Bank								
Transfer to/(from) reserves	–	–	–	271,015	–	(2,209)	(268,806)	–
Depreciation transfer: buildings	–	–	–	–	(3,996)	–	(3,996)	–
Issued and paid in capital during the year	71,024	278,742	–	–	–	–	–	349,766
Dividends declared out of profit for the year ended 31 December 2022	–	–	–	–	–	–	(209,352)	(209,352)
Balance as of 31 December 2023	920,528	2,188,009	183,914	1,375,908	54,192	8,768	1,386,855	6,118,174

The above separate statement of changes in equity should be read in conjunction with the accompanying notes from note 1 to 47.

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Financial Statements for the Year Ended 31 December 2024

AFRICAN EXPORT-IMPORT BANK

Consolidated and Separate Statements of Cash Flows for the Year Ended 31 December 2024

		GROUP		BANK	
	Note	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
CASHFLOW FROM OPERATING ACTIVITIES					
Profit for the year		973,532	756,104	936,487	742,136
Adjustments for:					
Expected credit losses on financial instruments	22	641,063	576,633	641,063	576,633
Loss on modification of financial instruments at amortised cost		44,684	7,756	44,684	7,756
Depreciation of property and equipment	33	17,419	11,788	15,800	11,681
Amortisation of intangible assets	34	3,881	4,093	3,881	4,093
Other non-cash income		–	–	18,775	–
Net interest income		(1,811,282)	(1,444,375)	(1,803,871)	(1,430,071)
Fair value gains from financial instruments at fair value through profit or loss		(27,926)	(34,507)	(21,985)	(20,616)
		(158,629)	(122,508)	(165,166)	(108,388)
Changes in:					
Purchase of financial assets held at fair value through profit or loss	29 (a)	(255,000)	(122,294)	–	–
Loans and advances to customers		(2,903,491)	(4,034,056)	(2,903,491)	(4,034,056)
Prepayments and receivables		(42,409)	(8,718)	(51)	(66,941)
Other assets		947	31,407	947	32,634
Derivatives assets held for risk management		(4,683)	(5,974)	(4,683)	(5,974)
Derivatives liabilities held for risk management		38,836	–	38,836	–
Money market deposits		1,446,707	(286,834)	1,446,707	(286,834)
Deposits and customer accounts		(1,904,638)	1,899,071	(1,910,144)	1,919,525
Other liabilities and provisions		75,430	(43,022)	79,630	(43,023)
		(3,706,930)	(2,692,928)	(3,417,415)	(2,593,057)
Interest received		2,700,121	2,181,703	2,677,977	2,181,703
Interest paid		(1,312,832)	(1,082,958)	(1,312,832)	(1,082,958)
Net cash used in operating activities		(2,319,641)	(1,594,183)	(2,052,270)	(1,494,312)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property and equipment	33	(120,237)	(69,052)	(68,535)	(57,831)
Payments for software and development costs	34	(4,730)	(3,818)	(2,645)	(3,818)
Purchase of financial assets held at amortised cost	29 (b)	(46,884)	(33,168)	(46,584)	(33,168)
Investments in subsidiaries	27	–	–	(321,452)	(111,162)
Net cash used in investing activities		(171,851)	(106,038)	(439,216)	(205,979)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issued and paid in capital during the year	37,38	220,499	272,323	220,499	272,323
Interest repayments on warrants in issue	39	(16,491)	–	(16,491)	–
Dividends paid to equity holders of Afreximbank	38.2	(67,288)	(71,734)	(67,288)	(71,734)
Proceeds from borrowings due to banks	30	9,437,649	6,391,659	9,437,649	6,391,659
Repayment of borrowings due to banks	30	(7,815,971)	(2,879,308)	(7,815,971)	(2,879,308)
Proceeds from debt securities in issue	32	518,578	–	518,578	–
Repayment of debt securities in issue	32	(750,000)	(500,000)	(750,000)	(500,000)
Net cash inflows from financing activities		1,526,976	3,212,940	1,526,976	3,212,940
Net (decrease)/increase cash and cash equivalents		(964,516)	1,512,719	(964,510)	1,512,649
Cash and cash equivalents at the beginning of the financial year		5,621,887	4,099,624	5,621,431	4,099,238
Effect of exchange rate fluctuations on cash and cash equivalents held		(8,283)	9,544	(8,283)	9,544
CASH AND CASH EQUIVALENTS AS OF 31 DECEMBER	24	4,649,088	5,621,887	4,648,638	5,621,431

The above consolidated and separate statements of cash flows should be read in conjunction with the accompanying notes from note 1 to note 47.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The consolidated financial statements of the African Export-Import Bank comprises of financial information from nine entities, namely, African Export-Import Bank, the Fund for Export Development in Africa (FEDA) Holding Company, FEDA Investments Limited, FEDA Capital, African Quality Assurance Centre Limited, African Medical Centre of Excellence Limited, Afrexim Insurance Management Company, AfCFTA Adjustment Fund, and CANNEX Incorporation Limited, which together will be referred to as the Group.

Afreximbank, headquartered in Cairo, Egypt, is a supranational institution, established on 27 October 1993. The Bank started lending operations on 30 September 1994. The principal business of the Bank is the finance and facilitation of trade among African countries and between Africa and the rest of the world. The Bank's headquarters is located at No. 72 (B) El Maahad El Eshteraky Street, Heliopolis, Cairo 11341, Egypt. In addition, the Bank has branches in Abuja (Nigeria), Harare (Zimbabwe), Abidjan (Cote D'Ivoire), Kampala (Uganda), Younde (Cameroon), and Bridgetown (Barbados).

FEDA Holding Company (FEDA HOLDCo), headquartered in Kigali, Rwanda, is a supranational institution. Established on 14 December 2021, it started operations in 2021. The principal business of the FEDA Holding Company is to facilitate foreign direct investment flows into Africa's trade and export sectors and to fill the equity funding gap in the Continent. The Bank holds 100 percent ownership interest in FEDA Holding Company.

FEDA Investments Management Company Limited (FEDA Investments), headquartered in Kigali, Rwanda, is a supranational institution, established on 14 December 2021. FEDA Investments started operations in 2021. The principal business of the FEDA Investments is to manage investments entered into by FEDA Holding Company. The Bank holds 100 percent ownership interest in FEDA Investment.

FEDA Capital, headquartered in Kigali, Rwanda, is a supranational institution, established on 1 September 2021. FEDA Capital started operations on 14 December 2021. The principal business of FEDA Capital is the management of credit funds and equity investments in Africa. The Bank holds 100 percent ownership interest in FEDA Capital.

African Quality Assurance Centre Limited, incorporated in Nigeria, is a limited liability company, established in 2020. The principal business of the company is to ensure that products made in Africa meet applicable international standards and technical regulations through offering testing, inspection, and certification services, including provision of conformity assessment training services. The Bank holds 100% ownership interest in African Quality Assurance Centre Limited. The company has yet to commence commercial operations.

African Medical Centre of Excellence Limited, incorporated in Nigeria, is a limited liability company, established in 2020. The principal activities of the company include managing world-class medical and health facilities in Nigeria for the provision of general medical, clinical, (in-vitro, radiological, and nuclear) diagnostics and pharmaceutical services to meet the growing healthcare needs and bridge healthcare capacity gaps in areas such as oncology, hematology, and cardiovascular diseases.

It also seeks to undertake cutting-edge research into new diseases, and preventive and curative solutions to numerous health-related issues confronting Nigeria and Africa, including diagnosis and treatment of non-communicable diseases, including cancer and other infectious diseases. The Bank holds 100 percent ownership interest in African Medical Centre of Excellence Limited. The company has yet to commence commercial operations.

Afrexim Insurance Management Company (AfrexInsure), the other 100 percent owned subsidiary of the Bank, was fully established in Mauritius. This company offers insurance agency services, which enables the Bank to leverage on the insurance and surety industries to which the Bank provides funding, thereby ensuring that significant premium income earned by insurers in Africa is retained within Africa.

The African Continental Free Trade Area (AfCFTA) Adjustment Fund aims at helping AfCFTA state parties adjust to the new liberalised and integrated trading environment by mitigating the potential adverse impacts of AfCFTA-induced tariff revenue losses. It is a critical instrument in the realisation of the AfCFTA. It will help countries implement agreed protocols and support African companies to retool for effective participation in the new trading regime.

Canex Creation Incorporation Limited is a subsidiary of FEDA. It is mandated to acquire, aggregate, and commercialize creative content and intellectual property across various sectors, including film, music, literary works, art and crafts, and e-gaming. Additionally, it is tasked with making strategic investments in the creative sector.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, other financial assets and liabilities held for trading and financial assets, and liabilities designated at fair value through profit or loss (FVPL) and debt and equity instruments at fair value through other comprehensive income (FVOCI), all of which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged, and when relating to portfolio fair value hedges, are recognised on a separate line of the statement of financial position. The consolidated financial statements are presented in United States dollars (US\$) in accordance with the Bank's charter, and all values are rounded to the nearest million dollars, except when otherwise indicated.

The Bank has prepared its consolidated financial statement on the basis that it will continue to operate as a ongoing concern.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Bank have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

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Financial Statements for the Year Ended 31 December 2024

AFRICAN EXPORT-IMPORT BANK

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4. PRESENTATION OF FINANCIAL STATEMENTS

The Bank presents its statement of financial position in order of liquidity based on the Bank's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months of the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 9.5.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of "material," rather than "significant," accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Group to provide useful, Group-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and assessed the impact as insignificant because the Group has already disclosed entity-specific information with regard to materiality.

6. FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Group is the US\$ based on the fact that most of the activities of the Group are conducted in US\$. The financial statements are presented in US\$, and all values are rounded to the nearest thousand (US\$'000). The Group has not applied any IFRS before their effective dates.

7. USE OF JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements complying with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas in which assumptions and estimates are significant to the financial statements, are disclosed in note 12.

8. SUMMARY OF MATERIAL ACCOUNTING POLICIES

8.1 Principles of consolidation

Group

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Specifically, the Group controls an investee if and only if the Group has

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired during the year are included in the statement of comprehensive income and statement of financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

All subsidiaries of the Bank have 31 December year ends and are consolidated in the financial statements.

Loss of control

If the Group loses control over a subsidiary, it:

- derecognises the assets (including good will) and liabilities of the subsidiary,
- derecognises the carrying amount of any non-controlling interest,
- derecognises the cumulative transaction differences recorded in equity,
- recognises the fair value of the consideration received,
- recognises the fair value of any investment retained,
- recognises any surplus or deficit in the statement of comprehensive income, and
- declassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Separate financial statements

In the Bank's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

8.2 Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The group's financial instruments consist primarily of cash and deposits with Groups, loans and advances to customers, investment securities, other assets, amounts due to banks, derivative financial instruments, debt securities in issue, deposit and customer accounts, and other liabilities. The Group borrows funds to meet disbursements in

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

foreign currency as part of its matching of assets and liabilities in order to manage foreign currency risks. The proceeds from loans repayments are used to repay the borrowings. A financial asset or financial liability is initially measured at fair value; for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue are recognised as part of the asset or liability.

Subsequent measurement

A financial asset is classified as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), or FVTPL on the basis of both the Group's business model for managing the financial asset and the contractual cash flows characteristics of the financial asset.

A debt instrument is measured at amortized cost if it meets the following conditions:

- (1) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- (2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income (FVOCI) only if it meets both of the following conditions:

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

All other financial assets are classified as measured at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis. The amount presented in OCI shall not be subsequently transferred to profit or loss on disposal or

derecognition, but the Group may transfer the cumulative gain or loss to retained earnings or within equity.

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- 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;
- how managers of the business are compensate, for example whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its 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 Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held-to-collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Group has no sale out of the Held-to-collect portfolio. However, the Group assesses whether sales from a held-to-collect portfolio are made due to an increase in the asset's credit risk or close

to maturity, such that they are consistent with the held-to-collect business model.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 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 and 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 profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers 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 Group considers the following:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans) and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Some financial assets may contain contractual provisions that change the timing or amount of contractual cash flows. For example, the asset may be prepaid before maturity, or its term may be extended. In such cases, the Group determines whether the contractual cash flows that could arise over the life of the instrument due to those contractual provisions are solely payments of principal and interest on the principal amount outstanding. To make this determination, the Group assesses the contractual cash flows that could arise both before, and after, the change in contractual cash flows. The Group also assesses the nature of any contingent event (i.e., the trigger) that would change the timing or amount of contractual cash

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flows. While the nature of the contingent

Assessment whether contractual cash flows are solely payments of principal and interest (continued)

event is not a determinative factor in assessing whether the contractual cash flows are solely payments of principal and interest, it could serve as an indicator.

Based on the business model assessment and cash flow test (SPPI) financial assets are measured as follows:

1) Amortized cost

Financial assets whose contractual terms give rise to cash flows that comprise solely payment of principal and interest.

2) FVOCI

Financial assets held both to collect contractual cash flows and sell and whose contractual terms give rise to cash flows that comprise solely payment of principal and interest.

3) FVTPL

All other instruments including those that qualify for FVOCI if designated to be measured at FVTPL at initial recognition to avoid accounting mismatch.

Reclassifications of financial assets and financial liabilities

In certain rare circumstances, non-derivative debt assets are required to be reclassified between the amortised cost, fair value through other comprehensive income and fair value through profit or loss categories. These changes are expected to be very infrequent and are determined by the Group's senior management as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. The Group reclassifies financial assets between FVTPL, FVTOCI and amortised cost, if and only if the Group's business model objective for its financial assets changes to the extent that the Group's previous business model assessment is no longer applicable.

When reclassification is deemed necessary, it is applied prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Group does not restate any previously recognised gains, losses, or interest.

The Group does not reclassify:

- a) equity investments measured at FVTOCI, or
- b) where the fair value option has been exercised in any circumstance for a financial assets or financial liability.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any costs or fees incurred as part of the modification are recognised as part of the gain or loss on derecognition. If the cash flows of the modified asset are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset using the original effective interest rate (EIR) and recognizes any difference arising between this recalculated amount and the existing gross carrying amount as a modification gain or loss in profit or loss. Any costs or fees incurred as part of the modification are: (i) adjusted to the carrying amount of the modified financial asset; and (ii) are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

When the cash flows of the modified financial liability are not substantially different, then the modification does not result in derecognition of the financial asset and any difference in recognised in profit or loss (similar to the principle for accounting for modification of financial asset that do not result in derecognition).

Derecognition of financial assets and financial liabilities

There are two tests to check whether the modification is substantial, and these are as follows:

a) Qualitative Test: This involves a substantial alteration in terms and conditions, necessitating immediate derecognition without the need for additional quantitative analysis. Examples of such modifications include the issuance of new debt in a currency different from the old debt or the presence of an equity instrument embedded in the new debt; and

b) Quantitative Test: This involves comparing the net present value of cash flows under the new terms, discounted at the original effective interest rate (EIR), with the carrying amount of the original debt. If the difference is at least 10%, it is regarded as substantial.

The accounting for debt restructurings is assessed by applying the above modification policy.

Offset of financial assets

The financial assets and liabilities are presented on a gross basis. Financial assets and liabilities are offset and the net amount presented in the statement of financial position if, and only if, the Group has currently enforceable a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains or losses arising from a group of similar transactions such as in the Group's operating activity.

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the statement

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of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Derivative financial instruments

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency including exposures arising from highly probable forecast transactions and firm commitments. The Group uses derivatives solely for economic hedging purposes and does not apply hedge accounting under IFRS 9.

The Group enters into interest rate swaps and cross currency swaps to economically hedge its exposure to changes in the fair value and cashflows attributable to changes in market interest and exchange rates on its assets and liabilities. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently measured at their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately. A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

The Group recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- other assets and trade receivables;
- financial guarantee and letter of credit contracts issued; and
- loan commitments issued.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade." The Group does not apply the low credit risk exemption to any other financial instruments. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit impaired. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as Stage 2 financial instruments. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit impaired. Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover from the holder, the debtor or any other party.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit impaired (POCI) financial assets and lease receivables: the original effective interest rate;
- undrawn loan commitments: the effective interest rate that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

IFRS 9 introduces a three-stage model for impairment based on changes in credit risk since initial recognition. The three-stage model is described below;

Stage 1 - Financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. The financial instruments in stage 1 have their ECL measured at expected credit losses on a 12-month basis.

Stage 2 - Financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. The financial instruments in stage 2 have their ECL measured based on expected credit losses on a lifetime basis. **Stage 3** - Financial assets that have objective evidence of impairment at the reporting date and those purchased or originated credit impaired. Financial instruments in this stage are considered non-performing. The financial instruments in stage 3 have their ECL measured based on expected credit losses on a lifetime basis.

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Purchased or originated credit impaired (POCI) financial assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. The Group had no POCI assets during the year ended 31 December 2024.

Default

The Group consider a financial asset to be in default when

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held), or
- the repayment due from the borrower is 90 days or more past due on any credit obligation to the Group.

In assessing whether a borrower is in default, the Group will consider indicators that are

- qualitative: for example, a breach of covenants that are deemed as default events,
- quantitative: e.g., 90 days overdue and another obligation by the same borrower to the Group has not been paid, and
- based on internally and external objective evidence of impairment.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Significant increase in credit risk

The Group has established a framework that considers qualitative, quantitative, and "backstop" (30 days past due presumption) indicators to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with the Group's internal credit risk management process. The criteria for determining whether credit risk has increased significantly will

vary by portfolio and will include backstop indicators based on delinquency. In determining whether the credit risk (i.e., risk of default) on a financial instrument has increased significantly since initial recognition, the Group will consider reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment, and forward-looking information.

Individual or collective assessment of significant increase in credit risk

The Group will primarily assess whether a significant increase in credit risk has occurred for an exposure in line with its staging criteria by comparing

- the risk of default on the exposure as of the reporting date; with
- the risk of default on the exposure as of the date of initial recognition.

The Group applies different notch movements across each rating grade as evidence of a significant increase in credit risk. Generally, obligors with a higher credit rating would require more notches downgrade to evidence a significant increase in credit risk than would obligors with a lower credit rating.

Similarly, the Group shall monitor changes in external ratings of financial instruments to assess the risks. Evidence of a significant increase in credit risk depends on the rating at initial recognition and on the extent of movement (number of notches downgrade) as of the reporting date.

From a qualitative perspective, the Group shall consider a wide range of qualitative criteria for staging purposes, both individually and collectively, leveraging on IFRS 9 recommendations and a range of other factors. In this case, the Bank shall consider an actual or expected change in the regulatory, macroeconomic, or technological environment of the borrower at the reporting date that results in a significant change in the borrower's ability to meet its obligations relative to the origination date; expectation of forbearance or restructuring due to financial difficulties; evidence that full repayment of interest and principal will require the realisation of collateral or

another form of support; a significant drop in the obligor's revenue or profitability at the reporting date that could result in a significant change in the borrower's ability to meet its obligations relative to the origination date; an expectation of forbearance or restructuring due to financial difficulties; and so on.

The objective of the impairment requirements in IFRS 9 is to recognise lifetime expected credit losses for all financial instruments for which there has been a significant increase in credit risk since initial recognition — whether assessed on an individual or collective basis. For some instruments, a significant increase in credit risk may be evident on an individual instrument basis before the financial instrument becomes past due. In these cases, an assessment of whether there has been a significant increase in credit risk is carried out on an individual basis. For some other instruments, a significant increase in credit risk may not be evident on an individual instrument basis before the financial instrument becomes past due — for example, when there is little or no updated information that is routinely obtained and monitored on an individual instrument until a customer breaches the contractual terms. In these cases, an assessment of whether there has been a significant increase in credit risk on an individual basis would not faithfully represent changes in credit risk since initial recognition. Consequently, if more forward-looking information is available on a collective basis, the Group would make the assessment on a collective basis.

To assess significant increases in credit risk on a collective basis, the Group examines financial instruments on the basis of shared credit risk characteristics:

- instrument type,
- credit risk ratings,
- collateral type,
- date of origination,
- remaining term to maturity,
- industry,
- geographical location of the borrower,
- the value of collateral relative to the financial asset if it has an impact on the PD – (e.g., loan-to-value ratio), and
- ratios for non-recourse loans in some jurisdictions.

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The Group may change the grouping of financial instruments for collective assessment as new information becomes available.

Restructured financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention, and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised if the modification is substantial and the renegotiated loan is recognised as a new loan at fair value. Under IFRS 9, when the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of

- the risk of default at the reporting date based on the modified terms with
- the risk of default based on data on initial recognition and the original contractual terms.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is derecognised and replaced with a new one due to financial difficulties of the borrower, the modified asset is considered to be a new financial asset. Accordingly, the date of modification is treated as the date of initial recognition for the purpose of impairment calculation. The determination of whether the asset's credit risk has increased significantly reflects comparison of

- the risk of default at the reporting date based on the modified terms with
- the risk of default based on data on initial recognition (i.e., the modification date) and the modified terms.

However, in some unusual circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the modified financial asset is credit-impaired at initial recognition, and, thus, the financial asset should be recognised as an originated credit-impaired financial asset. This situation might occur, for example, when there was a substantial modification of a distressed asset that resulted in the derecognition of the original financial asset.

In such a case, the Group treats the new assets resulting from the modification as credit-impaired on the modification date (initial recognition).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired.

A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- The borrower or issuer faces significant financial difficulty.
- A breach of contract such as a default or past due event occurs.
- A loan or an advance by the Group is restructured on terms that the Group would otherwise not consider.
- The borrower will likely enter bankruptcy or face some other financial reorganization.
- An active market for a security disappears.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly, and there are no other indicators of impairment.

In addition a loan that is overdue for 90 days or more is considered impaired. In making an assessment of whether an investment in sub-national/corporate debt instrument is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields,
- the rating agencies' assessments of creditworthiness,
- the current financial situation of the sub-national/corporate issuer, and

- the mechanisms in place to provide the necessary support (from the central government), as well as the intention, reflected in public statements of governments/corporate issuers.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally as a provision;
- a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off, and this is taken as a derecognition event. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial guarantees, letter of credits, and loan commitments

Financial guarantees and letter of credits are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

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Financial guarantees, letter of credits, and loan commitments (continued)

"Loan commitments" are firm commitments to provide credit under pre-specified terms and conditions. Such financial guarantees are given to banks, financial institutions, and other bodies on behalf of customers to secure loans and other banking facilities.

Financial guarantees, letter of credits, or commitments to provide a loan at a below-market interest rate are initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, they are measured at the higher of (1) the loss allowance determined in accordance with IFRS 9 and (2) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Other loan commitments issued are measured as the sum of (1) the loss allowance determined in accordance with IFRS 9 and (2) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognised. Derecognition policies in are applied to loan commitments issued and held. For loan commitments, the Group recognises loss allowance in line with the ECL impairment requirements. Liabilities arising from financial guarantees and loan commitments are included within provisions.

These estimates are determined based on experience with similar transactions and history of past losses supplemented by the judgement of management.

Interest income and expense

For all financial instruments measured at amortized cost, interest income or expense is recognised at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset or financial liability.

8.3 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central Banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

8.4 Fair value measurement

The Group measures financial instruments, such as derivatives, and non-financial assets, such as land and buildings, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in note 10c). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible by the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for 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, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. All assets and

liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described in note 10.

8.5 Debt securities in issue

Debt securities in issue are one of the Group's sources of debt funding. Debt securities are initially measured at fair value plus incremental direct transaction costs, and they are subsequently measured at their amortized cost using effective interest method.

8.6 Fees and commission income

Fees and commission income that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. If a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fee is recognised on a straight-line basis over the commitment period. Other fee and commission income, including account advisory fees, is recognised as the related services are performed.

Information about the related Group's accounting policies.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If so, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

Performance obligations and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer.

The Group recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies.

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Type of service	Nature and timing of revenue recognition	Revenue recognition policies under IFRS 15
Advisory fees	Transaction-based fees for advisory services are charged to the customers when the transaction takes place.	Revenue related to advisory transactions is recognised when the transaction takes place.
Guarantee fees and letters of credit	The Group provides guarantees and letters of credit to its customers. Fees for guarantees and letters of credit contingencies are calculated based on a fixed percentage of the value of guarantee or LC and are amortised over time. In addition, the Group charges a nonrefundable up-front fee on guarantees and LCs business.	Revenue from guarantees and letters of credit services are recognised as the services are provided. Non-refundable up-front fees give rise to material rights for future services and are recognised as revenue over the period for which a customer is expected to continue receiving the services.

8.7 Other operating income

Other operating income consists mainly of recoveries from previously written-off facilities and rental income, which is accounted for on a straight-line basis over the lease terms on ongoing leases.

8.8 Operating expenses

Operating expenses are recorded on an accrual basis.

8.9 Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Dividends for the year that are approved after the reporting date are disclosed as a non-adjusting event.

8.10 Foreign currencies

Transactions in foreign currencies are initially recorded at their respective functional currency spot rate at the transaction date. At the reporting date, balances of monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at that date. Any gains or losses resulting from the translation are recognised in profit or loss in the statement of profit or loss and comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates of the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

8.11 Property and equipment Initial and subsequent measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment except for land and buildings, which are measured at fair value less accumulated depreciation and impairment as relevant.

Costs include expenditures that are directly attributable to the acquisition of the items.

Valuations for land and buildings are performed by an independent valuer at the reporting date to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that the surplus reverses a revaluation deficit previously recognised in profit or loss for the same asset, it is recognised in profit or loss.

Repairs and maintenance costs are recognised in profit or loss, except when it is probable that such expenditure will result in future economic benefits flowing to the Group over more than one financial year, in which case, the expenditure is capitalised.

Property and equipment items are de-recognised upon disposal or when no future economic benefits are expected to arise from their continued use. Any gain or loss arising on de-recognition of these assets (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is de-recognised.

Depreciation of property and equipment

Land is not depreciated. Depreciation on other items of property and equipment is calculated on the straight-line basis at annual rates estimated to write off the carrying amounts of the assets over their expected useful lives, as follows:

Buildings	20 years
Motor vehicles	5 years
Furniture and equipment	4 years
Computers	3 years

Property and equipment items are periodically reviewed for impairment.

Right-of-use assets

Right-of-use assets relate to properties leased by the Group and are presented within property and equipment.

Initial and subsequent measurement

The Group recognises right-of-use assets from the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove improvements made to the leased premises.

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Depreciation of right-of-use assets

The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

8.12 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changes in the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives.

- Computer and core application software 4 years

Intangible assets are derecognised when no future economic benefits are expected to arise from the continued use of the asset.

8.13 Government grants

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is deducted in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

8.14 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Group by the weighted average number of shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion (warrants) of all the dilutive potential ordinary shares into ordinary shares.

8.15 Employee benefits Defined contribution plan

The Group operates a defined contribution plan approved by the Board of Directors. Contributions are recognised in profit or loss on an accrual basis. The Group has no further payment obligations once the contributions have been paid.

Other long-term benefits

The Group's net obligation in respect of long-term employees' benefits is the amount of future benefits that the employee has earned in return for their service in current and prior periods that benefits are recognised in profit or loss on an accrual basis.

Termination benefits

Termination benefits are expensed when the Group can no longer withdraw the offer of those benefits and or the Group recognizes cost for a restructuring, whichever comes first. If benefits are not expected to be wholly settled within 12 months of the reporting date, they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a legal or constructive obligation to pay this amount as a result of the employee's past service and the obligation can be reliably estimated.

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an accrued expense.

8.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Staff bonuses are recognised in profit or loss as an expense. The estimated monetary liability for employees' bonus entitlement at the reporting date is recognised as an expense accrual.

8.17 Warrants

Proceeds from the issuance of warrants, net of issue costs, are credited to the share warrants account. The share warrants account is non-distributable and will be transferred to share capital and premium accounts upon the exercise of warrants.

8.18 New and amended standards and interpretations

Several IFRS amendments and interpretations apply for the first time in 2024, but they do not have an impact on the consolidated financial statements of the Group. The Group has adopted no any other standard, interpretation, or amendment that has been issued but that is not yet effective.

8.18.1 IFRS accounting standards and amendments effective for the first time at the end of December 2024

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. The adoption of the following standards had no material impact on the disclosures or on the amounts reported in these financial statements:

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8.18.1 IFRS Accounting standards and amendments effective for the first time for December 2024 year-end

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements	Annual periods beginning on or after 1 January 2024	<p>The group has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.</p> <p>The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.</p> <p>The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions, an entity is not required to disclose:</p> <ul style="list-style-type: none"> – comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments – the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2024	<p>The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.</p> <p>The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p>
Amendments to IAS 1 Presentation of Financial Statements — Non-current Liabilities with Covenants	Annual periods beginning on or after 1 January 2024	<p>The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.</p> <p>The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least 12 months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).</p> <p>The IASB also specifies that the right to defer settlement of a liability for at least 12 months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.</p>
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	Annual periods beginning on or after 1 January 2024	<p>The group has adopted the amendments to IFRS 16 for the first time in the current year. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.</p> <p>The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.</p> <p>As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.</p> <p>A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.</p>

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8.18.2 IFRS Accounting Standards, interpretations and amendments issued but not effective

When these financial statements were authorised, the group had not applied the following new and revised IFRS Accounting Standards, which have been issued but are not yet effective (and, in some cases, have not yet been adopted by the [relevant body]):

Standard	Effective date	Change/title
Amendments to IAS 21	1 January 2025	Lack of Exchangeability
IFRS 18	1 January 2027	Presentation and Disclosures in Financial Statements
IFRS 19	1 January 2027	Subsidiaries without Public Accountability: Disclosures
IFRS 7	1 January 2026	Classification and Measurement of Financial Instruments

None of these amendments will have a material impact on the consolidated and separate financial statements as of 31 December 2024.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

9.1 Risk management

The Group’s business involves taking on risks in a reasonable manner and managing them professionally. The core functions of the Group’s risk management are to identify all key risks facing the Group, measure these risks, manage the risk positions, and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, and best market practice.

The Bank, which is the parent company to the subsidiaries, is regulated by no monetary or financial authority but strives to comply with all international risk management standards and to operate in accordance with the best practices in the industry. To conduct the Group’s operations in a manner consistent with its charter and aims, and the objectives and expectations of its stakeholders, the board of directors approved the Risk Management Policies and Procedures. This document incorporates risk management policies that were operating as stand-alone policies into a document that takes an enterprise-wide approach to risk management.

The Group identifies and controls the various operational risks inherent in its business. Operational risk is managed and mitigated by ensuring that there are appropriate infrastructure, controls, systems, procedures, and trained and competent people to discharge the various functions.

9.2 Risk management structure

The risk management governance structure comprises the (1) Board of Directors, responsible for oversight and approval of risk policies; (2) Board Executive Committee, responsible for credit approval above management’s authority levels; (3) Management Risk and Strategy Committee, responsible for the risk policies review and implementation; and (4) Risk Management Department, responsible for risk policies development and monitoring.

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9.3 Credit risk

Credit risk is the risk that a customer or counterparty of the Group will be unable or unwilling to meet a commitment that it has entered into with the Group. It arises from lending, trade finance, treasury, and other activities undertaken by the Group.

9.3.1 Credit risk exposure

The following table contains an analysis of the credit quality of financial assets measured at amortised cost. For financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively. The gross amount of the financial assets below represents the Group's maximum exposure to credit risk on these assets.

	2024				2023			
	12-month ECL Stage 1 US\$000	Lifetime ECL not credit- impaired Stage 2 US\$000	Lifetime ECL credit- impaired Stage 3 US\$000	Total	12-month ECL Stage 1 US\$000	Lifetime ECL not credit- impaired Stage 2 US\$000	Lifetime ECL credit- impaired Stage 3 US\$000	Total
Loans and advances to customers at amortised cost – GROUP								
Grades 1–3: Low risk	4,852,904	–	–	4,852,904	3,176,336	–	–	3,176,336
Grades 4–6: Satisfactory risk	12,674,723	51,462	–	12,726,185	12,035,997	20,618	–	12,056,619
Grades 7–8: Satisfactory risk	8,725,401	115,739	–	8,841,140	8,841,140	113,980	–	8,955,120
Grade 9–10: Moderate risk	1,138,145	1,014,675	–	2,152,820	659,480	1,083,961	–	1,743,441
Grade 11: Watchlist	543,685	884,263	–	1,427,948	497,704	923,899	–	1,421,603
Grade 12–13: Sub-standard, doubtful and bad	–	–	718,661	718,661	–	–	693,414	693,414
Gross amount	27,934,858	2,066,139	718,661	30,719,658	25,210,657	2,142,458	693,414	28,046,533
Loss allowance for expected credit losses	(66,074)	(887,037)	(580,026)	(1,533,137)	(140,487)	(556,550)	(356,863)	(1,053,900)
Suspended interest	–	–	(136,848)	(136,848)	–	–	(262,046)	(262,046)
Modification loss	–	(43,035)	(1,649)	(44,684)	–	(7,756)	–	(7,756)
Carrying amount	27,868,784	1,136,067	138	29,004,989	25,070,170	1,578,152	74,509	26,722,831

	2024				2023			
	12-month ECL Stage 1 US\$000	Lifetime ECL not credit- impaired Stage 2 US\$000	Lifetime ECL credit- impaired Stage 3 US\$000	Total	12-month ECL Stage 1 US\$000	Lifetime ECL not credit- impaired Stage 2 US\$000	Lifetime ECL credit- impaired Stage 3 US\$000	Total
Loans and advances to customers at amortised cost – BANK								
Grades 1–3: Low risk	4,967,685	–	–	4,967,685	3,176,336	–	–	3,176,336
Grades 4–6: Satisfactory risk	12,674,723	51,462	–	12,726,185	12,087,903	20,618	–	12,108,521
Grades 7–8: Satisfactory risk	8,725,401	115,739	–	8,841,140	8,841,140	113,980	–	8,955,120
Grade 9–10: Moderate risk	1,138,145	1,014,675	–	2,152,820	659,480	1,083,961	–	1,743,441
Grade 11: Watchlist	543,685	884,263	–	1,427,948	497,704	923,899	–	1,421,603
Grade 12–13: Sub-standard, doubtful and bad	–	–	718,661	718,661	–	–	693,414	693,414
Gross amount	28,049,639	2,066,139	718,661	30,834,439	25,262,563	2,142,458	693,414	28,098,435
Loss allowance for expected credit losses	(66,074)	(887,037)	(580,026)	(1,533,137)	(140,487)	(556,550)	(356,863)	(1,053,900)
Suspended interest	–	–	(136,848)	(136,848)	–	–	(262,046)	(262,046)
Modification loss	–	(43,035)	(1,649)	(44,684)	–	(7,756)	–	(7,756)
Carrying amount	27,983,565	1,136,067	138	29,119,770	25,122,076	1,578,152	74,505	26,774,733

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9.3.1 Credit risk exposure (continued)

	2024				2023			
Receivables excluding prepayments – (GROUP)	12-month ECL Stage 1 US\$000	Lifetime ECL not credit-impaired Stage 2 US\$000	Lifetime ECL credit-impaired Stage 3 US\$000	Total	12-month ECL Stage 1 US\$000	Lifetime ECL not credit-impaired Stage 2 US\$000	Lifetime ECL credit-impaired Stage 3 US\$000	Total
0–30 days	–	61,722	–	61,722	–	26,165	–	26,165
31–60 days	–	706	–	706	–	1,087	–	1,087
61–90 days	–	766	–	766	–	529	–	529
91–120 days	–	80	–	80	–	399	–	399
121–150 days	–	111	–	111	–	90	–	90
151–180 days	–	282	–	282	–	210	–	210
180 days +	–	4,535	–	4,535	–	5,556	–	5,556
Gross amount	–	68,202	–	68,202	–	34,036	–	34,036
Loss allowance for expected credit losses	–	(16,765)	–	(16,765)	–	(9,488)	–	(9,488)
Carrying amount	–	51,437	–	51,437	–	24,548	–	24,548

	2024				2023			
Receivables excluding prepayments – (BANK)	12-month ECL Stage 1 US\$000	Lifetime ECL not credit-impaired Stage 2 US\$000	Lifetime ECL credit-impaired Stage 3 US\$000	Total	12-month ECL Stage 1 US\$000	Lifetime ECL not credit-impaired Stage 2 US\$000	Lifetime ECL credit-impaired Stage 3 US\$000	Total
0–30 days	–	61,722	–	61,722	–	26,165	–	26,165
31–60 days	–	706	–	706	–	1,087	–	1,087
61–90 days	–	766	–	766	–	529	–	529
91–120 days	–	80	–	80	–	399	–	399
121–150 days	–	111	–	111	–	90	–	90
151–180 days	–	282	–	282	–	210	–	210
180 days +	–	4,535	–	4,535	–	5,556	–	5,556
Gross amount	–	68,202	–	68,202	–	34,036	–	34,036
Loss allowance for expected credit losses	–	(16,765)	–	(16,765)	–	(9,488)	–	(9,488)
Carrying amount	–	51,437	–	51,437	–	24,548	–	24,548

Loss rates on receivables are as disclosed in Note 9.3.2.

	2024				2023			
Other assets – GROUP	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000
Ungraded	19,555	–	9,580	29,135	18,399	–	12,314	30,713
Gross amount	19,555	–	9,580	29,135	18,399	–	12,314	30,713
Loss allowance for expected credit losses	–	–	(2,477)	(2,477)	–	–	(11,554)	(11,554)
Carrying amount	19,555	–	7,103	26,658	18,399	–	760	19,159

Other assets – BANK								
Ungraded	19,555	–	9,331	28,886	18,399	–	11,435	29,834
Gross amount	19,555	–	9,331	28,886	18,399	–	11,435	29,834
Loss allowance for expected credit losses	–	–	(2,477)	(2,477)	(149)	–	(11,404)	(11,553)
Carrying amount	19,555	–	6,854	26,409	18,250	–	31	18,281

The Bank is the only entity within the Group that has loan commitments, financial guarantees, letters of credit, investment securities at amortised cost, and money market amounts due to other banks. Hence, the below disclosure applies to the Group and the Bank and has not been shown separately for the Group and the Bank.

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9.3.1 Credit risk exposure (continued)

	2024				2023			
	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000
Loan commitment								
Grades 1–3: Low risk	427,726	–	–	427,726	1,944,987	–	–	1,944,987
Grades 4–6: Satisfactory risk	4,635,698	46,554	–	4,682,252	5,051,685	53	–	5,051,738
Grades 7–8: Satisfactory risk	1,919,679	146,351	–	2,066,030	1,848,845	17,756	–	1,866,601
Grade 9–10: Moderate risk	49,593	–	–	49,593	27,000	5,535	–	32,535
Grade 11: Watchlist	–	28,049	–	28,049	–	–	–	–
Gross amount	7,032,696	220,954	–	7,253,650	8,872,517	23,344	–	8,895,861
Loss allowance for expected credit losses	(3,083)	(626)	–	(3,709)	(16,919)	(385)	–	(17,304)
Carrying amount	7,029,613	220,328	–	7,249,941	8,855,598	22,959	–	8,878,557
Financial guarantee contracts								
Grades 1–3: Low risk	146,511	–	–	146,511	226,172	–	–	226,172
Grades 4–6: Satisfactory risk	745,302	–	–	745,302	633,334	–	–	633,334
Grades 7–8: Satisfactory risk	735,403	170,812	–	906,215	379,478	11,250	–	390,728
Gross amount	1,627,216	170,812	–	1,798,028	1,238,984	11,250	–	1,250,234
Loss allowance for expected credit losses	(31)	(37)	–	(68)	(76)	(3)	–	(79)
Carrying amount	1,627,185	170,775	–	1,797,960	1,238,908	11,247	–	1,250,155
Letters of Credit								
Grades 1–3: Low risk	1,216,148	–	–	1,216,148	175,649	–	–	175,649
Grades 4–6: Satisfactory risk	1,502,562	–	–	1,502,562	1,547,850	–	–	1,547,850
Grades 7–8: Satisfactory risk	290,883	4,659	–	295,542	853,828	674	–	854,502
Grade 9–10: Moderate risk	–	–	–	–	–	–	–	–
Grade 11: Watchlist	–	34,204	–	34,204	–	–	–	–
Gross amount	3,009,593	38,863	–	3,048,456	2,577,327	674	–	2,578,001
Loss allowance for expected credit losses	(654)	(276)	–	(930)	(5,131)	(13)	–	(5,144)
Carrying amount	3,008,939	38,587	–	3,047,526	2,572,196	661	–	2,572,857

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9.3.1 Credit risk exposure (continued)

The following table sets out the credit quality of debt investment securities measured at amortised costs. The analysis has been based on Moody's, Fitch and S&P Global ratings. All Investments securities, money market placements deposits with other banks are under stage 1 given that there is no significant deterioration in the credit risk.

Investments securities at amortised costs (Bank)

	Note	2024	2023
Rated AAA	29 (b)	–	–
Rated AA–to AA+	29 (b)	154,299	100,000
Rated A–to A+	29 (b)	136,012	144,000
Rated BBB+ and below	29 (b)	80,273	80,000
Unrated	29 (b)	–	–
Gross amount		370,584	324,000
Loss allowance for expected credit losses		(1,408)	(830)
Discount	29 (b)	(4,727)	(3,502)
Carrying amount	29 (b)	364,449	319,668

Investment securities were in Stage 1 as of 31 December 2024 (2023: Stage 1). Subsidiary entities have investments securities at amortised cost amounting to US\$0.3 million.

Money market placements

	Note	2024	2023
Rated AAA	24	809,273	778,349
Rated AA–to AA+	24	1,120,068	1,150,000
Rated A–to A+	24	1,143,943	1,133,422
Rated BBB+ and below	24	237,534	500,313
Gross amount		3,310,818	3,562,084
Loss allowance for expected credit losses		(175)	(109)
Carrying amount		3,310,643	3,561,975

Money market placements were in Stage 1 as of 31 December 2024 (2023: Stage 1).

Deposits with other banks

	Note	2024	2023
Rated AAA	24	–	–
Rated AA–to AA+	24	556,307	1,151,660
Rated A–to A+	24	777,731	800,735
Rated BBB+ and below	24	3,628	106,711
Unrated		230	335
Gross amount		1,337,896	2,059,441
Loss allowance for expected credit losses		(16)	(75)
Carrying amount		1,337,880	2,059,366

Deposits with other banks were in Stage 1 as of 31 December 2024 (2023: Stage 1). As of 31 December 2024, subsidiary entities had US\$0.45 (2023: US\$0.46) million deposited with other banks.

As of December 2024, the Group held deposits with other banks totaling US\$1.3 billion (2023: US\$2.1 billion). A significant portion of these deposits were placed with financial institution counterparties rated between BB+ and AA+, based on external credit ratings by Moody's, Fitch, and S&P Global. In some cases, the Group maintained deposits with central banks.

Allowance for expected credit losses on financial instruments

	GROUP AND BANK	
US\$000	2024	2023
Loans and advances (note 25)	1,533,137	1,053,900
Money market placements (note 24)	175	109
Deposit with other banks (note 24)	16	75
Financial assets securities at amortised cost (note 29 b)	1,408	830
Financial guarantee contracts (note 36)	68	78
Prepayments and receivables (note 26)	16,765	9,488
Letters of credit (note 36)	929	5,144
Loan commitments (note 36)	3,709	17,305
	1,556,207	1,086,929

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9.3.1 Credit risk exposure (continued)

Collateral held and other credit enhancements

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Type of credit exposure

US\$000	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	31 December 2024	31 December 2023	
Derivative transactions	100%	100%	Cash
Loans and advances to customers	100%	100%	Equity instruments Cash Machinery Inventory Treasury bills Insurance Legal mortgage
Debt investment securities	–	–	None
Money market placements	–	–	None
Deposits with other banks	–	–	None

Loans and advances to customers

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security, and the Group generally requests that borrowers provide it.

The Group may take collateral in the form of a cash and non-cash collateral, such as treasury bills, legal mortgages, equity instruments, inventories, and other liens and financial guarantees. Of loan and advances, 36 percent (2023: 32 percent) were fully collateralised. Generally, the Group updates the valuation of collateral held against exposures to customers on a regular basis (as frequently as monthly and up to once every three years, depending on the collateral type), using industry indices.

The table below sets out the carrying amount and the value of identifiable collateral held against the Group's loans and advances, measured as amortised costs as well as off-balance sheet exposures.

US\$000	Gross amount	Carrying amount	Collateral	Net exposure	Gross amount	Carrying amount	Collateral	Net exposure
	2024	2024	2024	2024	2023	2023	2023	2023
Stages 1 and 2	30,000,997	29,004,851	25,686,962	3,317,889	27,353,115	26,648,322	21,593,007	5,055,315
Stage 3	718,661	138	728,389	–	693,414	74,509	494,794	–

Collateral types and values

US\$000	2024	2023
Aircraft	497,217	476,526
Cash	6,535,062	6,163,780
Debt securities	1,045,722	304,181
Debtors/receivables	4,987,132	3,465,881
Guarantee	3,257,699	3,627,299
Immovable property	1,769,838	1,286,715
Insurance	2,148,309	1,951,723
Inventory	98,844	600,078
Machinery	983,589	1,070,719
Promissory notes	336,498	647,574
Stocks and shares	2,144,169	736,608
Treasury bills	2,606,760	1,755,661
Vehicles	8,512	1,056
	26,419,351	22,087,801

Assets obtained by taking possession of collateral

The Group pursues timely realisation of collateral in an orderly manner, without taking possession of collateral held as security against loans and advances to customers. The Group does not generally use the non-cash collateral for its own operations. During the year ended 31 December 2024, no assets were obtained by taking possession of collateral (2023: US\$nil).

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9.3 Credit risk (continued)

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Group's historical experience and expert credit assessment as well as forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date with;
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure.

The Group, as part of its SPPI test, assesses whether a prepayment option or penalty substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for the early termination of the contract.

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- a quantitative test based on movement in PD,
- qualitative indicators, and
- a backstop of 30 days past due.

The quantity test for movements in credit rating tracks changes in probability default by comparing the credit rating of an instrument at origination with the credit rating at reporting date.

9.3.2 Amount arising from expected credit losses

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period

that might be available to the borrower. Among the IFRS-aligned qualitative criteria considered in assessing significant increases in credit risk are the following:

1. Existing or forecast adverse changes in business, financial, or economic conditions that are expected to cause a significant change in the borrower's ability to meet debt obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in unemployment rates.
2. An actual or expected significant change in the operating results of the borrower. Examples include actual or expected declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems, or changes in the scope of business or organizational structure (such as the discontinuance of a segment of the business) that results in a significant change in the borrower's ability to meet debt obligations.
3. Significant increases in the borrower's credit risk related to other financial instruments.
4. An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet debt obligations, such as a decline in the demand for the borrower's sales product because of a shift in technology.
5. Expected changes in the loan documentation, including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups that require additional collateral or guarantees, or other changes to the contractual framework of the instrument.
6. Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group.

7. Deterioration of relevant credit risk drivers for an individual obligor (or pool of obligors), for example, scarcity of critical raw materials, and a currency devaluation involving a currency mismatch.
8. Expectation of forbearance or restructuring due to financial difficulties.
9. Evidence that full repayment of interest and principal without realization of collateral is unlikely, regardless of the number of days that payment is past due.

When a significant increase in credit risk relative to initial recognition, is no longer in evidence loss allowance on an instrument returns to being measured at 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behavior to provide evidence that its credit risk has declined sufficiently. When the contractual terms of a loan have been modified, evidence that the criteria for recognizing lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

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9.3.2 Amounts arising from ECL (continued)

The Group's policy for probation requirements for backward transfer of assets is based on the repayment frequency of the underlying facility as shown below:

Frequency of repayment	Probationary period	Repayment benchmark
Monthly	60 days	2 consecutive repayments
Quarterly	90 days	1 repayment
Semi-annual	180 days	1 repayment
Annual	360 days	1 repayment

The Group's policy makes room for instances in which a backward transfer may happen without waiting for the full probation. Some of such scenarios are indicated below.

When the condition that led to the transfer has been fully remediated and there is reasonable expectation that it will remain remediated in the short to medium term. For example, there is demonstrable evidence that the obligor will be able to meet the repayment expectations perhaps through a sufficient deposit in the debt service reserve account or payment guarantees.

The customer has demonstrated good faith in meeting agreed terms between the term sheet agreement date and Board approval memo date. The customer has cleared all outstanding payments under the initial facility structure and has demonstrated capacity to meet future repayments in the short to medium term.

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data determined to be predictive of the risk of default and experienced credit judgement. In some cases, the Group allocates exposures using rating grades by external rating agencies. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates, so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to

ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

1. Information obtained during periodic review of customer files, for example, audited financial statements, management accounts, budgets and projections, and payment records, including payment ratios. Other relevant factors are gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, and senior management changes.
2. Data from credit reference agencies, rating agencies, press articles, and changes in external credit ratings.
3. Quoted bond and credit default swap (CDS) prices for the borrower.
4. Existing and forecast changes in business, financial, and economic conditions.

The table below shows the Group's rating grades and their risk definitions.

Rating grades	Description	External rating
1	Low risk	AAA to AA-
2		
3		
4	Satisfactory risk	A+ to BBB+
5		
6		
7	Satisfactory risk	BBB to BBB-
8		
9	Moderate	BB+ to B
10		
11	Watchlist	B-
12	Substandard	CCC+ to D
13	Doubtful and Bad	
14	Loss	

Generating the term structure of the probability of default

Credit risk grades are a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposures analyzed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used. The Group employs statistical models to analyse the data and generate estimates of the remaining lifetime PD of exposures and how they are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macroeconomic factors as well as in-depth analysis of the impact of certain other factors (e.g., forbearance experience) on the risk of default. For most exposures, key macroeconomic indicators include GDP growth, benchmark interest rates, and unemployment and exchange rates. For exposures to specific industries and regions, the analysis may extend to relevant commodity and real estate prices.

At each reporting period, the Group's economic research team (RICO) in discussion with the credit risk management, finance, treasury, and business development teams identifies macroeconomic variables that may impact the Group's risk assets portfolio. Based on advice from the Group's RICO and on consideration of external actual and forecast information, the Group produces base-case, best case and worst-case forecasts of the selected macroeconomic indicators, based on trends in the indicators and macroeconomic commentaries.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

9.3.2 Amounts arising from ECL (continued)

Generating the term structure of the probability of default (continued)

The Group then uses these forecasts to adjust its ECL estimates. In determining the ECL for receivables, the Group applies the simplified model to estimate ECLs, adopting a provision matrix to determine the lifetime ECLs.

The provision matrix estimates ECLs on the basis of historical loss rates, adjusted for current and future economic conditions (expected changes in loss rates) without undue cost and effort. The table below shows the receivable buckets and the applicable loss rates; gross carrying amounts and related ECL amounts are disclosed in Note 9.3.1

Delinquency bucket	Loss rate (%)
0–30 days	12%
31– 60 days	19%
61–90 days	39%
91–120 days	48%
121–150 days	82%
151–180 days	87%
180 days +	100%

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group has identified likely key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and historical credit risk and credit losses. Based on advice from the Group's experts and on consideration of external actual and forecast information, the Group formulates a forecast of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios.

This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organizations such as the OECD and the International Monetary Fund, and by selected private-sector and academic forecasters. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting.

The other scenarios represent more optimistic and more pessimistic outcomes. When there are no significant correlations between the macroeconomic variable and the default, the Group supplements this analysis with expert judgement for both the individual and portfolio base. When the Group uses expert judgement due to limitations, it explores other options to arrive at a statistical basis for incorporating FLI into its ECL computation. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risks and losses. Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on historical data over the past seven years.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- PD,
- loss given default , and
- exposure at default.

These parameters are generally derived from internally developed statistical models, external data, and other historical data. They are adjusted to reflect forward-looking information as described above.

The scenario probability weightings applied in measuring ECL are as follows:

As of 31 December	2024			2023		
	Best	Base	Worst	Best	Base	Worst
Scenario probability weighting	11%	68%	21%	11%	68%	21%

Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Group's senior management.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

9.3.2 Amounts arising from ECL (continued)

Sensitivity of ECL to future economic forecasts

The table below shows the loans and advances to customers ECL under three scenarios.

Scenarios	GROUP AND BANK			
	2024		2023	
	Cumulative ECL US\$000	ECL charge US\$000	Cumulative ECL US\$000	ECL charge US\$000
Base case	1,530,049	643,635	1,046,978	578,589
Worst case	1,548,728	662,314	1,101,989	633,600
Best case	1,521,827	635,413	1,002,258	533,869
Weighted	1,533,137	646,724	1,053,900	585,511

The sensitivity is performed on the basis that 100 percent has been allocated to the probability of each scenario occurring.

Significant macroeconomic factors as of 31 December 2024

The table below sets out the most significant macroeconomic factors used to estimate the forward-looking information relating to ECL. The information is forecast over a period of 10 years, with indices for 5 years shown below.

BASE CASE					
Weighted macroeconomic variable*	2025	2026	2027	2028	2029
	%	%	%	%	%
Nominal GDP, % change year-on-year	4.47	7.55	7.26	7.65	7.59
Exchange rate (LCU per USD, ave, % chg y-o-y)	11.11	4.68	4.17	3.08	3.02
Base-case scenario weight	68%				
WORST CASE					
Weighted macroeconomic variable*	2025	2026	2027	2028	2029
	%	%	%	%	%
Nominal GDP, % change year-on-year	-5.40	0.69	10.59	9.34	7.58
Exchange rate (LCU per USD, ave, % chg y-o-y)	20.70	12.74	6.82	5.99	6.56
Base-case scenario weight	21%				
BEST CASE					
Weighted macroeconomic variable*	2025	2026	2027	2028	2029
	%	%	%	%	%
Nominal GDP, % change year-on-year	9.55	11.33	7.61	7.63	8.28
Exchange rate (LCU per USD, ave, % chg y-o-y)	5.37	-1.71	0.12	-0.66	-0.99
Base-case scenario weight	11%				

*These macroeconomic indices are an average of the different countries which the Group has loan exposures weighted by the relative size of each. Effective 31 December 2022, the Bank used external macroeconomic forecasts from independent parties and then recalibrated the data to determine the best-and worst-case scenarios.

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9.3.2 Amounts arising from ECL (continued)

Significant macro-economic factors as at 31 December 2023

The table below sets out the most significant macroeconomic factors used to estimate the forward-looking information relating to ECL. The information is forecast over a period of 10 years, with indices for 5 years shown below.

BASE CASE					
Weighted macroeconomic variable*	2024	2025	2026	2027	2028
	%	%	%	%	%
Nominal GDP, % change year-on-year	-7.54	7.95	8.08	9.26	9.48
Exchange rate (LCU per USD, ave, % chg y-o-y)	28.71	6.05	4.41	3.40	3.00
Base-case scenario weight	68%				
WORST CASE					
Weighted macroeconomic variable*	2024	2025	2026	2027	2028
	%	%	%	%	%
Nominal GDP, % change year-on-year	-14.94	-1.77	6.05	7.44	6.38
Exchange rate (LCU per USD, ave, % chg y-o-y)	35.61	14.84	7.94	6.57	6.96
Base-case scenario weight	21%				
BEST CASE					
Weighted macroeconomic variable*	2024	2025	2026	2027	2028
	%	%	%	%	%
Nominal GDP, % change year-on-year	-1.14	12.57	10.57	12.34	13.20
Exchange rate (LCU per USD, ave, % chg y-o-y)	20.39	1.45	1.04	-0.58	-1.12
Base-case scenario weight	11%				

PD is a measure of the likelihood that an obligor will default on a contractual obligation. PD estimates are calculated based on statistical rating models and are assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

Generally, the Group uses two approaches in estimating PDs: internally generated PDs (when internal data are available) and externally generated PDs (when internal data are unavailable). For the purposes of PD estimation for internally rated financial assets, credit ratings were adopted as the basis for homogenous segmentation. This means that PDs will be derived for each loan based on the credit rating attached to the loan. As a result, every loan with a similar credit rating would have the same PD. For externally rated PDs, market data are used to derive the PDs for counterparties. If a counterparty or exposure migrates between rating

classes, the estimate of the associated PD will change.

Loss-given default (LGD) is the measure of the proportion of the outstanding balance that the Group stands to lose in the event of a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, claim seniority, counterparty industry, currency adjustment factors, and recovery costs of any collateral that is integral to the financial asset. Due to insufficient historical recovery data, the Group has applied standard recovery rates for different collateral types, including sovereign and corporate investments. These rates are calculated by applying standard haircuts on the collateral value and are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

Exposure at default (EAD) is an estimate of the outstanding balance on a credit facility at the time of default. The outstanding balance includes the gross amortised cost, accrued principal and interest, and overdue principal and interest. Multi-period EADs are a collection of EAD values referring to different time periods over the lifetime of a financial asset. The Group estimates the multi-period EAD for on-balance sheet exposures based on the contractual repayment cash flows and expectation of future prepayment.

For off-balance sheet exposures, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract. In this case, the Group will estimate the credit exposure equivalent (CEE) of all off-balance sheet exposures, including lines of credit, letters of credit, loan commitments, and guarantees. The Bank uses the credit conversion factor — the rate at which off-balance sheet

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9.3.2 Amounts arising from ECL (continued)

commitments crystallise and become on-balance sheet exposures. As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for overdrafts and revolving facilities that include both a loan and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual

period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period.

These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect, but this contractual right is enforced only when the Group becomes aware of an increase in credit risk at the facility level.

This longer period is estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These actions include a reduction in limits, cancellation of the facility, or conversion of the outstanding balance into a loan with fixed repayment terms. When modelling of a parameter is carried out on a

collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type,
- credit risk gradings;
- collateral type,
- past due information,
- date of initial recognition;
- remaining term to maturity,
- industry, and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within any one group remain appropriately homogeneous. Below is information on how the Group has segmented its portfolio for the purpose of computing ECL.

Financial instrument	Exposure at default	Loss-given default	Probability of default
Loans and advances	Estimated individually based on the amortization pattern of the loan	Segmented based on collateral type	Segmented based on internal credit rating
Off-balance sheet items	Segmented based on type of off-balance sheet item		
Placements, debt/Investment securities, and trade receivables with significant financing components	Estimated individually based on amortization pattern of the security	Estimated collectively based on external date (e.g., external credit rating agency historical recovery rates)	Segmented based on external credit ratings
Trade receivables without significant financing components	Segmented by days past due buckets	Loss rate segmented based on days past due buckets	

For portfolios in respect of which the Group has limited historical data, such as investment securities ratings from selected external rating agencies are used to supplement the internally available data.

The Group has revised its economic forecasts used as an input into ECL as of 31 December 2024 based on more recent forecasts. Macroeconomic forecasts (base, best, and worst case) are derived from reputable independent sources.

Data from the base and best-case scenarios indicate that economic growth remained negative until 2024, after which it is expected to improve significantly and to continue rising steadily. Under the worst-case scenario, economic growth remains negative until 2025, followed by a notable improvement and then a period of relatively flat growth in the years that follow.

Sensitivity of ECL to future economic scenarios

The ECL are sensitive to judgements and assumptions regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on loans and advances, which account for more 82 percent of its total assets. The table below shows the loss allowance on loans and advances to customers, assuming each forward-looking scenario (e.g., base, best, and worst case) is weighted 100 percent instead of assigned a probability weight. For ease of comparison, the table also includes the probability-weighted amounts that are reflected in the financial statements.

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9.3.2 Amounts arising from ECL (continued)

Sensitivity of ECL to future economic (continued)

2024				
GROUP	BEST	BASE	WORST	PROBABILITY WEIGHTED
Loans and advances to customers gross exposure (US\$000)	30,719,658	30,719,658	30,719,658	–
Loss allowance on loans and advances to customers (US\$000)	1,521,827	1,530,049	1,548,728	1,533,137
2023				
GROUP	BEST	BASE	WORST	PROBABILITY WEIGHTED
Loans and advances to customers gross exposure (US\$000)	28,046,529	28,046,529	28,046,529	–
Loss allowance on loans and advances to customers (US\$000)	1,002,258	1,046,978	1,101,989	1,053,900
2024				
BANK	BEST	BASE	WORST	PROBABILITY WEIGHTED
Loans and advances to customers gross exposure (US\$000)	30,834,439	30,834,439	30,834,439	–
Loss allowance on loans and advances to customers (US\$000)	1,521,827	1,530,049	1,548,728	1,533,137
2023				
BANK	BEST	BASE	WORST	PROBABILITY WEIGHTED
Loans and advances to customers gross exposure (US\$000)	28,098,435	28,098,435	28,098,435	–
Loss allowance on loans and advances to customers (US\$000)	1,002,258	1,046,978	1,101,989	1,053,900

9.3.3 Allowance for expected credit losses

Allowance for expected credit losses

The following tables show Group and Bank reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Changes on financial instruments other than loans and advances are on account of new contracts during the year and derecognition during the year.

	2024				2023			
	12-month ECL Lifetime	ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
In US\$000								
Loans and advances to customers at amortised cost								
Balance on 1 January	140,486	556,550	356,864	1,053,900	52,854	259,204	334,989	647,047
Transfer to 12-month ECL	85,828	(14,916)	(70,912)	–	762,166	(762,166)	–	–
Transfer to lifetime ECL not credit-impaired	(109,996)	310,241	(200,245)	–	(929,925)	1,077,118	(147,193)	–
Transfer to lifetime ECL credit-impaired	(13,829)	(458,232)	472,061	–	–	(173,742)	173,742	–
Net remeasurement of loss allowance, including changes in EAD	(39,318)	497,389	358,651	816,722	218,963	155,412	173,047	547,422
New financial assets originated or purchased	10,330	26	–	10,358	36,898	2	–	36,900
Financial assets that have been derecognised*	(4,880)	(1,563)	(167,285)	(173,728)	(2,530)	–	–	(2,530)
Write-offs	–	–	(167,487)	(167,487)	–	–	(178,659)	(178,659)
Changes in models/risk parameters	–	–	–	–	–	–	–	–
Foreign exchange and other	(2,549)	(2,458)	(1,621)	(6,628)	2,060	722	938	3,720
Balance as of 31 December	66,074	887,037	580,026	1,533,137	140,486	556,550	356,864	1,053,900

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9.3.3 Allowance for expected credit losses (continued)

	2024				2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
US\$000								
Money market placements								
Balance on 1 January	109	–	–	109	174	–	–	174
Net remeasurement of loss allowance	66	–	–	66	(65)	–	–	(65)
Changes in models/risk parameters	–	–	–	–	–	–	–	–
Foreign exchange and other movements	–	–	–	–	–	–	–	–
Balance on 31 December	175	–	–	175	109	–	–	109
Deposits with other banks								
Balance on 1 January	75	–	–	75	85	–	–	85
Net remeasurement of loss allowance	(59)	–	–	(59)	(10)	–	–	(10)
Balance on 31 December	16	–	–	16	75	–	–	75
Financial assets at amortised cost								
Balance on 1 January	830	–	–	830	22	–	–	22
Net remeasurement of loss allowance	578	–	–	578	808	–	–	808
Changes in models/risk parameters	–	–	–	–	–	–	–	–
Foreign exchange and other movements	–	–	–	–	–	–	–	–
Balance on 31 December	1,408	–	–	1,408	830	–	–	830
Financial guarantee contracts								
Balance on 1 January	75	3	–	78	30	–	–	30
Net remeasurement of loss allowance	(44)	34	–	(10)	45	3	–	48
Changes in models/risk parameters	–	–	–	–	–	–	–	–
Foreign exchange and other movements	–	–	–	–	–	–	–	–
Balance on 31 December	31	37	–	68	75	3	–	78
Loan commitments								
Balance on 1 January	16,920	385	–	17,305	30,303	–	–	30,303
Net remeasurement of loss allowance	(13,836)	240	–	(13,596)	(13,383)	385	–	(12,998)
Changes in models/risk parameters	–	–	–	–	–	–	–	–
Foreign exchange and other movements	–	–	–	–	–	–	–	–
Balance on 31 December	3,084	625	–	3,709	16,920	385	–	17,305
Letters of credit								
Balance on 1 January	5,131	13	–	5,144	4,873	–	–	4,873
Net remeasurement of loss allowance	(4,477)	263	–	(4,215)	258	13	–	271
Changes in models/risk parameters	–	–	–	–	–	–	–	–
Foreign exchange and other movements	–	–	–	–	–	–	–	–
Balance on 31 December	654	276	–	929	5,131	13	–	5,144
Prepayments and receivables								
Balance on 1 January	–	–	9,488	9,488	–	–	19,420	19,420
Net remeasurement of loss allowance including changes in EAD	–	–	11,576	11,576	–	–	3,068	3,068
Write-offs	–	–	(4,299)	(4,299)	–	–	(13,000)	(13,000)
Foreign exchange and other movements	–	–	–	–	–	–	–	–
Balance on 31 December	–	–	16,765	16,765	–	–	9,488	9,488

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9.3.3 Allowance for expected credit losses (continued)

Neither past due nor impaired and individually impaired loans and advances to customers

US\$000	GROUP		BANK	
	Loan advances to customers 2024	Loan advances to customers 2023	Loan advances to customers 2024	Loan advances to customers 2023
Neither past due nor impaired (0-29 days past due in either Stage 1 or Stage 2)				
Grades 1-3: Low risk	4,967,684	3,176,336	4,967,684	3,176,336
Grades 4-6: Satisfactory risk	12,559,942	12,035,996	12,674,723	12,087,902
Grades 7-8: Satisfactory risk	8,810,240	8,841,132	8,810,240	8,841,132
Grade 9-10: Moderate risk	2,150,658	1,619,229	2,150,658	1,619,229
Grade 11: Watchlist	1,427,948	1,179,205	1,427,948	1,179,205
	29,916,472	26,851,898	30,031,253	26,903,804
Past due but not impaired (more than 30 days past due and are not in Stage 3)				
Grades 1-3: Low risk	–	–	–	–
Grades 4-6: Satisfactory risk	51,462	20,618	51,462	20,618
Grades 7-8: Satisfactory risk	30,900	113,988	30,900	113,988
Grades 9-10: Satisfactory risk	2,162	124,212	2,162	124,212
Grade 11: Watchlist	–	242,398	–	242,398
Grade 12-13: Sub standard, doubtful and bad	–	–	–	–
Grade 14: Loss allowance for expected credit losses	–	–	–	–
	84,524	501,216	84,524	501,216
Credit impaired (facilities in stage 3)				
Grade 11: Watchlist	–	–	–	–
Grade 12-13: Sub standard, doubtful and bad	718,661	693,415	718,661	693,415
Grade 14: Loss allowance for expected credit losses	–	–	–	–
	718,661	693,415	718,661	693,415

9.3.4 Modifications of loans and advances measured at amortised cost

During the year, the Group modified the contractual terms of certain loans and advances. These modifications did not result in derecognition under IFRS 9 but did lead to changes in the present value of future cash flows, discounted at the original effective interest rate. The table below reflects the amortised cost of loans modified during the year.

US\$000	GROUP AND BANK	
	2024	2023
Amortised cost of loans modified	1,970,445	582,623
Modification loss recognised	44,684	7,756

The modification losses primarily arose from restructurings granted to borrowers, including extensions of loan tenors, changes in interest rates, and revised repayment schedules. These changes were made to accommodate borrowers as part of loan renegotiations under normal business practices.

Impact on Expected Credit Loss Measurement

The modification of loans and advances was assessed for credit risk impact, and changes in expected credit losses (ECL) were considered. The Group evaluated whether the modifications resulted in a significant increase in credit risk or movement to Stage 2 or Stage 3 under IFRS 9.

- In some cases, ECL increased due to a higher PD and potential loss given default associated with modified loans.
- In other cases, modifications did not lead to the assets being deemed to be credit-impaired, and the loans remained in their staging prior to modification.
- The Group continues to monitor modified loans to assess any deterioration in credit quality.

From a risk management point of view, once an asset is modified for any reason, including financial difficulties of the borrower, the Bank's Loan Remediation department continues to monitor the exposure until it exits forbearance, that is, it is either cured or derecognised. There are no previously modified financial assets for which the loss allowance has changed to a 12-month ECL measurement during the period.

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9.3.5 Concentration risks of loans and advances to customers with credit risk exposure

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loans and advances, which accounts for more than 80% of total assets, is shown below:

(a) Geographical sectors

The following table breaks down the Group's credit exposure into gross amounts (without taking into account any collateral held or other credit support), by geographical region as of 31 December 2024 and 31 December 2023 of the Bank's counterparties. The Bank is the only entity within the Group that has loans and advances.

GROUP				
	%	2024 US\$000	%	2023 US\$000
West Africa	37.1	11,399,208	43.4	12,186,000
North Africa	32.7	10,043,933	26.1	7,315,983
East Africa	11.0	3,389,206	11.8	3,315,667
Central Africa	3.1	935,448	2.6	726,188
Southern Africa	14.7	4,514,393	16.1	4,502,691
Non regional	1.3	395,425	-	-
CARICOM	0.1	42,045	-	-
Total gross loans and advances to customers (Note 25)	100	30,719,658	100	28,046,529

BANK				
	%	2024 US\$000	%	2023 US\$000
West Africa	37.4	11,513,989	43.6	12,237,906
North Africa	32.6	10,043,933	26.0	7,315,983
East Africa	11.0	3,389,206	11.8	3,315,667
Central Africa	3.0	935,448	2.6	726,188
Southern Africa	14.6	4,514,393	16.0	4,502,691
Non regional	1.3	395,425	-	-
CARICOM	0.1	42,045	-	-
Total gross loans and advances to customers (Note 25)	100	30,834,439	100	28,098,435

Concentration by location for loans and advances is based on the customer's country of domicile.

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9.3.5 Concentration risks of loans and advances to customers with credit risk exposure (continued)

(b) Industry sectors

The following table breaks down the Group's credit exposures at their gross amounts (without taking into account any collateral held or other credit support), as categorized by industry sector as at 31 December 2024 and 31 December 2023 of the Bank's counterparties. The Bank is the only entity within the Group that has loans and advances.

GROUP				
	%	2024 US\$000	%	2023 US\$000
Agriculture	0.4	121,095	0.3	79,326
Agro-processing	0.4	126,189	0.5	142,038
Financial services	48.1	14,784,948	49.4	13,847,796
Government	8.3	2,563,003	8.6	2,408,421
Hospitality (hotels, resorts, etc.)	0.4	132,741	0.5	137,618
Manufacturing	6.1	1,868,829	4.3	1,216,303
Metals and minerals	1.3	411,158	1.6	437,183
Oil and gas	19.6	6,008,076	18.6	5,213,381
Other	3.3	1,008,316	1.1	332,954
Power	3.2	991,305	4.7	1,305,753
Telecommunication	1.9	573,914	1.9	522,599
Transportation	1.9	575,652	1.6	459,818
Construction	3.9	1,194,939	4.6	1,295,661
Health and medical services	1.2	359,493	2.3	647,678
Total gross loans and advances to customers (Note 25)	100	30,719,658	100	28,046,529

BANK				
	%	2024 US\$000	%	2023 US\$000
Agriculture	0.4	121,094	0.3	79,326
Agro-processing	0.4	126,189	0.5	142,038
Financial services	47.9	14,784,948	49.3	13,847,796
Government	8.3	2,563,003	8.6	2,408,421
Hospitality (hotels, resorts, etc.)	0.4	132,741	0.5	137,618
Manufacturing	6.1	1,868,829	4.3	1,216,303
Metals and minerals	1.3	411,158	1.6	437,183
Oil and gas	19.5	6,008,076	18.6	5,213,381
Other	3.3	1,008,316	1.1	332,954
Power	3.2	991,305	4.6	1,305,753
Telecommunication	1.9	573,914	1.9	522,599
Transportation	1.9	575,652	1.6	459,818
Construction	3.9	1,194,939	4.6	1,295,661
Health and medical services	1.5	474,275	2.5	699,584
Total gross loans and advances to customers (Note 25)	100	30,834,439	100	28,098,435

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9.4 Market risk

Market risk is the risk that changes in market prices — interest rates, foreign exchange rates, and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Group's solvency while optimising the return on risk.

9.4.1 Interest rate risk

Interest rate movements affect the Group's profitability. Exposure to interest rate movements exists because the Group has assets and liabilities on which interest rates either change from time to time (rate sensitive assets and liabilities that will affect cash flows) or, fixed interest (affecting fair value of the assets and liabilities), or non-interest bearing (rate insensitive assets and liabilities). Exposure to interest rate movements arises when there is a mismatch between the rate sensitive assets and liabilities.

The Group closely monitors interest rate movements and seeks to limit its exposure by managing the interest rate and maturity structure of assets and liabilities carried on the statement of financial position. Interest rate swaps are also used to manage interest rate risk. The following is a summary of the Group's interest rate gap position on its financial assets and financial liabilities. The interest rate repricing gap table analyses the full-term structure of interest rate mismatches within the Group's balance sheet based on (1) the next repricing date or the maturity date if the rate is floating, (2) the maturity date if the rate is fixed, or (3) non-interest bearing assets and liabilities.

	Up to 3 months US\$000	3–6 months US\$000	6–12 months US\$000	Over 1 year US\$000	Non- interest bearing US\$000	Total US\$000
As of 31 December 2024 – GROUP						
Financial assets						
Cash and cash equivalents	4,649,164	–	–	–	115	4,649,279
Loans and advances to customers at amortised cost	16,846,055	3,251,367	570,898	10,051,338	–	30,719,658
Other assets	–	–	–	–	29,135	29,135
Investment securities at amortised cost	–	300	–	370,584	–	370,884
Financial assets at fair value through profit or loss	–	–	–	197,349	367,958	565,307
Derivative assets held for risk management	17,346	–	–	–	–	17,346
Receivables (excluding prepayments)	–	–	–	–	68,202	68,202
Total financial assets	21,512,565	3,251,667	570,898	10,619,271	465,410	36,419,811
Financial liabilities						
Derivative held for risk management	–	–	–	–	–	–
Money market deposits	1,564,334	670,374	584,269	–	–	2,818,977
Borrowings due to banks	367,918	796,974	4,432,485	8,443,813	–	14,041,190
Debt securities in issue	–	35,000	–	2,583,628	–	2,618,628
Deposits and customer accounts	250,861	3,363,601	2,273,271	2,361,263	–	8,248,996
Other liabilities	–	–	–	–	353,113	353,113
Total financial liabilities	2,183,113	4,865,949	7,290,025	13,388,704	353,113	28,080,904
Total interest gap	19,329,452	(1,614,282)	(6,719,127)	(2,769,433)	112,297	8,338,907

	Up to 3 months US\$000	3–6 months US\$000	6–12 months US\$000	Over 1 year US\$000	Non- interest bearing US\$000	Total US\$000
As of 31 December 2023 – GROUP						
Financial assets						
Cash and cash equivalents	5,621,981	–	–	–	90	5,622,071
Loans and advances to customers at amortised cost	15,166,968	5,666,980	3,061,243	4,151,338	–	28,046,529
Other assets	–	–	–	–	19,159	19,159
Financial assets at amortised costs	–	–	–	324,000	–	324,000
Financial assets at fair value through profit or loss	–	–	–	233,405	63,800	297,205
Receivables (excluding prepayments)	–	–	–	–	34,969	34,969
Total financial assets	20,788,949	5,666,980	3,061,243	4,708,743	118,018	34,343,933

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9.4.1 Interest rate risk (continued)

As of 31 December 2023 – GROUP	Up to 3 months US\$000	3–6 months US\$000	6–12 months US\$000	Over 1 year US\$000	Non-interest bearing US\$000	US\$000
Financial liabilities						
Derivative held for risk management	25,751	–	–	–	–	25,751
Money market deposits	1,376,761	–	–	–	–	1,376,761
Borrowings due to banks	1,237,833	2,018,931	2,215,977	7,157,015	–	12,629,756
Debt securities in issue	–	–	35,348	2,817,161	–	2,852,509
Deposits and customer accounts	5,788,708	1,500,000	2,201,206	422,733	266,286	10,178,933
Other liabilities	–	–	–	–	364,749	364,749
Total financial liabilities	8,429,053	3,518,931	4,452,531	10,396,909	631,035	27,428,459
Total interest gap	12,359,896	2,148,049	(1,391,288)	(5,688,166)	(513,017)	6,915,474

As of 31 December 2024 – BANK	Up to 3 months US\$000	3–6 months US\$000	6–12 months US\$000	Over 1 year US\$000	Non-interest bearing US\$000	US\$000
Financial assets						
Cash and cash equivalents	4,648,714	–	–	–	115	4,648,829
Loans and advances to customers at amortised cost	16,961,732	3,251,367	570,898	10,050,442	–	30,834,439
Other assets	–	–	–	19,555	9,331	28,886
Investment securities at amortised cost	–	–	–	370,584	–	370,584
Receivables (excluding prepayments)	–	–	–	–	82,767	82,767
Total financial assets	21,610,446	3,251,367	570,898	10,440,581	92,213	35,965,505

Financial liabilities						
Money market deposits	1,564,334	670,374	589,819	–	–	2,824,527
Borrowings due to banks	367,918	796,974	4,432,485	8,443,813	–	14,041,190
Debt securities in issue	–	35,000	–	2,583,628	–	2,618,628
Deposits and customer accounts	257,872	3,363,601	2,273,271	2,383,428	–	8,278,172
Other liabilities	–	–	–	–	361,090	361,090
Total financial liabilities	2,190,124	4,865,949	7,295,575	13,410,869	361,090	28,123,607
Total interest gap	19,420,322	(1,614,582)	(6,724,677)	(2,970,288)	(268,877)	7,841,898

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9.4.1 Interest rate risk (continued)

As of 31 December 2023 – BANK	Up to 3 months US\$000	3–6 months US\$000	6–12 months US\$000	Over 1 year US\$000	Non-interest bearing US\$000	US\$000
Financial assets						
Cash and cash equivalents	5,621,525	–	–	–	90	5,621,615
Loans and advances to customers at amortised cost	15,166,968	5,666,980	3,061,243	4,203,244	–	28,098,435
Other assets	–	–	–	–	17,955	17,955
Investment securities at amortised cost	–	–	–	324,000	–	324,000
Receivables (excluding prepayments)	–	–	–	–	95,649	95,649
Derivative assets held for risk management	–	–	–	3,763	–	3,763
Total financial assets	20,788,493	5,666,980	3,061,243	4,531,007	113,694	34,161,417
Financial liabilities						
Derivative held for risk management	–	–	–	25,751	–	25,751
Money market deposits	1,377,820	–	–	–	–	1,377,820
Borrowings due to banks	1,237,833	2,018,931	2,215,977	7,157,015	–	12,629,756
Debt securities in issue	–	–	35,348	2,817,161	–	2,852,509
Deposits and customer accounts	5,795,719	1,500,000	2,201,206	422,733	268,658	10,188,316
Other liabilities	–	–	–	–	281,467	281,467
Total financial liabilities	8,411,372	3,518,931	4,452,531	10,422,660	550,125	27,355,619
Total interest gap	12,377,121	2,148,049	(1,391,288)	(5,891,653)	(436,431)	6,805,798

At 31 December 2024, if interest rates at that date had been 50 basis points higher (2023: 50 basis points higher), with all other variables held constant, profit and reserves for the year would have been US\$35,819 (2023: US\$31,006) higher, arising mainly as a result of a increase in interest income on loans and advances compared to the corresponding increase in interest expense on borrowings. If interest rates had been 50 basis points (2023: 50 basis points) lower, with all other variables held constant, profit would have been US\$35,819 (2023: US\$31,006) lower arising from interest income on loans being significantly lower than the decrease in interest expense on borrowings. The sensitivity has been adjusted to 50bps on account of benchmark interest rates adjustments which were up to 75bps during the year.

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9.4.1 Interest rate risk (continued)

The table below summarizes the impact on profit or loss and equity for each category of financial instruments held as of 31 December 2024 and comparatives. It includes the Group's financial instruments at carrying amounts.

	GROUP AND BANK			GROUP AND BANK		
	Carrying amount 2024 US\$000	Impact on profit or loss and equity 2024 US\$000	Impact on profit or loss and equity 2024 US\$000	Carrying amount 2023 US\$000	Impact on profit or loss and equity 2023 US\$000	Impact on profit or loss and equity 2023 US\$000
		+50bp of US\$ rate increase	(-)50bp of US\$ rate decrease		+50bp of US\$ US\$ rate rate increase	(-)50bp of US\$ rate decrease
Changes in interest rates						
Financial assets						
Gross loans and advances to customers	18,431,257	92,156	(92,156)	18,866,365	94,332	(94,332)
Impact from financial assets	18,431,257	92,156	(92,156)	18,866,365	94,332	(94,332)
Financial liabilities						
Borrowings due to banks	11,232,952	56,165	(56,165)	12,629,756	63,149	(63,149)
Debt securities in issue	35,000	175	(175)	35,348	177	(177)
Deposits and customer accounts	–	–	–	–	–	–
Impact from financial liabilities	11,267,952	56,340	(56,340)	12,665,104	63,326	(63,326)
Total increase/(decrease) on profit or loss and equity	5,987,856	35,819	(35,819)	6,201,261	31,006	(31,006)

9.4.2 Foreign exchange risk exposure

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Foreign exchange risk is managed by the Group by matching assets and liabilities in respective currencies. The Group also uses currency derivatives, especially forward foreign exchange contracts to economically hedge foreign exchange risk. Open currency positions are monitored regularly, and appropriate economic hedging actions taken. Refer to note 11 for further details on derivative financial instruments.

The table below summarises the Group exposure to foreign currency exchange rate risk as at 31 December 2024. The Bank is the only entity within the Group that is exposed to foreign exchange risks and resultantly the Group and Bank amounts are the same. The Group is exposed mainly to the Euro ("EUR") foreign exchange risk and its exposure is summarised below by financial instruments at carrying amounts and categorised by EUR exposure and any other currencies which the Group is not significant exposed to if analysed individually:

	GROUP AND BANK			
	EUR US\$000	JPY US\$000	Other currencies US\$000	Total US\$000
As of 31 December 2024				
Assets				
Cash and cash equivalents	158,083	239,229	4,684	401,996
Loans and advances to customers	3,997,143	–	–	3,997,143
Total financial assets	4,155,226	239,229	4,684	4,399,139
Liabilities				
Borrowings due to banks	2,058,352	518,000	–	2,576,352
Deposits and customer accounts	133,870	–	2,987	136,857
Other liabilities	2,366	–	3,702	6,068
Derivatives liabilities held for risk management	–	–	–	–
Total financial liabilities	2,194,588	518,000	6,689	2,719,277
Net exposure on statement of financial position	1,960,638	(278,771)	(2,005)	1,679,862
Net exposure on off-statement of financial position				
Loan commitments and financial guarantees	1,230,845	–	–	1,230,845

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9.4.2 Foreign exchange risk exposure (continued)

	GROUP AND BANK		
	EUR US\$000	Other currencies US\$000	Total US\$000
As of 31 December 2023			
Assets			
Cash and cash equivalents	108,453	6,280	114,733
Loans and advances to customers	4,092,715	–	4,092,715
Total financial assets	4,201,168	6,280	4,207,448
Liabilities			
Borrowings due to banks	1,470,251	278,416	1,748,667
Deposits and customer accounts	121,700	2,892	124,592
Other liabilities	1,820	2,388	4,208
Derivatives liabilities held for risk management	–	–	–
Total financial liabilities	1,593,771	283,696	1,877,467
Net exposure on statement of financial position	2,607,397	(277,416)	2,329,981
Net exposure on off-statement of financial position			
Loan commitments and financial guarantees	925,447	–	925,447

Foreign exchange risk sensitivity analysis

At 31 December 2024, if foreign exchange rates at that date had been 10 percent lower with all other variables held constant, profit and reserves for the year would have been US\$169 million (2023: US\$261 million) lower as the Group has more financial assets in EUR than it has in liabilities. If foreign exchange rates had been 10 percent higher, with all other variables held constant, profit would have been US\$169 million (2023: US\$261 million) higher, arising mainly as a result of decline in revaluation of financial assets than financial liabilities in Euro. The following analysis details the Group's sensitivity to a 10 percent increase and decrease in the value of the US\$ against the Euro, as the Group is mainly exposed to Euro. 10 percent is the sensitivity rate used when reporting foreign currency risk internally and represents management's assessment of the reasonably possible change in foreign exchange rates. The table below summarises the impact on profit or loss and equity for each category of Euro financial instruments held as at 31 December 2024. It includes the Group's Euro financial instruments at carrying amounts.

	GROUP AND BANK			GROUP AND BANK		
	Carrying amount 2024 US\$000	Impact on profit or loss and equity 2024 US\$000	Impact on profit or loss and equity 2024 US\$000	Carrying amount 2023 US\$000	Impact on profit or loss and equity 2023 US\$000	Impact on profit or loss and equity 2023 US\$000
Changes in value of U.S. dollar against the euro		10% increase	10% decrease		10% increase	10% decrease
Financial assets						
Cash and cash equivalents	158,083	15,808	(15,808)	108,453	10,845	(10,845)
Gross loans and advances to customers	3,997,143	399,714	(399,714)	4,092,715	409,272	(409,272)
Impact from financial assets	4,155,226	415,522	(415,522)	4,201,168	420,117	(420,117)

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Foreign exchange risk sensitivity analysis (continued)

	GROUP AND BANK			GROUP AND BANK		
	Carrying amount 2024 US\$000	Impact on profit or loss and equity 2024 US\$000	Impact on profit or loss and equity 2024 US\$000	Carrying amount 2023 US\$000	Impact on profit or loss and equity 2023 US\$000	Impact on profit or loss and equity 2023 US\$000
Changes in value of U.S. dollar against Euro						
Financial liabilities		10% increase	10% decrease		10% increase	10% decrease
Borrowings due to banks	2,058,352	(205,835)	205,835	1,470,251	(147,025)	147,025
Deposits and customer accounts	133,870	(13,387)	13,387	121,700	(12,170)	12,170
Other liabilities	2,366	(237)	237	1,820	(182)	182
Impact from financial liabilities	2,194,588	(219,459)	219,459	1,593,771	(159,377)	159,377
Total increase/(decrease) on profit or loss and equity	1,960,638	196,063	(196,063)	2,607,397	260,740	(260,740)

9.5 LIQUIDITY RISK

Liquidity risk concerns the ability of the Group to fulfil its financial obligations as they become due. The management of the liquidity risk is focused on the timing of the cash inflows and outflows as well as on the adequacy of available cash, credit lines, and high-liquidity investments. The Group manages its liquidity risk by preparing dynamic cash flow forecasts covering all expected cash flows from assets and liabilities and by taking appropriate advance actions. Further, the Group has committed credit lines it can draw on in case of need. The liquidity ratio is 13 percent (2023: 17 percent).

The table below analyses the Group's financial assets and financial liabilities (including principal and interest, where applicable) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date as of 31 December 2024; the amounts disclosed in the table are the contractual undiscounted cash flows.

As of 31 December 2024 – GROUP	Up to 1 month US\$000	1–3 months US\$000	3–12 months US\$000	1–5 years US\$000	Over 5 years US\$000	2024 total US\$000
Financial assets by type						
Non-derivative assets						
Cash and cash equivalents	3,990,396	658,883	–	–	–	4,649,279
Loans and advances to customers	2,753,239	4,636,157	6,278,347	20,850,154	1,513,330	36,031,227
Financial assets at fair value through profit or loss	–	–	–	89,346	475,961	565,307
Receivables (excluding prepayments)	68,202	–	–	–	–	68,202
Investment securities at amortised cost	–	–	65,000	336,839	–	401,839
Other assets	–	14,095	–	12,563	–	26,658
Derivative assets						
Derivative assets held for risk management	–	–	–	–	17,346	17,346
Total assets	6,811,837	5,309,135	6,343,347	21,288,902	2,006,637	41,759,858
Financial liabilities by type						
Non-derivative liabilities						
Money market deposits	1,564,334	670,374	584,269	–	–	2,818,977
Borrowings due to banks	367,918	796,974	4,432,485	9,139,123	770,910	15,507,410
Debt securities in issue	–	35,000	–	2,188,415	909,278	3,132,693
Deposits and customer accounts	250,861	3,363,601	2,273,271	2,725,003	–	8,612,736
Other liabilities including lease liabilities	29,870	53,323	209,068	–	–	292,261
Derivative liabilities						
Derivative liabilities held for risk management	–	–	–	–	–	–
Total liabilities	2,212,983	4,919,272	7,499,093	14,052,541	1,680,188	30,364,077
Net liquidity gap	4,598,854	389,863	(1,155,746)	7,236,361	326,449	11,395,781
Cumulative liquidity gap	4,598,854	4,988,717	3,832,971	11,069,332	11,395,781	–

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9.5 LIQUIDITY RISK (continued)

As of 31 December 2023 – GROUP	Up to 1 month US\$000	1–3 months US\$000	3–12 months US\$000	1–5 years US\$000	Over 5 years US\$000	2023 total US\$000
Financial assets by type						
Non-derivative assets						
Cash and cash equivalents	4,467,645	1,154,426	–	–	–	5,622,071
Loans and advances to customers	4,200,323	3,008,940	10,573,400	15,204,989	1,919,008	34,906,660
Financial assets at fair value through profit or loss	–	–	–	73,840	223,365	297,205
Receivables (excluding prepayments)	34,036	–	–	–	–	34,036
Investments securities at amortised cost	–	–	89,300	258,199	–	347,499
Other assets	–	7,839	–	10,383	–	18,222
Total assets	8,702,004	4,171,205	10,662,700	15,547,411	2,142,373	41,225,693
Financial liabilities by type						
Non-derivative liabilities						
Money market deposits	597,255	779,506	–	–	–	1,376,761
Borrowings due to banks	225,847	772,200	3,754,093	6,507,698	2,954,994	14,214,832
Debt securities in issue	–	–	775,000	739,722	1,860,416	3,375,138
Deposits and customer accounts	3,166,163	1,166,106	3,966,560	1,352,099	529,089	10,180,017
Other liabilities including lease liabilities	35,603	48,550	127,654	–	–	211,807
Derivative liabilities						
Derivative liabilities held for risk management	–	–	4,588	21,163	–	25,751
Total liabilities	4,024,868	2,766,362	8,627,895	8,620,682	5,344,499	29,384,306
Net liquidity gap	4,677,136	1,404,483	2,034,805	6,926,729	(3,202,126)	11,841,387
Cumulative liquidity gap	4,677,136	6,081,979	8,116,784	15,043,513	11,841,387	–

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9.5 LIQUIDITY RISK (continued)

As of 31 December 2024 – BANK	Up to 1 month US\$000	1–3 months US\$000	3–12 months US\$000	1–5 years US\$000	Over 5 years US\$000	2024 total US\$000
Financial assets by type						
Non-derivative assets						
Cash and cash equivalents	3,990,396	658,433	–	–	–	4,648,829
Loans and advances to customers	2,753,259	4,636,157	6,278,347	20,909,743	1,922,130	36,499,636
Receivables (excluding prepayments)	82,767	–	–	–	–	82,767
Financial assets at amortised cost	–	–	65,000	336,839	–	401,839
Other assets	–	14,095	–	12,314	–	26,409
Derivative assets						
Derivative assets held for risk management	–	–	17,346	–	–	17,346
Total assets	6,826,422	5,308,685	6,360,693	21,258,896	1,922,130	41,676,826
Financial liabilities by type						
Non-derivative liabilities						
Money market deposits	1,564,334	670,919	589,274	–	–	2,824,528
Borrowings due to banks	367,918	796,974	4,435,577	9,139,123	767,818	15,507,410
Debt securities in issue	–	35,000	–	2,188,415	909,278	3,132,693
Deposits and customer accounts	250,861	3,388,900	2,273,271	2,728,880	–	8,641,912
Other liabilities including lease liabilities	29,870	53,323	217,044	–	–	300,237
Derivative liabilities						
Derivative liabilities held for risk management	–	–	–	–	–	–
Total liabilities	2,212,983	4,945,116	7,515,166	14,056,418	1,677,096	30,406,780
Net liquidity gap	4,613,439	363,659	(1,154,474)	7,202,478	245,034	11,270,047
Cumulative liquidity gap	4,613,439	4,977,008	3,822,535	11,025,013	11,270,047	–

As of 31 December 2023 – BANK	Up to 1 month US\$000	1–3 months US\$000	3–12 months US\$000	1–5 years US\$000	Over 5 years US\$000	2023 total US\$000
Financial assets by type						
Non-derivative assets						
Cash and cash equivalents	4,458,283	1,163,332	–	–	–	5,621,615
Loans and advances to customers	4,200,323	3,008,940	10,573,400	15,264,989	1,919,008	34,966,660
Receivables (excluding prepayments)	95,649	–	–	–	–	95,649
Investment securities at amortised cost	–	–	89,300	258,199	–	347,499
Other assets	–	7,839	–	10,383	–	18,222
Derivative assets held for risk management	–	–	3,763	–	–	3,763
Total assets	8,754,255	4,180,111	10,666,463	15,533,571	1,919,008	41,053,408

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9.5 LIQUIDITY RISK (continued)

	Up to 1 month US\$000	1–3 months US\$000	3–12 months US\$000	1–5 years US\$000	Over 5 years US\$000	2023 total US\$000
As of 31 December 2023 – BANK						
Financial liabilities by type						
Non-derivative liabilities						
Money market deposits	597,255	780,565	–	–	–	1,377,820
Borrowings due to banks	225,847	772,200	3,754,093	6,507,698	2,954,995	14,214,832
Debt securities in issue	–	–	775,000	739,722	1,860,416	3,375,138
Deposits and customer accounts	3,175,546	1,166,106	3,966,560	1,352,099	529,089	10,189,400
Other liabilities including lease liabilities	35,197	47,996	125,956	–	–	209,149
Derivative liabilities						
Derivative liabilities held for risk management	–	–	4,588	21,163	–	25,751
Total liabilities	4,033,845	2,766,867	8,626,197	8,620,682	5,344,500	29,392,090
Net liquidity gap	4,720,410	1,413,244	2,040,266	6,912,889	(3,425,492)	11,661,318
Cumulative liquidity gap	4,720,410	6,133,654	8,173,920	15,086,809	11,661,318	–

Maturity analysis of off-balance sheet exposure

The table below analyses the contractual expiry by maturity of the Group's contingent liabilities. For issued financial guarantees, For issued financial guarantees contracts, and letters of credit, the maximum amount of the guarantee or letter of credit is allocated to the earliest period in which the guarantee or letter of credit could be called. The Bank is the only entity within the Group with liquidity risk exposure arising from guarantees and letters of credit; hence, the Group and Bank amounts are the same.

	Up to 1 month US\$000	1–3 months US\$000	3–12 months US\$000	1–5 years US\$000	Over 5 years US\$000	Total US\$000
As of 31 December 2024						
Letters of credit	3,048,458	–	–	–	–	3,048,458
Financial guarantees	1,798,027	–	–	–	–	1,798,027
Loan commitments	7,253,650	–	–	–	–	7,253,650
Total	12,100,135	–	–	–	–	12,100,135
As at 31 December 2023						
Letters of credit	2,579,905	–	–	–	–	2,579,905
Financial guarantees	1,264,830	–	–	–	–	1,264,830
Loan commitments	8,878,558	–	–	–	–	8,878,558
Total	12,723,293	–	–	–	–	12,723,293

9.6 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

		GROUP					
	Note	Mandatorily at FVTPL 2024 US\$000	Amortised cost 2024 US\$000	Total carrying amount 2024 US\$000	Mandatorily at FVTPL 2023 US\$000	Amortised cost 2023 US\$000	Total carrying amount 2023 US\$000
As of 31 December							
Financial assets							
Cash and cash equivalents	24	–	4,649,088	4,649,088	–	5,621,887	5,621,887
Derivative assets held for risk management	25	17,346	–	17,346	3,763	–	3,763
Loans and advances to customers	21	–	29,004,989	29,004,989	–	26,722,831	26,722,831
Financial assets at fair value through profit or loss	29 a)	565,307	–	565,307	297,205	–	297,205
Receivables	26	–	51,437	51,437	–	24,548	24,548
Financial assets at amortised cost	29 b)	–	364,749	364,749	–	318,838	318,838

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Other assets	28	–	26,658	26,658	–	19,159	19,159
Total assets		582,653	34,096,921	34,679,574	300,968	32,707,263	33,008,231

9.6 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

GROUP							
As of 31 December	Note	Mandatorily at FVTPL 2024 US\$000	Amortised cost 2024 US\$000	Total carrying amount 2024 US\$000	Mandatorily at FVTPL 2023 US\$000	Amortised cost 2023 US\$000	Total carrying amount 2023 US\$000
Financial liabilities							
Derivative liabilities held for risk management	11	–	–	–	25,751	–	25,751
Money market deposits	31	–	2,818,977	2,818,977	–	1,376,761	1,376,761
Borrowings due to banks	30	–	14,041,190	14,041,190	–	12,629,756	12,629,756
Deposits and customer accounts	35	–	8,248,996	8,248,996	–	10,178,933	10,178,933
Debt securities in issue	32	–	2,618,628	2,618,628	–	2,852,509	2,852,509
Other liabilities including lease liabilities	36	–	343,114	343,114	–	284,122	284,122
Total liabilities		–	28,070,905	28,070,905	25,751	27,322,081	27,347,832

BANK							
As of 31 December	Note	Mandatorily at FVTPL 2024 US\$000	Amortised cost 2024 US\$000	Total carrying amount 2024 US\$000	Mandatorily at FVTPL 2023 US\$000	Amortised cost 2023 US\$000	Total carrying amount 2023 US\$000
Financial assets							
Cash and cash equivalents	24	–	4,648,638	4,648,638	–	5,621,431	5,621,431
Derivative assets held for risk management	11	17,346	–	17,346	3,763	–	3,763
Loans and advances to customers	25	–	29,119,770	29,119,770	–	26,774,733	26,774,733
Financial assets at fair value through profit or loss	29 a)	–	–	–	–	–	–
Receivables	26	–	66,002	66,002	–	86,161	86,161
Financial assets at amortised cost	29 b)	–	364,449	364,449	–	318,838	318,838
Other assets	28	–	26,409	26,409	–	18,280	18,280
Total assets		17,346	34,225,268	34,242,614	3,763	32,819,443	32,823,206

As of 31 December	Note	Mandatorily at FVTPL 2024 US\$000	Amortised cost 2024 US\$000	Total carrying amount 2024 US\$000	Mandatorily at FVTPL 2023 US\$000	Amortised cost 2023 US\$000	Total carrying amount 2023 US\$000
Financial liabilities							
Derivative liabilities held for risk management	11	–	–	–	25,751	–	25,751
Money market deposits	31	–	2,824,527	2,824,527	–	1,377,820	1,377,820
Borrowings due to banks	30	–	14,041,190	14,041,190	–	12,629,756	12,629,756
Deposits and customer accounts	35	–	8,278,172	8,278,172	–	10,188,316	10,188,316
Debt securities in issue	32	–	2,618,628	2,618,628	–	2,852,509	2,852,509
Other liabilities and provision	36	–	361,090	361,090	–	281,464	281,464
Total liabilities		–	28,123,607	28,123,607	25,751	27,329,865	27,355,616

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9.7 CAPITAL MANAGEMENT

The Bank is not subject to capital requirements by a regulatory body such as a central bank or equivalent. However, management has established a capital management policy that is based on maintenance of a certain capital adequacy ratio in line with Basel Committee requirements.

Capital adequacy is reviewed regularly by management using techniques based on the guidelines developed by the Basel Committee. The Bank is complying with the provisions of the Basel III framework with respect to capital adequacy measurement. The Tier 1 capital adequacy ratio for 2024 is 24 percent (2023: 24 percent).

The Bank's capital is divided into two tiers:

- Tier 1 capital: Share capital, share premium, retained earnings, and reserves created by appropriations of retained earnings and revaluation reserve.
- Tier 2 capital: Collective impairment allowances limited to 1.25 percent of the credit risk-weighted asset.

The table below summarizes the composition of capital and the ratio of the Bank's capital for the year ended 31 December 2024.

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Common equity Tier 1 (CET1) capital				
Paid-up capital	990,126	920,528	990,126	920,528
Share premium	2,531,247	2,188,009	2,531,247	2,188,009
Retained earnings	1,740,375	1,389,458	1,700,425	1,386,855
General and revaluation reserve	1,752,377	1,438,868	1,750,669	1,438,869
COMMON EQUITY TIER 1 CAPITAL	7,014,125	5,936,863	6,972,467	5,934,261
Additional Tier 1 capital				
Additional Tier 1 (AT1) capital: warrant	167,423	183,915	167,423	183,915
Deductions from CET 1: intangible asset**	12,080	11,231	9,995	11,231
ADDITIONAL TIER 1 AT1 CAPITAL	155,343	172,684	157,428	172,684
TIER 1 CAPITAL (T1 = CET + AT1)	7,169,468	6,109,547	7,129,895	6,106,945
Tier 2 Capital				
General provision limit (1.25% of credit risk weighted asset)**	352,761	306,690	352,761	309,836
TIER 2 (T2) CAPITAL	352,761	306,690	352,761	309,836
TOTAL CAPITAL (TC = T1 + T2)	7,522,229	6,416,237	7,482,656	6,416,781
Common equity Tier 1 capital (CET1)				
Tier 1 capital	7,169,468	6,109,547	7,129,895	6,106,945
Total eligible capital	7,522,229	6,416,237	7,482,656	6,416,781

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9.7 CAPITAL MANAGEMENT (continued)

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Risk weighted commitments				
Credit risk	28,220,852	24,535,197	28,220,852	24,786,884
Market risk	90,624	53,087	90,624	53,087
Operational risk	2,392,426	2,405,399	2,360,352	2,402,307
TOTAL RISK WEIGHTED COMMITMENTS	30,703,902	26,993,683	30,671,828	27,242,278
Tier 1 ratio (Tier 1 capital / total risk weighted assets)	23%	23%	23%	22%
Basel capital adequacy ratio (total capital base/total risk weighted assets)	24%	24%	24%	24%

* The Basel III guidelines state that all other intangibles must be deducted in the calculation of Common Equity Tier 1.

** The Basel III guidelines allow for general provisions against unidentified future losses to be included in Tier 2 capital up to a maximum of 1.25% of credit risk-weighted assets.

The Group's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' returns is also recognised, as is the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a stronger capital position.

10 FAIR VALUE

The Group measures financial assets such as quoted and unquoted investments and non-financial assets such as land and buildings at fair value on the reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

10.1 Determination of fair value and fair value hierarchy

Observable inputs reflect market data obtained from independent sources, and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy.

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities. The level includes listed bond securities traded on active markets.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, directly (that is, as prices) or indirectly (that is, as derived from prices).

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants on the measurement date.

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10 FAIR VALUE (continued)

10.1 Determination of fair value and fair value hierarchy (continued)

The table below shows an analysis of financial instruments and non-financial assets recorded at the fair value in the fair value hierarchy.

	GROUP			
	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
As of 31 December 2024				
Financial assets				
Financial assets at fair value through profit or loss	–	–	565,307	565,307
Derivative assets for risk management	–	17,346	–	17,346
Non-financial assets				
Revalued property and equipment	–	–	85,427	85,427
Financial liabilities				
Derivative liabilities for risk management	–	–	–	–
Total	–	17,346	650,734	668,080
As of 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss	–	–	297,205	297,205
Derivative assets for risk management	–	3,763	–	3,763
Non-financial assets				
Revalued property and equipment	–	–	85,013	85,013
Financial liabilities				
Derivative liabilities for risk management	–	25,751	–	25,751
Total	–	29,514	382,218	411,732

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10.1 Determination of fair value and fair value hierarchy (continued)

	BANK			
	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
As of 31 December 2024				
Financial assets				
Financial assets at fair value through profit or loss	–	–	–	–
Derivative assets for risk management	–	17,346	–	17,346
Non-financial assets				
Revalued property and equipment	–	–	76,375	76,375
Financial liabilities				
Derivative liabilities for risk management	–	–	–	–
Total	–	17,346	76,375	93,721
As of 31 December 2023				
Financial assets				
Derivative assets for risk management	–	3,763	–	3,763
Non-financial assets				
Revalued property and equipment	–	–	85,013	85,013
Financial liabilities				
Derivative liabilities for risk management	–	25,751	–	25,751
Total	–	29,514	85,013	114,527

10.2 Valuation technique for financial assets measured at fair value

Unlisted investments valuation

Valuation technique

Level 3 comprises the Group's investments in unlisted equities. The Group determines the earnings growth factors for unlisted equity securities, which are estimated based on market information for similar types of companies.

Valuation process

The Group engaged an independent consultant to help management determine the fair values of the unlisted equities on each reporting date. Management provides the independent consultant with audited financial statements, approved future projected cash flows, and other non-financial strategic. The consultant determines return on equity using the earnings and equity, normalises the return on equity for forecast periods, and calculates the predicted price/book value, based on a regression model, by considering other publicly tradable reinsurance businesses within the region's PBV ratios. Finally, the consultant applies the regressed price-to-book ratio to the firm's equity to determine the price.

10.3 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement in date. The following tables summarizes the fair value, determined using Level 3 inputs, for assets and liabilities not measured at fair value on the entity's statement of financial position and for which the carrying amount does not estimate carrying value.

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10.3 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value (continued)

	GROUP				
	Level 1 fair value US\$000	Level 2 fair value US\$000	Level 3 fair value US\$000	Total fair value US\$000	Carrying value US\$000
31 December 2024					
Financial assets					
Loans and advances to customers – amortised cost	–	34,164,375	–	34,164,375	29,004,989
Investments securities at amortised cost	–	–	360,353	360,353	364,749
	–	–	360,353	34,524,728	29,369,738

Carrying amount of cash and cash equivalents, receivables, and other assets approximates fair values.

Financial liabilities					
Borrowings due to banks	–	14,325,168	–	14,325,168	14,041,190
Debt securities in issue	2,587,204	–	–	2,587,204	2,618,628
	2,587,204	14,325,168	–	16,912,372	16,659,818

Carrying amounts of money market placements, deposits and customer accounts, other liabilities, and provisions approximates fair values.

	GROUP				
	Level 1 fair value US\$000	Level 2 fair value US\$000	Level 3 fair value US\$000	Total fair value US\$000	Carrying value US\$000
31 December 2023					
Financial assets					
Loans and advances to customers – amortised cost	–	28,560,386	–	28,560,386	26,722,831
Financial investments at amortised cost	–	–	257,430	257,430	318,838
	–	28,560,386	257,430	28,817,816	27,041,669

Carrying amount of cash and cash equivalents, receivables, and other assets approximates fair values.

Financial liabilities					
Borrowings due to banks	–	11,871,970	–	11,871,970	12,629,756
Debt securities in issue	2,587,668	–	–	2,587,668	2,852,509
	2,587,668	11,871,970	–	14,459,638	15,482,265

Carrying amounts of money market placements, deposits and customer accounts, other liabilities, and provisions approximates fair values..

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10.3 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value (continued)

	BANK				
	Level 1 fair value US\$000	Level 2 fair value US\$000	Level 3 fair value US\$000	Total fair value US\$000	Carrying value US\$000
31 December 2024					
Financial assets					
Loans and advances to customers – amortised cost	–	34,164,375	–	34,164,375	29,119,770
Investments securities at amortised cost	–	–	360,353	360,353	364,449
	–	34,164,375	360,353	34,524,728	29,484,219

Carrying amount of cash and cash equivalents, receivables, and other assets approximates fair values.

Financial liabilities					
Borrowings due to banks	–	14,325,168	–	14,325,168	14,041,190
Debt securities in issue	2,587,204	–	–	2,587,204	2,618,628
	2,587,204	14,325,168	–	16,912,372	16,659,818

Carrying amounts of money market deposits, deposits and customer accounts, other liabilities, and provisions approximates fair values.

	BANK				
	Level 1 fair value US\$000	Level 2 fair value US\$000	Level 3 fair value US\$000	Total fair value US\$000	Carrying value US\$000
31 December 2023					
Financial assets					
Loans and advances to customers – amortised cost	–	28,611,386	–	28,611,386	26,774,733
Financial investments at amortised cost	–	–	257,430	257,430	318,838
	–	28,611,386	257,430	28,868,816	27,093,571

Carrying amount of cash and cash equivalents, receivables, and other assets approximates fair values.

Financial liabilities					
Borrowings due to banks	–	14,170,586	–	14,170,586	12,629,756
Debt securities in issue	2,587,668	–	–	2,587,668	2,852,509
	2,587,668	14,170,586	–	16,758,253	15,482,265

Carrying amounts of money market deposits, deposits and customer accounts, other liabilities, and provisions approximates fair values.

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10.3 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value (continued)

- **Loans and advances to customers and investments securities are at amortised cost**
Loans and advances are net of charges for credit losses. The estimated fair value of loans and advances and of financial investments represents the discounted amount of estimated future cash flows expected to be received. The fair values were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.
- **Other assets**
Due to the short-term nature of the other assets, their carrying amount is considered to be the same as their fair value. For the majority of the other assets, the fair values are not significantly different from their carrying amounts.
- **Financial Liabilities**
The estimated fair value of borrowings due to banks and debt securities in issue represents the discounted amount of estimated future cash flows expected to be paid. Expected cash outflows are discounted at current market rates to determine fair value. The fair values of money market deposits and deposits and customer accounts are not materially different from their carrying amounts because the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including the Bank's own credit risk.
- **Other liabilities**
The carrying amounts of these balances approximate their fair values.
- **Derivatives**
The Bank enters into derivative financial instruments with various counterparties, principally financial institutions with investment-grade credit ratings. Derivatives valued using valuation techniques with market-observable inputs are cross-currency swaps. The most frequently applied valuation technique is interest rates for present value calculations. The models incorporate various inputs, including the credit quality of the counterparties and that of the Bank and interest rate curves. The Bank takes into account the cash collateral placed with counterparties when determining the fair value of cross-currency swaps.

10.4 Unobservable inputs sensitivity analysis

The significant unobservable valuation input used to obtain the value of unquoted securities was the enterprise value/earnings before interest tax depreciation and amortisation (EV/EBITDA Multiple) of similar companies. The table below shows the effects of a 5 percent increase or decrease in the EV/EBITDA of similar companies on the fair value of the unquoted securities. The positive and negative effects are approximately the same.

	GROUP			
	31 December 2024		31 December 2023	
	Carrying amount US\$000	Effect of 5% change in EV/EBITDA US\$000	Carrying amount US\$000	Effect of 5% change in EV/EBITDA US\$000
Unlisted equities	367,958	18,397	65,602	3,280

The significant unobservable valuation input used to obtain the value of land and buildings was annual market rentals of similar properties. The table below shows the impact on the fair value of land and buildings assuming that the annual market rentals increase or decrease by 5 percent. The positive and negative effects are approximately the same.

	GROUP AND BANK			
	31 December 2024		31 December 2023	
	Carrying amount US\$000	Effect of 5% change in EV/EBITDA US\$000	Carrying amount US\$000	Effect of 5% change in EV/EBITDA US\$000
Property and equipment	76,375	3,818	85,013	4,250

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10.4 Unobservable inputs sensitivity analysis (continued)

Unobservable inputs used to derive Level 3 fair values

The table below presents the following for each class of land and buildings:

- Fair value measurements at the end of the reporting period,
- Level of the fair value hierarchy (in this case Level 3) within which the fair value measurements are categorised in their entirety,
- Valuation techniques applied,
- Inputs used in the fair value measurement, and
- Quantitative information about the significant observable inputs used in the fair value measurement.

Valuation technique	Key unobservable inputs	Range (weighted average) 2024	Range (weighted average) 2023	Class of property valued using this technique	Fair value 31-Dec-2024 US\$000	Fair value 31-Dec-2023 US\$000
Comparative method	Rate per square metre	US\$831 – US\$2,699	US\$831– US\$2,699	Commercial	76,375	85,013

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values.

Rate per square metre

The rate at which space could be bought in the market conditions prevailing at the date of valuation. The unit of comparison is the quoted price per square metre.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

Rate per square metre is the significant unobservable input used in the fair value measurement categorised within Level 3 of the value hierarchy of the Group's land and buildings. Increases/(decreases) in the rental per square metre in isolation would result in a higher/(lower) fair value measurement.

The following table shows the valuation techniques used in measuring Level 3 category fair values for instruments as well as significant unobservable inputs used.

Financial instrument and valuation technique	Level 3 – Significant unobservable inputs	Range of estimates of cash flows discount factors	Interrelationship between significant unobservable inputs and fair value measurement
Instrument Unlisted equities Valuation technique EV/EBIDTA multiples approach	Risk-adjusted discount factors <ul style="list-style-type: none"> – Comparable size discount – Country risk 	Comparable size discount factor 20%–50% Country risk discount factor 20%–50%	The estimated fair value would increase/(decrease) if <ul style="list-style-type: none"> – The comparable size discount factor was lower/(higher) – The country risk discount factor was lower/(higher)
Instrument Unlisted debt instruments Valuation technique Discounted cash flow (DCF) approach	Risk-adjusted discount factors <ul style="list-style-type: none"> – Credit spread adjustment – Liquidity risk premium 	Credit spread adjustment factor 1%–5% Liquidity risk premium 2%–6%	The estimated fair value would increase/(decrease) if <ul style="list-style-type: none"> – The credit spread adjustment factor was lower/(higher) – The liquidity risk premium was lower/(higher)
Instrument Derivative assets/liabilities Valuation technique Discounted cash flow (DCF) approach	Foreign exchange forward Contracts: <ul style="list-style-type: none"> – Counterparty credit risk – Liquidity risk adjustment. Cross-currency swaps: <ul style="list-style-type: none"> – Basis spread adjustment – Discount rate sensitivity 	Credit risk adjustment factor 1%–5% Liquidity risk premium 0.5%–0.3%. Basis spread adjustment 0.5%–0.4%. Discount rate sensitivity 2%–6%.	The estimated fair value would increase/(decrease) if <ul style="list-style-type: none"> – The credit risk adjustment factor was lower/(higher) – The liquidity risk premium was lower/(higher) – The basis spread adjustment was lower/(higher) – The discount rate sensitivity was lower/(higher)

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10.5 Changes in Level 3 items

	GROUP			BANK	
	Unlisted equity securities US\$000	Property and equipment US\$000	Total US\$000	Property and equipment US\$000	Total US\$000
Opening balance 1 January 2024	297,205	85,012	382,217	85,012	85,012
Transfer from Level 2	–	–	–	–	–
Acquisitions	255,000	(12,325)	242,675	(12,046)	(12,046)
Gains recognised in profit or loss	13,102	–	13,102	–	–
Gains recognised in other comprehensive income	–	5,116	5,116	5,255	5,255
Closing balance 31 December 2024	565,307	77,803	643,110	78,221	78,221

	GROUP			BANK	
	Unlisted equity securities US\$000	Property and equipment US\$000	Total US\$000	Property and equipment US\$000	Total US\$000
Opening balance 1 January 2023	196,263	49,227	245,490	49,227	49,227
Transfer from Level 2	(42,500)	–	(42,500)	–	–
Acquisitions	122,294	18,319	140,613	18,319	18,319
Gains recognised in profit or loss	21,148	–	21,148	–	–
Gains recognised in other comprehensive income	–	17,466	17,466	17,466	17,466
Closing balance 31 December 2023	297,205	85,012	382,217	85,012	85,012

There were no transfers in between fair value hierarchy levels.

11. DERIVATIVES HELD FOR RISK MANAGEMENT

The Group enters into cross-currency and foreign exchange rate swaps contracts to economically hedge its exposure to changes in the fair value and cash flows attributable to changes in market interest and exchange rates on its assets and liabilities.

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities at year-end.

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Derivative assets		
Foreign exchange forward contracts	6,733	3,763
Cross-currency swap	10,613	–
	17,346	3,763
Derivative liabilities		
Foreign exchange forward contracts	–	4,588
Cross-currency swap	–	21,163
	–	25,751

Note: Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, and in relation to movements in a specified underlying index such as interest rates, foreign currency rates, or equity indexes.

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11. DERIVATIVES HELD FOR RISK MANAGEMENT (continued)

The following table shows the notional value of forward exchange contracts and derivative contracts that the Bank held as of 31 December.

Forward exchange rate and cross-currency derivative contracts

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Cross-currency swaps	342,542	342,542
Foreign exchange forward contracts (EUR455 million)	468,650	450,689
Foreign exchange forward contracts (JPY43.3 billion)	277,120	–
	1,088,312	793,231

The Group entered into a cross-currency swap to economically hedge JPY39.375 billion (2023: JPY39.375 billion) received from the borrowing placed in December 2020. Interest payments and principal in EUR currency were exchanged, respectively, for principal and interest payments in a JPY currency. Interest payments are exchanged at fixed intervals during the life of the agreements. This year the Group entered into forward exchange swap contracts to economically hedge its EUR currency open position. A specified amount in EUR was exchanged for a U.S. dollar amount.

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Derivative instruments held for risk management	21,985	20,616	21,985	20,616
Financial assets at fair value through profit or loss (Note 29a)	5,941	13,891	–	–
	27,926	34,507	21,985	20,616

12. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING MATERIAL ACCOUNTING POLICIES

The preparation of financial statements involves management estimates and assumptions that may affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Credit losses on loans and advances, loan commitments, and financial guarantees

The Group reviews its financial assets portfolio regularly to assess whether an allowance for expected credit losses should be recorded in profit or loss. In particular, considerable judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily subjective based on assumptions about several factors involving varying degrees of judgement and uncertainty. Consequently, actual results may differ, resulting in future changes to such provisions. Further details on the carrying amount of loans and advances are set out in Note 25. The key assumptions and estimates used are provided in notes 8.3 and 9.3.

(b) Fair value of financial instruments

The fair value of financial instruments for which no active market exists or for which quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data with respect to similar financial instruments. Where market-observable inputs are not available, they are estimated based on appropriate assumptions. Note 10 provides information on the fair value of financial assets and liabilities.

12.1 Other areas requiring accounting estimates and judgements in applying material accounting policies

(a) Revaluation of land and buildings

The Group measures land and buildings at revalued amounts, recognising changes in fair value in other comprehensive income. The Group engaged independent valuation specialists in Nigeria, Zimbabwe, and Egypt to assess the fair value of land and buildings as of 31 December 2024. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location, and condition of the property. The carrying amount as of the reporting date is as set out in Note 33; fair value disclosures on property and equipment are set out in Note 10.

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12.1 Other areas requiring accounting estimates and judgements in applying material accounting policies (continued)

(b) Property and equipment

Critical estimates are made by the Group in determining depreciation rates for property and equipment. The rates used are set out in accounting policy note 8.11. The assets, residual values, useful lives, and methods of depreciation are reviewed at each reporting date and are adjusted prospectively, if appropriate. The carrying amount and the revalued amount at the reporting date are set out in Note 33 and Note 10, respectively.

(c) Going concern

The Group's management has made an assessment on its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The ongoing global conflicts have not created a material uncertainty that casts doubt on the Group's ability to continue as a going concern. Furthermore, management is not aware of any other material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. In making this assessment, management has considered a wide range of information, including projections of profitability, funding needs, and asset quality.

The assessment also reflects consideration of reasonably possible downside economic scenarios and their potential impacts on the Group's profitability, capital, and liquidity. Therefore, the financial statements continue to be prepared on a going-concern basis.

13. CONTINGENT LIABILITIES AND COMMITMENTS

13.1 Contingent liabilities

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Letters of credit	3,048,456	2,578,001
Guarantees	1,798,028	1,250,233
	4,846,484	3,828,234

13.2 Commitments

Credit lines and other commitments to lend

The contractual amounts of the Bank's commitments not recognised on the statement of financial position as of 31 December are indicated below.

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Less than one year	2,170,980	3,551,427
More than one year	5,078,961	5,327,131
	7,249,941	8,878,558

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. The amount above represents undrawn portions of the loan commitments comprising "committed facilities" and "unconditionally cancellable commitments." Committed facilities amount to US\$294.7 million (2023: US\$863.1 million).

14. INTEREST INCOME CALCULATED USING EFFECTIVE INTEREST METHOD

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Loans and advances	2,808,551	2,301,481	2,817,679	2,303,331
Interest on money market investments and deposits with other banks included in cash and cash equivalents	235,974	167,971	235,974	167,971
Interest on investments at amortised cost	15,197	13,819	15,197	13,819
	3,059,722	2,483,271	3,068,850	2,485,121

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15. INTEREST EXPENSE CALCULATED USING EFFECTIVE INTEREST METHOD

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Borrowings due to banks	777,545	603,052	777,545	603,052
Money market deposits	375,046	306,083	375,046	306,083
Debt securities in issue	88,975	127,890	88,975	127,890
Customer deposits accounts	22,038	7,739	22,227	7,739
	1,263,604	1,044,764	1,263,793	1,044,764

16. OTHER INTEREST INCOME/(EXPENSE)

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Financial assets measured at fair value through profit or loss	16,350	16,154	–	–
Derivative assets/liabilities held for risk management	(1,186)	(10,286)	(1,186)	(10,286)
	15,164	5,868	(1,186)	(10,286)

17. FEES AND COMMISSION INCOME

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Advisory fees	64,248	57,691	64,248	57,691
Commission on letters of credit	61,208	53,988	61,208	53,988
Guarantee fees	20,792	19,436	20,792	19,436
Other fees	30,675	8,936	9,082	8,835
	176,923	140,051	155,330	139,950

The fees and commission income exclude the fees and commission income included in determining the effective interest rate for financial assets measured at the amortized cost. Advisory fees income is recognised at a point in time. The commission on letters of credit, guarantees fees and other fees, are recognised over time.

18. FEES AND COMMISSION EXPENSE

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Legal and agency fees	2,377	5,318
Guarantee fees	263	3,161
Other fees	1,405	1,056
	4,045	9,535

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19. OTHER OPERATING INCOME

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Recoveries from previously written-off facilities	19,310	20,016	19,310	20,016
Rental income	397	400	397	400
Other	77	140	431	-
	19,784	20,556	20,138	20,416

20. PERSONNEL EXPENSES

Personnel expenses are made up as follows:

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Wages and salaries	96,694	86,754	92,345	84,012
Staff provident fund costs	8,119	7,216	7,252	6,432
Other employee benefits	31,609	34,339	31,093	33,947
	136,422	128,309	130,690	124,391

Other employee benefits mainly comprise of housing allowance, education grant, and medical expenses.

21. GENERAL AND ADMINISTRATIVE EXPENSE

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
General and administrative expenses are made up as follows:				
Operational missions and statutory meetings	105,289	62,653	103,939	54,432
Professional service fees	31,501	22,554	27,469	22,554
Communications	17,938	17,858	17,856	17,858
Insurance	8,153	10,450	8,153	10,450
Donations	16,084	15,314	15,300	15,314
Other general and administrative expenses	30,976	30,231	49,176	30,231
	209,941	159,060	221,893	150,839

Professional services fees include US\$370,000 (2023: US\$330,000) with respect to external auditors' fees. Items included in other general and administrative expenses are not individually significant; these are costs incurred on general maintenance, training, banking related charges, and other costs.

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22. EXPECTED CREDIT LOSSES ON FINANCIAL INSTRUMENTS

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Loans and advances	646,724	585,511
Money market placements	66	(65)
Deposits with other banks	(58)	(10)
Investment securities at amortised cost	578	808
Prepayments and receivables	11,576	3,068
Financial guarantee contracts	(10)	48
Letters of credit	(4,215)	271
Loan commitments	(13,598)	(12,998)
	641,063	576,633

23. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net income attributable to equity holders of the Bank by the weighted average number of ordinary shares issued during the year.

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Net income attributable to equity holders of the Bank	973,532	756,104	936,487	742,136
Weighted average number of ordinary shares in issue (basic) (Note 23.1)	93,655	89,187	93,655	89,187
Weighted average number of ordinary shares in issue (diluted) (Note 23.2)	230,357	212,602	230,357	212,602
Basic earnings per share (expressed in US\$000 per share)	10.39	8.48	10.00	8.32
Diluted earnings per share (expressed in US\$000 per share)	4.23	3.56	4.07	3.49

23.1 Weighted average number of ordinary shares in issue (basic)

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Issued ordinary shares on 1 January	89,187	84,950	89,187	84,950
Issued during the year	4,468	4,237	4,468	4,237
Weighted average number of ordinary shares on 31 December	93,655	89,187	93,655	89,187

23.2 Weighted average number of ordinary shares in issue (diluted)

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Weighted average number of ordinary shares in issue (basic)	93,655	89,187	93,655	89,187
Effect of warrants issuance	3,595	3,595	3,595	3,595
Effect of partly paid shares	133,107	119,820	133,107	119,820
Weighted average number of ordinary shares on 31 December	230,357	212,602	230,357	212,602

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24. CASH AND CASH EQUIVALENTS

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Cash in hand	115	90	115	90
Deposits with other banks	1,338,346	2,059,897	1,337,896	2,059,441
Money market placements	3,310,818	3,562,084	3,310,818	3,562,084
Gross	4,649,279	5,622,071	4,648,829	5,621,615
Less: allowance for expected credit losses				
12 months ECL	(191)	(184)	(191)	(184)
Net cash and cash equivalents	4,649,088	5,621,887	4,648,638	5,621,431

Cash and cash equivalents balances are allocated in Stage 1 for ECL purposes; there were no restricted balances at year-end (2023:US\$ Nil). Money market placements and deposits with other banks have a maturity of less than three months from the date of issue and are classified as current for aging purposes.

25. LOANS AND ADVANCES TO CUSTOMERS

GROUP 2024				
Loans and advances to customers at amortised cost	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000
Gross amount	27,934,858	2,066,139	718,661	30,719,658
Less: Allowance for expected credit losses				
12 months ECL	(66,074)	–	–	(66,074)
Lifetime ECL not credit-impaired	–	(887,037)	–	(887,037)
Lifetime ECL credit-impaired	–	–	(580,026)	(580,026)
Less: Suspended interest*	–	–	(136,848)	(136,848)
Less: Modification loss	–	(43,035)	(1,649)	(44,684)
Net loans and advances to customers	27,868,784	1,136,067	138	29,004,989

GROUP 2023				
Loans and advances to customers at amortised cost	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000
Gross amount	25,210,657	2,142,458	693,414	28,046,529
Less: Allowance for expected credit losses				
12 months ECL	(140,487)	–	–	(140,487)
Lifetime ECL not credit-impaired	–	(556,550)	–	(556,550)
Lifetime ECL credit-impaired	–	–	(356,863)	(356,859)
Less: Suspended interest*	–	–	(262,042)	(262,046)
Less: Modification loss	–	(7,756)	–	(7,756)
Net loans and advances to customers	25,070,170	1,578,152	74,509	26,722,831

*The suspended interest relates to interest on loans and advances to customers that are in Stage 3 but not yet written off by the Bank.

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25. LOANS AND ADVANCES TO CUSTOMERS (continued)

BANK 2024				
Loans and advances to customers at amortised cost	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000
Gross amount	28,049,639	2,066,139	718,661	30,834,439
Less: Allowance for expected credit losses				
12 months ECL	(66,074)	–	–	(66,074)
Lifetime ECL not credit-impaired	–	(887,037)	–	(887,037)
Lifetime ECL credit-impaired	–	–	(580,026)	(580,026)
Less: Suspended interest*	–	–	(136,848)	(136,848)
Less: Modification loss	–	(43,035)	(1,649)	(44,684)
Net loans and advances to customers	27,983,565	1,136,067	138	29,119,770

BANK 2023				
Loans and advances to customers at amortised cost	Stage 1 US\$000	Stage 2 US\$000	Stage 3 US\$000	Total US\$000
Gross amount	25,262,563	2,142,458	693,414	28,098,435
Less: Allowance for expected credit losses				
12 months ECL	(140,487)	–	–	(140,487)
Lifetime ECL not credit-impaired	–	(556,550)	–	(556,550)
Lifetime ECL credit-impaired	–	–	(356,863)	(356,863)
Less: Suspended interest*	–	–	(262,046)	(262,046)
Less: Modification loss	–	(7,756)	–	(7,756)
Net loans and advances to customers	25,122,076	1,578,152	74,505	26,774,733

GROUP		BANK		
Gross loans and advances to customers	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Current	13,667,743	17,782,663	13,667,743	17,782,663
Non-current	17,051,915	10,263,866	17,166,696	10,315,772
	30,719,658	28,046,529	30,834,439	28,098,435

*The suspended interest relates to interest on loans and advances to customers that are in Stage 3 but are not yet written off by the Bank.

25.1 Allowance for expected credit losses on loans and advances

Reconciliation of allowance for impairment of loans and advances is as summarised below.

(a) Statement of financial position

GROUP AND BANK		
	2024 US\$000	2023 US\$000
Balance as at 1 January	1,053,900	649,579
Impairment charge for the year (Note 22)	646,724	585,511
Loans written off during the year as uncollectible	(167,487)	(181,190)
Balance as of 31 December	1,533,137	1,053,900

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25.1 Allowance for expected credit losses on loans and advances (continued)

(b) Statement of profit or loss and other comprehensive income

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Impairment charge for the year on loans and advances (Note 22)	646,724	585,511

The contractual amount outstanding on loans and advances that were written off during the year ended 31 December 2024 and that are still subject to enforcement activity is US\$276 million (2023: US\$230 million). The suspended interest is interest the Bank has not yet written off and that relates to interest on loans and advances to customers that are in Stage 3.

26. PREPAYMENTS AND RECEIVABLES

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Receivables	68,202	34,036	68,202	34,036
Intercompany receivables	-	-	14,565	61,613
Less: allowance for expected credit losses on receivables (Note 26.1)	(16,765)	(9,488)	(16,765)	(9,488)
	51,437	24,548	66,002	86,161
Prepayments	108,027	120,114	108,027	116,748
Other receivables	28,541	933	22,586	933
	188,005	145,595	196,615	203,842
Net prepayments and receivables				
Current	111,998	101,267	120,608	159,514
Non-current	76,007	44,328	76,007	44,328
	188,005	145,595	196,615	203,842

26.1 Impairment on receivables

(a) Statement of financial position

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Balance as of 1 January	9,488	19,420
Impairment charge for the year	11,576	3,068
Written off during the year as uncollectible	(4,299)	(13,000)
Balance as of 31 December	16,765	9,488

(b) Statement of profit or loss and other comprehensive income

Impairment (reversal)/charge for the year

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Impairment charge for the year (Note 22)	11,576	3,068
	11,576	3,068

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

27. INVESTMENT IN SUBSIDIARIES (BANK)

	FEDA Holding Company 2024 US\$000	FEDA Investment Management Company 2024 US\$000	Afrexim Insurance Management Company 2024 US\$000	AMCE 2024 US\$000	Other entities* 2024 US\$000	Total 2024 US\$000
Balance as of 1 January	232,300	5,000	1,000	25	57,217	295,542
Additions during the year	258,800	–	5,000	55,152	2,500	321,452
Impairment	–	(3,862)	(1,190)	(13,317)	(406)	(18,775)
Balance as of 31 December	491,100	1,138	4,810	41,860	59,311	598,219

	FEDA Holding Company 2023 US\$000	FEDA Investment Management Company 2023 US\$000	Afrexim Insurance Management Company 2023 US\$000	AMCE 2023 US\$000	Other entities* 2023 US\$000	Total 2023 US\$000
Balance as of 1 January	121,138	5,000	1,000	25	57,217	184,380
Additions during the year	111,162	–	–	–	–	111,162
Balance as of 31 December	232,300	5,000	1,000	25	57,217	295,542

* Included in "other entities" are the Bank's direct equity investments in African Quality Assurance Centre Limited (AQAC), FEDA Capital, and the AFCFTA Adjustment Fund Corporation Limited (AFCFTA Adjustment Fund). With the exception of the AFCFTA Adjustment Fund, which is 50 percent (2023: 50 percent) owned, all subsidiaries are wholly owned (100 percent) (2023: 100 percent) by the Bank. These investments are classified as non-current assets.

28. OTHER ASSETS

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Sundry/other receivables	29,135	30,713	28,886	29,834
Less: Impairment on other receivables (Note 28.1)	(2,477)	(11,554)	(2,477)	(11,553)
	26,658	19,159	26,409	18,281
Net other assets				
Current	14,416	7,697	14,167	7,430
Non-current	12,242	11,462	12,242	10,851
	26,658	19,159	26,409	18,281

Other assets largely comprise of general, housing, and motor vehicle staff loans.

28.1 Impairment of other assets

ECL on other receivables is estimated on a lifetime basis.

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Balance as of 1 January	11,553	5,960
Impairment charge for the year	(9,076)	5,593
Balance as of 31 December	2,477	11,553

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29. FINANCIAL ASSETS AND INVESTMENT SECURITIES

29 (a) Financial assets at fair value through profit or loss

GROUP			
	Unlisted debt instruments 2024 US\$000	Unlisted shares 2024 US\$000	Total 2024 US\$000
Financial assets at fair value through profit or loss			
Beginning balance as of 1 January	231,603	65,602	297,205
Additions	51,000	204,000	255,000
Interest earned (included in other interest income)	16,350	–	16,350
Interest and distributions received	(9,189)	–	(9,189)
Transfers	(96,743)	96,743	–
Gross	193,021	366,345	559,366
Fair value gain for the year	4,328	1,613	5,941
Financial assets at fair value as of 31 December	197,349	367,958	565,307

GROUP				
	Listed bonds 2023 US\$000	Unlisted debt instruments 2023 US\$000	Unlisted shares 2023 US\$000	Total 2023 US\$000
Financial assets at fair value through profit or loss				
Beginning balance as of 1 January	42,500	102,052	51,711	196,263
Additions	-	122,294	-	122,294
Transfers as of 1 January 2023	(42,500)	-	-	(42,500)
Capitalised interest on debt instruments	-	7,257	-	7,257
Gross	-	231,603	51,711	283,314
Fair value gain for the year	-	-	13,891	13,891
Financial assets at fair value as of 31 December	-	231,603	65,602	297,205

As of 31 December 2024, the Group held investments in private unlisted entities as follows: Liquid Telecommunication Jersey, US\$64.2 million (2023: US\$63.9 million); ARISE, US\$299.8 million (2023: US\$93.5 million); TND SA, US\$28.6 million (2023: US\$23.2 million); Cabinda, US\$22.3 million (2023: US\$20.4 million); Libreville Power Limited, US\$25.1 million (2023: US\$25 million); Africa Credit Opportunities Fund L.P., US\$118.4 million (2023: US\$69.5 million) and others. All financial assets at fair value through profit or loss are classified as current assets.

29 (b) Investment securities at amortised cost

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Beginning balance as of 1 January	324,000	248,332	324,000	248,332
Additions including net interest movement during the year	46,884	33,168	46,584	33,168
Transfers	–	42,500	–	42,500
Gross	370,884	324,000	370,584	324,000
Less: Allowance for expected credit losses				
12 months ECL	(1,408)	(830)	(1,408)	(830)
Discount	(4,727)	(4,332)	(4,727)	(4,332)
Financial assets at amortised cost	364,749	318,838	364,449	318,838

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29 (b) Investment securities at amortised cost (continued)

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Net financial assets at amortized cost				
Current	300	–	–	–
Non-current	364,449	318,838	364,449	318,838
	364,749	318,838	364,449	318,838

These instruments are in Emirates of Abu Dhabi, Black Sea Trade, Development and Africa Finance Corporation, Fidelity Bank Plc, Nigeria and Standard Chartered Bank (Mauritius) Limited. These investments are allocated in stage 1 for ECL purposes.

30. BORROWINGS DUE TO BANKS

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Balance as of 1 January	12,629,756	9,146,841
Additions during the year	9,437,649	6,391,659
Repayments during the year	(7,815,971)	(2,879,308)
Interest expense during the year	777,545	909,135
Interest repayments during the year	(987,789)	(938,571)
Total borrowings due to banks	14,041,190	12,629,756
Current	5,600,469	4,752,139
Non-current	8,440,721	7,877,617
	14,041,190	12,629,756

Borrowings due to banks include both short-term and long-term borrowings, with tenors ranging from 1 month to 13 years and interest rates between 0.2 and 4.86 percent.

Long-term borrowings are matched with specific assets of corresponding tenor.

31. MONEY MARKET DEPOSITS

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Money market deposits	2,818,977	1,376,761	2,824,527	1,377,820
Current	2,229,158	1,376,761	2,234,708	1,377,820
Non-current	589,819	–	589,819	–
	2,818,977	1,376,761	2,824,527	1,377,820

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32. DEBT SECURITIES IN ISSUE

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Balance as of 1 January	2,852,509	3,368,112
Additions during the year	518,578	-
Repayments during the year	(750,000)	(500,000)
Amortised portion of the discount and premium	239	893
Interest expense during the year	88,975	127,890
Interest repayments during the year	(91,673)	(144,386)
Total debt securities in issue	2,618,628	2,852,509
Current	35,000	750,000
Non-current	2,583,628	2,102,509
	2,618,628	2,852,509

Debt securities at amortised cost	Currency	Coupon (%)	2024 US\$000	2023 US\$000	Date of issuance	Date of maturity
Fixed-rate debt securities due 2024	USD	4.13	-	750,000	Jun 2017	Jun 2024
Fixed-rate debt securities due 2029	USD	3.99	750,000	750,000	Sept 2019	Sept 2029
Fixed-rate debt securities with dual tenor due 2026	USD	2.63	600,000	600,000	May 2021	May 2026
Fixed-rate debt securities with dual tenor due 2031	USD	3.80	700,000	700,000	May 2021	May 2031
Floating rate private placement note due 2025	USD	3.88	35,000	35,000	Jul 2022	Aug 2025
Fixed rate debt securities with dual tenor (Samurai Bond)	JPY	2.80	518,578	-	Nov 2024	Nov 2030
Less: Discount on bond payable	-	-	-	(240)	-	-
Add: Premium on bond payable	-	-	-	-	-	-
Accrued interest	-	-	15,050	17,749	-	-
			2,618,628	2,852,509	-	-

33. PROPERTY AND EQUIPMENT

	GROUP							
	Land US\$000	Buildings US\$000	Motor vehicles US\$000	Furniture and equipment US\$000	Leasehold improvements US\$000	Assets under construction US\$000	Right of use asset US\$000	Total US\$000
Year ended 31 December 2024								
Cost								
Cost/valuation as of 1 January 2024	44,295	40,718	2,181	16,092	1,067	234,426	10,529	349,308
Additions	–	39	858	778	188	115,862	2,513	120,237
Capitalisation of assets under construction	–	302	–	119	–	(421)	–	–
Disposals	–	–	(538)	(170)	–	–	–	(708)
Revaluation	(139)	5,255	–	–	–	–	–	5,116
Transfer*	–	(12,364)	–	–	–	–	–	(12,364)
Other movements	–	7,321	-	2,148	–	(8,643)	979	1,805
Cost/valuation as of 31 December 2024	44,156	41,271	2,501	18,967	1,255	341,224	14,021	463,394

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33. PROPERTY AND EQUIPMENT (continued)

	GROUP							
	Land US\$000	Buildings US\$000	Motor vehicles US\$000	Furniture and equipment US\$000	Leasehold improvements US\$000	Assets under construction US\$000	Right of use asset US\$000	Total US\$000
Accumulated depreciation								
Accumulated depreciation as of 1 January 2024	–	–	(1,374)	(12,283)	(1,060)	–	(6,490)	(21,207)
Depreciation and impairment charge for the year	–	(13,083)	(302)	(2,520)	(17)	–	(1,499)	(17,419)
Disposals	–	–	336	159	(5)	–	–	490
Transfer*	–	12,364	–	–	–	–	–	12,364
Other movements	–	(647)	(3)	(349)	–	–	(195)	(1,194)
Total accumulated depreciation as of 31 December 2024	–	(1,366)	(1,343)	(14,993)	(1,082)	–	(8,184)	(26,966)
Net carrying amount as of 31 December 2024	44,156	39,905	1,158	3,974	173	341,224	5,837	436,428

	GROUP							
	Land US\$000	Buildings US\$000	Motor vehicles US\$000	Furniture and equipment US\$000	Leasehold improvements US\$000	Assets under construction US\$000	Right of use asset US\$000	Total US\$000
Year ended 31 December 2023								
Cost								
Cost/valuation as of 1 January 2023	13,391	35,837	1,487	14,774	1,065	105,578	8,163	180,295
Additions	26,326	151	694	1,187	2	129,493	2,366	160,219
Capitalisation of assets under construction	–	514	–	131	–	(645)	–	–
Revaluation	4,578	12,888	–	–	–	–	–	17,466
Transfer*	–	(8,672)	–	–	–	–	–	(8,672)
Cost/valuation as of 31 December 2023	44,295	40,718	2,181	16,092	1,067	234,426	10,529	349,308
Accumulated depreciation								
Accumulated depreciation as of 1 January 2023	–	–	(1,181)	(11,036)	(1,052)	–	(4,824)	(18,093)
Depreciation and impairment charge for the year	–	(8,672)	(194)	(1,247)	(8)	–	(1,666)	(11,787)
Transfer*	–	8,672	–	–	–	–	–	8,672
Total accumulated depreciation as of 31 December 2023	–	–	(1,375)	(12,283)	(1,060)	–	(6,490)	(21,208)
Net carrying amount as of 31 December 2023	44,295	40,718	806	3,809	7	234,426	4,039	328,100

All property and equipment are classified as non-current.

*Transfers relates to the accumulated depreciation as of the revaluation date—eliminated from the gross carrying amount of the revalued asset. The Group received pieces of land from the Federal Government of Nigeria and the government of Zimbabwe. This land is earmarked for the construction of Afreximbank Africa trade Centers, regional offices, the African Quality Assurance Centre, and the African Medical Centre of Excellence. Land received from federal governments is recognised as a government grant and is deducted in calculating the carrying amount of the land. Additionally, the Group purchased a piece of land in Egypt's New Administrative Capital, where the new head office of the Group will be constructed during 2025.

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33. PROPERTY AND EQUIPMENT (continued)

The fair value was determined on 31 December 2024 by Global Appraisal Technical Consultant, which has experience in valuation of similar assets. The fair value of the buildings and the land was determined using the market approach and reflects market conditions at the reporting date. The value for land and buildings on 31 December 2024 was US\$40.2 million (2023: US\$44.3 million) and US\$39.9 millions (2023: US\$40.7 million), respectively.

If these assets were carried at cost less accumulated depreciation, the carrying amount would have been US\$32,720,910 (2023: US\$ 32,720,910) and US\$2,020,000 (2023: US\$ 2,883,000) respectively. There were no restrictions on the title of property, plant, and equipment, and no items were pledged as security for liabilities. Additionally, there were no contractual commitments for the acquisition of property and equipment, and no compensation from third parties was recognised in profit or loss for items that were impaired, lost, or disposed of.

	BANK							
	Land US\$000	Buildings US\$000	Motor vehicles US\$000	Furniture and equipment US\$000	Leasehold improvements US\$000	Assets under construction US\$000	Right- of-use asset US\$000	Total US\$000
Year ended 31 December 2024								
Cost								
Cost/valuation as of 1 January 2024	44,295	40,718	1,842	15,759	1,067	132,983	10,528	247,192
Additions	–	16	858	771	–	64,377	2,513	68,535
Capitalisation of assets under construction	–	302	–	–	–	(302)	–	–
Disposals	–	–	(538)	(170)	–	–	–	(708)
Revaluation	(1,847)	5,255	–	–	–	–	–	3,408
Transfer*	–	(12,364)	–	–	–	–	–	(12,364)
Cost/valuation as of 31 December 2024	42,448	33,927	2,162	16,360	1,067	197,058	13,041	306,063
Accumulated depreciation								
Accumulated depreciation as of 1 January 2024	–	–	(1,321)	(12,190)	(1,062)	–	(6,490)	(21,063)
Depreciation and impairment charge for the year	–	(12,364)	(234)	(1,851)	–	–	(1,351)	(15,800)
Disposals	–	–	336	159	(5)	–	–	490
Transfer*	–	12,364	–	–	–	–	–	12,364
Total accumulated depreciation as of 31 December 2024	–	–	(1,219)	(13,882)	(1,067)	–	(7,841)	(24,009)
Net carrying amount as of 31 December 2024	42,448	33,927	943	2,478	–	197,058	5,200	282,054

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33. PROPERTY AND EQUIPMENT (continued)

	BANK							
	Land US\$000	Buildings US\$000	Motor vehicles US\$000	Furniture and equipment US\$000	Leasehold improvements US\$000	Assets under construction US\$000	Right- of-use asset US\$000	Total US\$000
Year ended 31 December 2023								
Cost								
Cost/valuation as of 1 January 2023	13,391	35,837	1,419	14,601	1,065	105,578	8,162	180,053
Additions	26,326	151	423	1,158	2	27,919	2,366	58,345
Capitalisation of assets under construction	-	514	-	-	-	(514)	-	-
Revaluation	4,578	12,888	-	-	-	-	-	17,466
Transfer*	-	(8,672)	-	-	-	-	-	(8,672)
Cost/valuation as of 31 December 2023	44,295	40,718	1,842	15,759	1,067	132,983	10,528	247,192
Accumulated depreciation								
Accumulated depreciation as of 1 January 2023	-	-	(1,178)	(10,999)	(1,054)	-	(4,824)	(18,053)
Depreciation and impairment charge for the year	-	(8,672)	(143)	(1,191)	(8)	-	(1,666)	(11,681)
Transfer*	-	8,672	-	-	-	-	-	8,672
Total accumulated depreciation as of 31 December 2023	-	-	(1,321)	(12,190)	(1,062)	-	(6,490)	(21,062)
Net carrying amount as of 31 December 2023	44,295	40,718	521	3,569	5	132,983	4,038	226,130

All property and equipment are classified as non-current.

The valuer, RE Strategies L.L.C Technical Consultant, has experience in the valuation of similar assets. The fair value of the buildings and the land was determined using the market approach and reflects market conditions at the reporting date. The value for land and buildings as of 31 December 2024 was US\$42.4 million (2023: US\$44.2 million) and US\$39.9 million (2023: US\$40.7 million), respectively. If these assets were carried at cost less accumulated depreciation, the carrying amount would have been US\$32,720,910 (2023: US\$32,720,910) and US\$2,020,000 (2023: US\$2,883,000), respectively.

There were no restrictions on the title of property and equipment, and items were pledged as security for liabilities. Additionally, there were no contractual commitments for the acquisition of property and equipment, and no compensation from third parties was recognised in profit or loss for items that were impaired, lost, or disposed of.

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34. INTANGIBLE ASSETS

	GROUP			BANK		
	Software 2024 US\$000	Software work in progress 2024 US\$000	Total 2024 US\$000	Software 2024 US\$000	Software work in progress 2024 US\$000	Total 2024 US\$000
Cost						
As of 1 January	28,814	2,881	31,695	28,814	2,881	31,695
Additions	1,071	3,659	4,730	1,071	1,574	2,645
Transfers	1,493	(1,493)	–	1,493	(1,493)	–
Cost as of 31 December	31,378	5,047	36,425	31,378	2,962	34,340
Accumulated amortization						
As of 1 January	(20,464)	–	(20,464)	(20,464)	–	(20,464)
Amortization charges for the year	(3,881)	–	(3,881)	(3,881)	–	(3,881)
As of 31 December	(24,345)	–	(24,345)	(24,345)	–	(24,345)
Net carrying amount as of 31 December	7,033	5,047	12,080	7,033	2,962	9,995

GROUP AND BANK			
	Software 2023 US\$000	Software work in progress 2023 US\$000	Total 2023 US\$000
Cost			
As of 1 January	25,367	2,510	27,877
Additions	2,275	1,543	3,818
Transfers	1,172	(1,172)	–
Cost as of 31 December	28,814	2,881	31,695
Accumulated amortization			
As of 1 January	(16,371)	–	(16,371)
Amortization charges for the year	(4,093)	–	(4,093)
As of 31 December	(20,464)	–	(20,464)
Net carrying amount as of 31 December	8,350	2,881	11,231

All intangible assets are classified as non-current.

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35. DEPOSITS AND CUSTOMER ACCOUNTS

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Deposit accounts	4,328,798	5,970,124	4,357,974	5,979,507
Customer accounts	3,916,899	4,204,623	3,916,899	4,204,623
Shareholders' deposits	3,299	4,186	3,299	4,186
	8,248,996	10,178,933	8,278,172	10,188,316
Current	4,634,534	9,178,933	4,663,710	9,188,316
Non-current	3,614,462	1,000,000	3,614,462	1,000,000
	8,248,996	10,178,933	8,278,172	10,188,316

Deposits and customer accounts comprise balances from sovereigns, enterprises, and financial institutions. Their fair values approximate their carrying amounts due to the application of variable interest rates, which reflect current market conditions.

36. OTHER LIABILITIES AND PROVISIONS

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Allowance for expected credit loss provision on financial guarantees	68	78	68	78
Allowance for expected credit loss provision on loan commitments	3,709	17,305	3,709	17,305
Allowance for expected credit loss provision on letters of credit	929	5,144	929	5,144
Lease liability (Note 36.2)	5,137	4,373	4,580	4,373
Other liabilities recognised (Note 36.1)	343,271	257,222	351,804	254,564
	353,114	284,122	361,090	281,464

Allowance for expected credit loss provisions on financial guarantees, loan commitments, and letters of credit arise from off-balance sheet exposure and represents cumulative ECL charges.

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36.1 Other liabilities

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Prepaid and unearned income	56,147	49,788	56,147	49,788
Accrued expenses	149,480	115,284	146,823	112,022
Dividends payable	129,325	74,425	129,325	74,425
Legal fees deposits	4,493	14,108	4,493	14,108
Intercompany payables	–	–	11,190	604
Sundry creditors	3,826	3,617	3,826	3,617
	343,271	257,222	351,804	254,564
Current	311,829	231,612	309,172	228,352
Non-current	31,442	25,610	42,632	26,212
	343,271	257,222	351,804	254,564

36.2 Lease liability

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Balance as of 1 January	4,373	3,301	4,373	3,301
Interest accrued	365	318	390	318
Additions during the year	2,500	2,269	1,645	2,269
Repayments of accrued interest and principal	(2,101)	(1,515)	(1,828)	(1,515)
Balance as of 31 December	5,137	4,373	4,580	4,373
Current	1,040	753	878	753
Non-current	4,097	3,620	3,702	3,620
	5,137	4,373	4,580	4,373

As of 31 December 2024, undiscounted contractual lease payments were US\$3.01 million (FY2023: US\$2.3 million).

37. SHARE CAPITAL

The share capital of the Bank is divided into four classes. A, B, and C classes are payable in five equal instalments, of which the first two installments have been called up. Class D shares are fully paid at the time of subscription. Shareholders can use their dividend entitlement to acquire more shares. Different classes of shares participate equally in dividends.

Class A shares may only be issued to African states, either directly or indirectly through their central banks or other designated institutions; the African Development Bank; and African regional and subregional institutions.

Class B shares may only be issued to African public and private commercial banks, financial institutions, and African public and private investors.

Class C shares may only be issued to international financial institutions and economic organizations, non-African or foreign owned banks and financial institutions, and non-African public and private investors.

Class D shares may be issued in the name of any person.

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Financial Statements for the Year Ended 31 December 2024

AFRICAN EXPORT-IMPORT BANK

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

37. SHARE CAPITAL (continued)

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Authorised capital		
2,500,000 ordinary shares of US\$10,000 each (2023: 500,000 ordinary shares of US\$10,000 each)	25,000,000	5,000,000

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Paid in share capital		
Paid in capital Class A	615,784	566,992
Paid in capital Class B	244,570	224,940
Paid in capital Class C	60,672	59,496
Paid in capital Class D	69,100	69,100
	990,126	920,528

As of 31 December 2024, the authorised capital was comprised of 2,500,000 ordinary shares (2023: 500,000 ordinary shares). The number of shares issued but not fully paid as of 31 December 2024 was 230,258 (2023: 212,857). The number of fully paid shares as of 31 December 2024 was 6,910 (2023: 6,910). The nominal value per share is US\$10,000. Shareholders, rights are the same for all classes from the perspective of voting rights.

The movement in paid-up share capital is summarised as follows:

	GROUP AND BANK			
	2024 No of shares	2024 US\$000	2023 No of shares	2023 US\$000
As of 1 January	219,767	920,528	202,011	849,504
Paid up from dividends during the year	7,554	30,216	3,724	14,896
Paid up in cash during the year	9,847	39,382	14,032	56,128
As of 31 December	237,168	990,126	219,767	920,528

38. SHARE PREMIUM

Premiums from the issue of shares are reported in the share premium account. The movement in share premium account is summarised as follows:

	GROUP AND BANK			
	2024 No of shares	2024 US\$000	2023 No of shares	2023 US\$000
As of 1 January	219,767	2,188,009	202,011	1,909,267
Paid up from dividends during the year	7,554	162,121	3,724	62,547
Paid up in cash during the year	9,847	181,117	14,032	216,195
As of 31 December	237,168	2,531,247	219,767	2,188,009

38.1 Cash and cash equivalents movement on issued and paid-in capital during the year

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Nominal shares	39,382	56,128
Share premium	181,117	216,195
As of 31 December	220,499	272,323

AFRICAN EXPORT-IMPORT BANK

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

38.1 Cash and cash equivalents movement on issued and paid-in capital during the year (continued)

After obtaining all approvals from the board and shareholders, in August 2021, the Bank launched a US\$6.5 billion general capital increase, of which US\$2.6 billion is paid-in. During the year, the Bank raised 17,401 additional shares (2023: 17,756), which amounted to US\$397.9 million (2023: US\$349.8 million).

38.2 Dividends payable reconciliation

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Balance as of 1 January	74,425	13,001
Dividend appropriated during the year	314,525	209,352
Dividend paid in cash	(67,288)	(71,734)
Dividend converted to shares	(192,337)	(76,194)
	129,325	74,425

39. WARRANTS

	GROUP AND BANK			
	2024 No of warrants	2024 US\$000	2023 No of warrants	2023 US\$000
As of 1 January	4,061	183,914	4,061	183,914
Cost of warrants in issue	–	(16,491)	–	–
As of 31 December	4,061	167,423	4,061	183,914

The warrants are equity bridging mechanism used by the Group and are converted to equity on maturity. In accordance with warrant agreement, the holders of the warrants that matured during the year did not convert the warrants on the retirement date to share capital, therefore the Bank used fresh issue of capital to fund the retirement of the warrants.

The approved General Capital Increase ("GCI") as described in note 38, allows the Bank to use market and other instruments such as warrants and option. The Bank Issued did not issue any share warrants during 2024 (2023: US\$nil). As at 31 December 2024, 4061 (2023: 4061) share warrants were outstanding for US\$167.4 million (2023: US\$183.9 million).

40. RESERVES

	GROUP			
	General reserves US\$000	Asset revaluation reserve US\$000	Project Preparation Facility Fund reserve US\$000	Total US\$000
Balance as of 1 January 2024	1,375,908	54,192	8,768	1,438,868
Revaluation of land	–	(139)	–	(139)
Revaluation of building	–	5,255	–	5,255
Depreciation transfer: Buildings	–	(2,588)	–	(2,588)
Transfer from retained earnings (Note 41)	310,981	–	–	310,981
Balance as of 31 December 2024	1,686,889	56,720	8,768	1,752,377
Balance as of 1 January 2023	1,104,893	40,722	10,977	1,156,592
Revaluation of land	–	4,578	–	4,578
Revaluation of building	–	12,888	–	12,888
Depreciation transfer: Buildings	–	(3,996)	–	(3,996)
Transfer from retained earnings (Note 41)	271,015	–	(2,209)	268,806
Balance as of 31 December 2023	1,375,908	54,192	8,768	1,438,868

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

40. RESERVES (Continued)

	BANK			
	General reserves US\$000	Asset revaluation reserve US\$000	Project Preparation Facility Fund reserve US\$000	Total US\$000
Balance as of 1 January 2024	1,375,908	54,192	8,768	1,438,868
Revaluation of land	–	(1,847)	–	(1,847)
Revaluation of building	–	5,255	–	5,255
Depreciation transfer: Buildings	–	(2,587)	–	(2,587)
Transfer from retained earnings (Note 41)	310,980	–	–	310,980
Balance as of 31 December 2024	1,686,888	55,013	8,768	1,750,669
Balance as of 1 January 2023	1,104,893	40,722	10,977	1,156,592
Revaluation of land	–	4,578	–	4,578
Revaluation of building	–	12,888	–	12,888
Depreciation transfer: Buildings	–	(3,996)	–	(3,996)
Transfer from retained earnings (Note 41)	271,015	–	(2,209)	268,806
Balance as of 31 December 2023	1,375,908	54,192	8,768	1,438,868

The asset revaluation reserve is not available for distribution to Shareholders.

The Bank has three types of reserves.

The **general reserve** is set up in accordance with the Bank's policy in order to cover general banking risks, including future losses and other unforeseeable risks or contingencies. Each year, the Bank transfers 50 percent of profit after deduction of dividends to general reserves.

The **revaluation reserve** is used to record increases in the fair value of land and buildings and decreases to the extent that they relate to an increase on any asset previously recognised in equity. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset original cost. When revalued assets are sold, the portion of the revaluation reserve that relates to those assets is effectively realised and transferred directly to retained earnings.

The Board approved the **Project Preparation Facility Fund** reserve in December 2019 for the purposes of setting funds aside to be utilized by the Bank during project preparation phase—the entire set of activities undertaken to advance a project from conceptualization through concept design to financial close. It will entail the provision of technical and financial support services, such as technical, environmental, market, financial, legal and regulatory, and advocacy services that may be required to attract revenue from investors (both debt and equity). The Project Preparation Facility Fund was approved for a total amount of US\$15 million to be appropriated from the Bank's profits equally over two years from 2017 to 2019. The fund is operated on a full-cost-recovery revolving basis and is solely deployed for project preparation work and related activities.

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41. RETAINED EARNINGS

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Balance as of 1 January	1,389,458	1,107,516	1,386,855	1,118,881
Profit for the year	973,835	756,104	936,487	742,136
Transfer to general reserve	(310,981)	(271,015)	(310,981)	(271,015)
Transfer from general reserve	–	2,209	–	2,209
Depreciation transfer: Buildings	2,588	3,996	2,588	3,996
Dividends for prior year	(314,525)	(209,352)	(314,525)	(209,352)
Balance as of 31 December	1,740,375	1,389,458	1,700,424	1,386,855

42. DIVIDENDS

After the reporting date, the directors proposed dividends appropriations amounting to US\$350 million (2023: US\$314.6 million), including the US\$50 million appropriation to the concessary financing window. The 2024 dividend appropriation is subject to approval by the shareholders in their Annual General Meeting. These financial statements do not reflect the dividend payable, which will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2025. Dividends per share are summarised as follows:

	GROUP AND BANK	
	2024 US\$000	2023 US\$000
Proposed dividends per share		
Proposed dividends	350,000	314,525
Number of shares as of 31 December	237,168	219,767
Dividends per share	1.48	1.43
Dividends per share declared		
Actual dividends appropriations	314,525	209,352
Number of shares as of 31 December of the previous year	219,767	202,011
Dividends per share	1.43	1.04

The above calculation of dividends per share is adjusted at the appropriation stage to reflect that classes A, B, and C shares are 40 percent paid, while Class D shares are fully paid.

43. RELATED PARTY TRANSACTIONS

The Bank pays expenses and receives amounts on behalf of, or from, its subsidiary entities and records these amounts as non-interest-bearing receivables or payables.

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Financial Statements for the Year Ended 31 December 2024

AFRICAN EXPORT-IMPORT BANK

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

43. RELATED PARTY TRANSACTIONS (continued)

43.1 Related party balances

	BANK	
	2024 US\$000	2023 US\$000
Other assets		
Due from African Quality Assurance Centre Limited	10,329	9,895
Due from African Medical Centre of Excellence Limited	–	50,519
Due from Afrexim Insurance Management Company	1,859	1,083
Due from FEDA Capital	145	116
Due from AfCFTA Adjustment Fund Corporation Limited	108	–
Due from CANEX Creations Incorporated Limited	2,125	–
	14,566	61,613
Other liabilities		
Due to FEDA Holding Company	10,521	–
Due to FEDA Investment Management Company	669	604
	11,190	604

43.2 Key management personnel compensation

43.2.1 Salaries and benefits to management personnel

Compensation paid to the Bank's executive officers and directors during the year is as follows:

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Salaries and short-term benefits	26,772	21,122	24,185	18,635
Other long-term benefits	4,855	3,544	4,855	3,544
Post-employment benefits	1,883	1,527	1,748	1,280
Termination benefits	216	213	216	213
	33,726	26,406	31,004	23,672

Short-term benefits above include meeting allowances for Board members and staff allowances for children's education, dependency, home leave, and housing.

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43.2.2 Loans and advances to management personnel

The Bank provides loans and advances to its staff, including those in management. Such loans and advances are guaranteed by the staff terminal benefits payable at the time of departure from the Bank. The staff loans and advances are interest bearing and are granted in accordance with the Bank's policies. The movement in loans and advances to management during the year ended 31 December 2024 was as follows:

	GROUP		BANK	
	2024 US\$000	2023 US\$000	2024 US\$000	2023 US\$000
Balance as of 1 January	4,249	1,488	4,064	1,488
Disbursements during the year	1,088	3,429	900	3,146
Repayments during the year	(1,514)	(668)	(1,448)	(570)
Balance as of 31 December	3,823	4,249	3,516	4,064

There were no loan loss provisions on staff loans in both current and prior year, and no loans to related parties were written off in 2024 (2023: US\$Nil).

44 SEGMENT REPORTING

44.1 Basis of segment identification

The Bank, which is the Group's main operating subsidiary, is a supranational and multilateral trade finance institution whose products and services are similar in nature and are structured and distributed in a fairly uniform manner across borrowers. The Bank's primary reporting format for business segments includes lending and treasury operations. The Bank has identified its reportable segments in accordance with IFRS 8, "Operating Segments," based on internal reports that are regularly reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. The CODM of the Bank is the president and chairman of the board. The Bank operates under two reportable segments:

The **Lending** segment focuses on investments in facilities such as loans, letters of credit, and guarantees, that promote intra- and extra-African trade.

The **Treasury** segment is responsible for liquidity management, investments, and foreign exchange operations. A segment disclosure note is prepared in accordance with IFRS 8 and is subject to periodic review to reflect changes in the Bank's internal reporting structure and materiality considerations.

44.2 Measurement of segment profit or loss

The Bank's CODM evaluates segment performance primarily based on profit or loss. Accordingly, the financial information provided in the segment report is aligned with this measurement basis.

44.3 Disclosure of specified amounts

The Bank discloses specified amounts per segment. These amounts are included in the measure of segment profit or loss reviewed by the CODM, or they are regularly provided to the CODM, even if not included in the segment profit or loss measure.

The following items are disclosed at the segment level:

Interest income and non-interest income, interest expense, operating expenses, loan impairment charges, and profit or loss.

Depreciation and amortisation are not separately provided to the CODM as part of segment performance evaluation; hence, they are not disclosed per segment. However, if such information is regularly provided to the CODM in future periods, the Bank will revise its disclosures accordingly.

44.4 Material items of income and expense

The Bank assesses material items of income and expense both qualitatively and quantitatively to determine their significance. Items deemed material are disclosed separately to ensure that users of the financial statements can make informed decisions. For the current reporting period, there were no material items of income and expense requiring separate disclosure on the identified segments.

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44 SEGMENT REPORTING (continued)

The tables below show the segment financial information for the Bank.

	Lending 2024 US\$000	Treasury 2024 US\$000	Other 2024 US\$000	Total 2024 US\$000
Interest income	3,059,722	9,128	–	3,068,850
Fees and commission	155,330	–	–	155,330
Fees and commission expense	–	(4,045)	–	(4,045)
Other operating income	–	20,138	–	20,138
Other interest expense	–	(1,186)	–	(1,186)
Total segment revenue	3,215,052	24,035	–	3,239,087
Less: Interest expense	–	(1,263,793)	–	(1,263,793)
Foreign exchange adjustments	–	(2,781)	–	(2,781)
Less: Personnel expenses	(6,242)	(4,486)	(119,962)	(130,690)
Less: Administrative expenses	(838)	(3712)	(217,343)	(221,893)
Less: Depreciation and amortization	–	–	(19,681)	(19,681)
Segment income before impairment	3,207,972	(1,250,737)	(356,986)	1,600,249
Less: Loan impairment charges	(641,063)	–	–	(641,063)
Loss from modified financial assets at amortised cost	(44,684)	–	–	(44,684)
Fair value gain instruments at fair value through profit or loss	21,985	–	–	21,985
Net income/(loss) for the year	2,544,210	(1,250,737)	(356,986)	936,487
Financial Position				
Segment assets	29,010,314	5,729,738	231,394	34,971,446
Capital expenditures	292,050	–	–	292,050
Total assets at year-end	29,302,364	5,729,738	231,394	35,263,496
Segment liabilities	8,528,994	19,255,708	338,905	28,123,607
Capital funds	–	–	7,139,889	7,139,889
Total liabilities and capital funds	8,528,994	19,255,708	7,478,794	35,263,496

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The table below shows the segment financial information for the Bank.

	Lending 2023 US\$000	Treasury 2023 US\$000	Other 2023 US\$000	Total 2023 US\$000
Interest income	2,303,330	181,791	-	2,485,121
Fees and commissions	131,115	-	8,835	139,950
Fees and commission expense	-	(8,479)	(1,056)	(9,535)
Other operating income	20,416	-	-	20,416
Other interest expenses	-	(10,286)	-	(10,286)
Total segment revenues	2,454,861	163,026	7,779	2,625,666
Less: Interest expense	(7,739)	(1,037,025)	-	(1,044,764)
Foreign exchange adjustments	16,393	-	-	16,393
Less: Personnel expenses	(5,787)	(3,879)	(114,722)	(124,390)
Less: Administrative expenses	(510)	(1,478)	(148,854)	(150,840)
Less: Depreciation and amortization	-	-	(16,156)	(16,156)
Segment income before impairment	2,457,218	(879,356)	(271,953)	1,305,909
Less: Loan impairment charges	(576,633)	-	-	(576,633)
Loss from modified financial assets at amortised cost	(7,756)	-	-	(7,756)
Fair value gain instruments at fair value through profit or loss	20,616	-	-	20,616
Net income/(loss) for the year	1,893,445	(879,356)	(271,953)	742,136
Financial Position				
Segment assets	27,021,085	5,931,291	289,362	33,241,738
Capital expenditures	-	-	232,052	232,052
Total assets at year-end	27,021,085	5,931,291	521,414	33,473,790
Segment liabilities	10,192,507	16,882,256	280,852	27,355,615
Capital funds	-	-	6,118,175	6,118,175
Total liabilities and capital funds	10,192,507	16,882,256	6,399,027	33,473,790

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

45. TAXATION

According to Article XIV of the Agreement for the Establishment of African Export-Import Bank, which is signed and ratified by African member countries, the Bank's property, assets, income, operations, and transactions are exempt from all taxation and custom duties.

46. EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date that have a bearing on the understanding of these financial statements.

47. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 23 March 2025.



7

Investor Information

The African Export-Import Bank (Afreximbank or the Bank) is a supranational multilateral financial institution headquartered in Cairo, Egypt, with branch offices in Abuja, Abidjan, Harare, Kampala, and Yaoundé and a representative office in Barbados. Established to promote and expand intra- and extra-African trade, the Bank operates under a unique hybrid capital structure with four classes of shares: **Class A, Class B, Class C, and Class D.**

Class D shares, accessible to a broad range of investors, are currently issued in the form of **depository receipts (DRs)**. These DRs have been **listed on the Stock Exchange of Mauritius (SEM)** since October 4, 2017, under the ticker **AFREXIMBANK (AEIB)**. As of **31 December 2024**, the Bank had a total of **69.1 million DRs outstanding**, representing a significant portion of its equity capital mobilised from the private investment community.



Chapter Seven

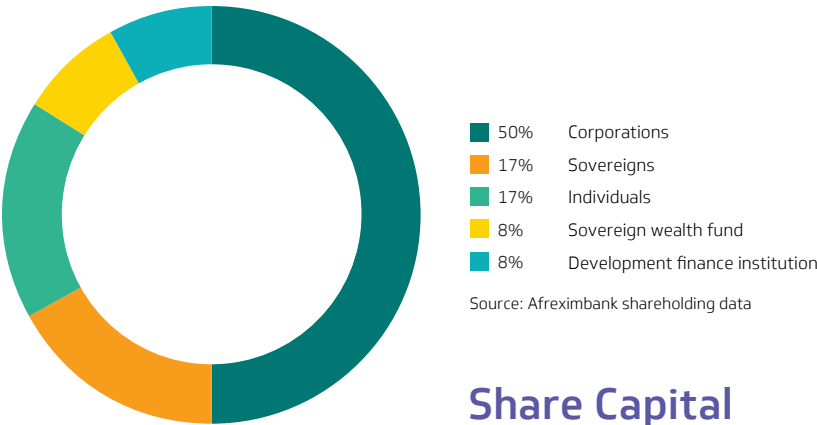
Investor Information

As of 31 December 2024, the Bank had callable capital amounting to US\$4.336 billion (table 7.1)

Table 7.1 Callable capital as of 31 December 2024	
Shareholding class	Callable capital (US\$)
Class A	3,009,781,286
Class B	1,118,405,810
Class C	208,206,635
Class D	–
Total	4,336,393,731

Source: Afreximbank.

Figure 7.1 Composition of new shareholders under GCI II



Source: Afreximbank shareholding data


Share Capital (Authorised and Fully Paid)

As of 31 December 2024, the authorised share capital of the Bank stood at US\$25 billion, comprising 2,500,000 ordinary shares with a par value of US\$10,000 each. At the Annual General Meeting held in June 2024, shareholders voted to increase the authorised capital from US\$5 billion to US\$25 billion, reflecting the Bank’s rapid growth and the need to expand its capacity to support Africa’s development agenda. Of the authorised capital, 237,168 shares have been issued.

Class D shares, which are fully paid and issued in the form of depositary receipts (DRs), accounted for 6,910 underlying shares, representing the Bank’s 69.1 million DRs listed on the Stock Exchange of Mauritius.

In 2024, shareholders invested a total of US\$412.90 million in new equity during the year (2023: US\$362.28 million), resulting in the issuance of 17,401 new shares (2023: 17,685 shares), bringing the total number of issued shares to 237,168, up from 219,767 in 2023. As part of these equity mobilisation efforts, new shareholders included the Fundo Soberano de Angola (FSDEA), further broadening the Bank’s investor profile and reinforcing confidence in the Bank’s long-term value proposition. Total gross equity amounting to US\$2.496 billion (representing a net amount of US\$2.12 billion) had been mobilised as of 31 December 2024. The total amount raised culminates in an achievement rate of 96 percent on a gross basis.

Additionally, during the year, shareholders unanimously approved a fivefold increase in authorised share capital, from US\$5 billion to US\$25 billion. This strategic move underscores the Bank’s rapid growth and enhances the Bank’s capacity to address the development needs of the continent in line with its mandate.



The overwhelming endorsement, by Shareholders, of the historic increase in authorised share capital from US\$5 billion to US\$25 billion reflected their firm belief and trust in the board and management. This move gives us the necessary headroom to mobilise the capital we need to create a bank that serves all Africans

Prof. Benedict Oramah, President and Chairman of the Board of Directors,
Afreximbank

Chapter Seven

Investor Information

As of 31 December 2024, 166 shareholders held Afreximbank's shares (tables 7.2–7.10 and figures 7.2 and 7.3)

Table 7.2 Shareholders

	Numbers of shares held	% of total shareholding	Number of shareholders	% of total shareholders
Class A	153,946	64.91%	54	32.93%
Class B	61,144	25.78%	96	57.93%
Class C	15,168	6.40%	15	9.15%
Class D	6,910	2.91%	1	0.61%
Total	237,168	100.00%	166	100.00%

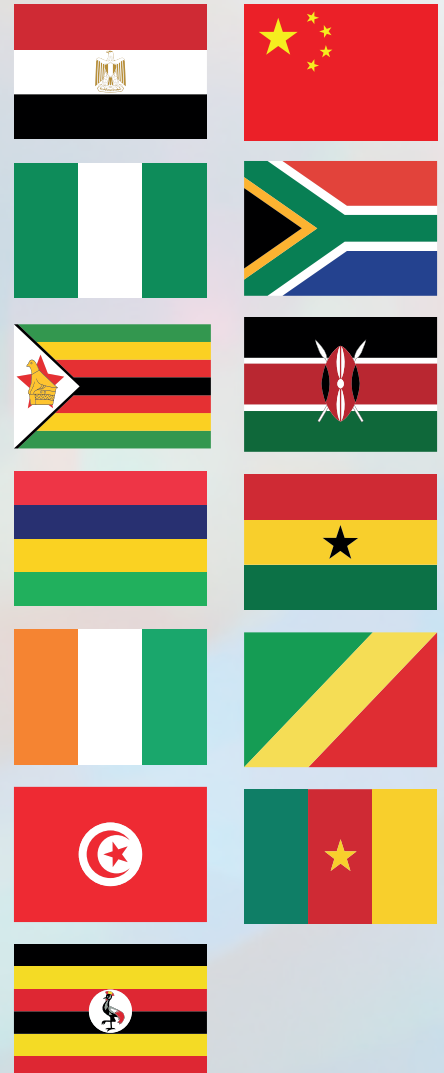
Note: The depositary bank, the custodian of the DRs, is the only holder of Class D shares.

Table 7.3 Analysis of Shareholding Range as of 31 December 2024

	Numbers of shares held	% of total shareholding	Number of shareholders	% of total shareholders
10–100	2,298	0.97%	62	37.35%
101–200	3,407	1.44%	25	15.06%
201–300	4,642	1.96%	19	11.45%
301–1000	15,231	6.42%	29	17.47%
1001–5000	50,557	21.32%	19	11.45%
5001 and above	161,033	67.90%	12	7.23%
Total	237,168	100%	166	100%

Table 7.4 Top 20 shareholders as of 31 December 2024

	Shareholder name	Country	Share class
1	Central Bank of Egypt	Egypt	A
2	Federal Republic of Nigeria	Nigeria	A
3	National Bank of Egypt	Egypt	B
4	Central Bank of Nigeria	Nigeria	A
5	Reserve Bank of Zimbabwe	Zimbabwe	A
6	Banque du Caire	Egypt	B
7	Banque Misr	Egypt	B
8	SBM Capital Markets Limited	Mauritius	D
9	Government of Cote D'Ivoire	Cote D'Ivoire	A
10	Banque Centrale de Tunisie	Tunisia	A
11	Bank of Uganda	Uganda	A
12	China Eximbank	China	C
13	African Development Bank	Regional	A
14	BADEA	Regional	C
15	Government Employees Pension Fund (PIC)	South Africa	B
16	Government of Kenya	Kenya	A
17	Bank of Ghana	Ghana	A
18	Government of Congo Brazzaville	Rep. Of Congo	A
19	Caisse Nationale De Prévoyance Sociale	Cameroun	B
20	Republique du Cameroun	Cameroun	A



Chapter Seven

Investor Information

Table 7.5 10 year history of share capitalization

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Authorised capital (500,000 ordinary shares of US\$ 10,000 each from 2012)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000
Paid-Up share capital - Class A (US\$'000)	119,168	180,224	240,416	248,868	270,264	301,320	332,288	375,604	500,668	566,992	615,784
Paid-Up share capital - Class B (US\$'000)	45,204	88,072	98,976	109,092	120,700	127,744	129,504	149,444	221,736	224,700	244,576
Paid-Up share capital - Class C (US\$'000)	21,200	38,856	39,096	46,076	46,236	52,384	52,632	53,164	58,000	59,496	60,672
Paid-Up share capital - Class D (US\$'000)	–	–	–	66,780	69,100	69,100	69,100	69,100	69,100	69,100	69,100
Total paid-up share capital (US\$'000)	185,572	307,152	378,488	470,816	506,300	550,548	583,524	647,312	849,504	920,288	990,132

Table 7.6 10 year dividend payment history

Year ended	Date declared	Total amount (US\$)	% payout ratio
31 December 2024	28 June 2025	300,000,000 (proposed)	31%
31 December 2023	15 June 2024	264,636,560	35%
31 December 2022	21 June 2023	159,301,009	35%
31 December 2021	18 June 2022	112,743,144	30%
31 December 2020	30 July 2021	87,921,317	25%
31 December 2019	13 June 2020	78,829,000	25%
31 December 2018	22 June 2019	68,970,000	25%
31 December 2017	14 July 2018	57,534,000	26%
31 December 2016	1 July 2017	37,958,000	23%
31 December 2015	23 July 2016	28,823,000	23%
31 December 2014	13 June 2015	24,147,000	23%

Figure 7.2 Graphical illustration of 10 year dividend payment history

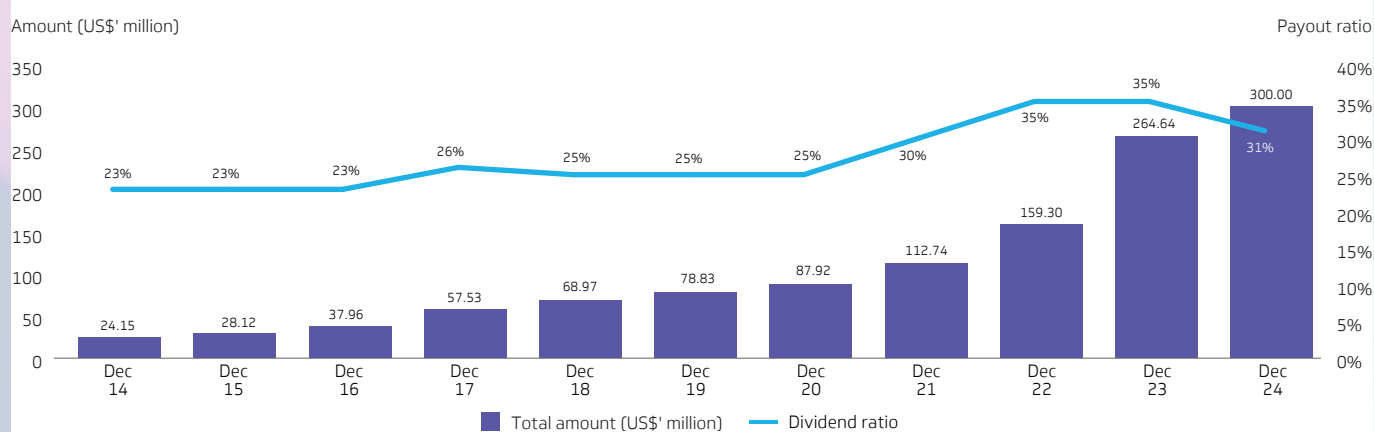


Table 7.7 10 year net asset value history

Year ended	NAV per share (US\$)	NAV per DR (US\$)
31 December 2024	69,695	6.97
31 December 2023	63,683	6.37
31 December 2022	58,496	5.85
31 December 2021	57,845	5.78
31 December 2020	54,948	5.49
31 December 2019	50,896	5.08
31 December 2018	50,558	5.05
31 December 2017	45,114	4.5
31 December 2016	42,970	–
31 December 2015	41,240	–
31 December 2014	49,526	–

Chapter Seven

Investor Information

Figure 7.3 Graphical illustration of 10-year net asset value trend



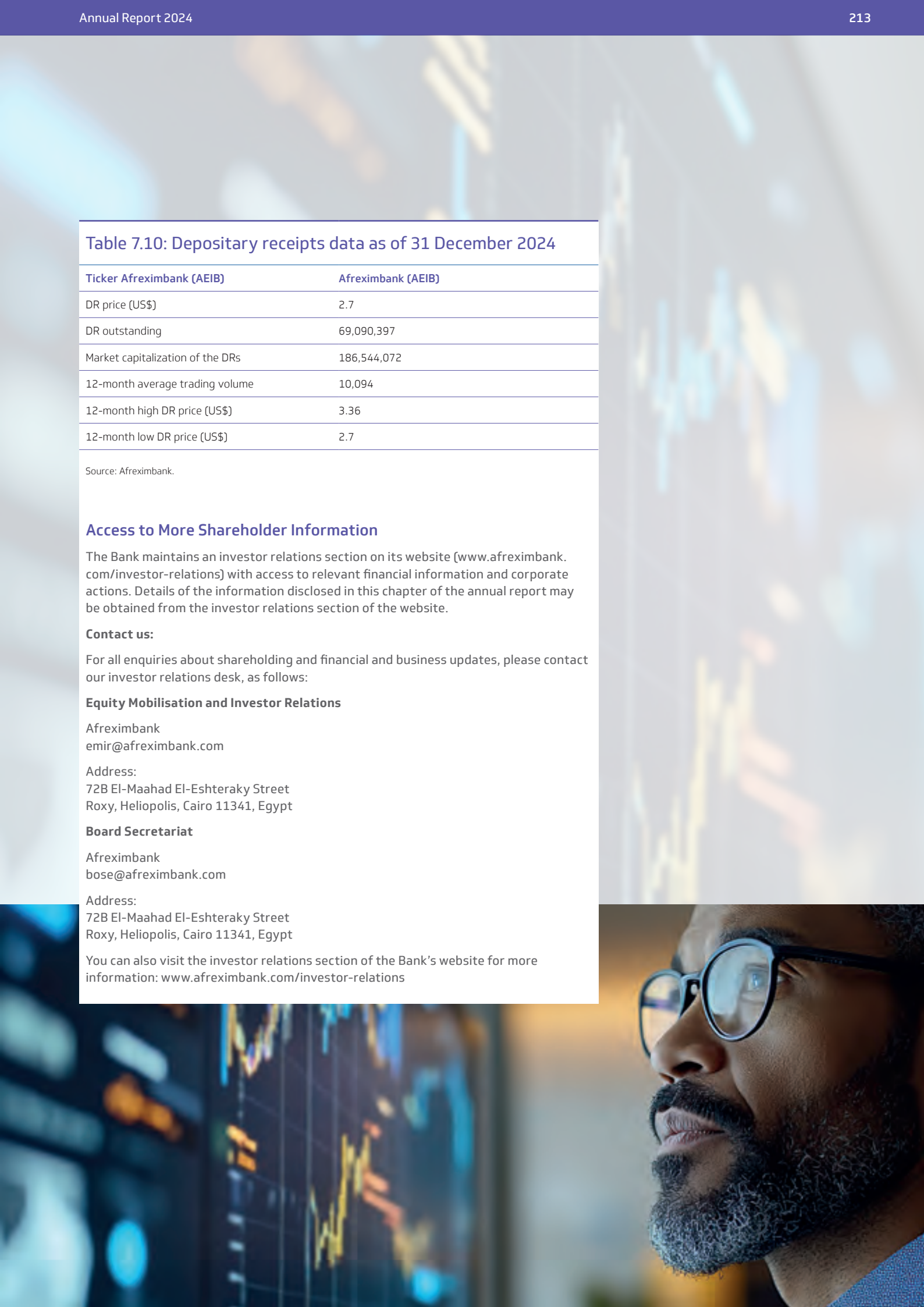
Table 7.8: Key ratios

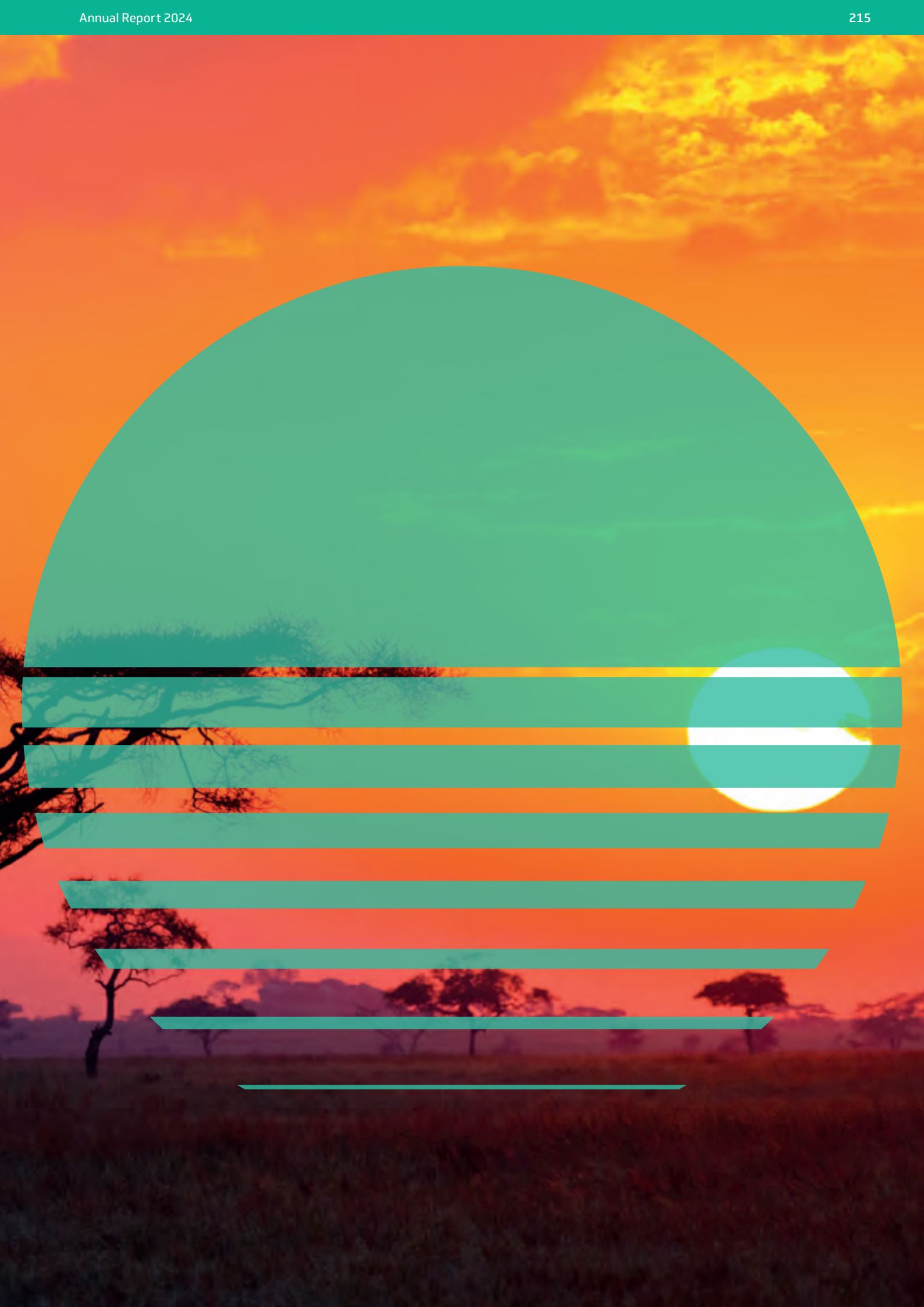
Year ended	ROAA	ROAE	Cost to income	NPL	Fee to gross income	NIM
31 December 2024	2.9%	15%	18%	2.33	5.4%	5.61%
31 December 2023	2.6%	13.3%	19.1%	2.44	8.8%	4.96%
31 December 2022	1.9%	9.9%	21.8%	3.40%	10.1%	3.8%
31 December 2021	2.0%	11.0%	22.7%	3.35%	13.9%	3.6%
31 December 2020	2.1%	11.4%	18%	3.18%	14%	3.3%
31 December 2019	2.3%	11.8%	17%	2.8%	10%	3.7%
31 December 2018	2.2%	11.8%	18%	2.9%	11.9%	3.5%
31 December 2017	1.9%	11.8%	18%	2.5%	6.6%	2.6%
31 December 2016	1.8%	11.4%	18.4%	2.4%	12.4%	2.7%
31 December 2015	2.0%	11.4%	20.9%	2.8%	15.9%	3.9%
31 December 2014	2.1%	13.5%	19.9%	3.8%	16.2%	3.6%

Table 7.9: Credit rating summary

As of 31 December 2024	Fitch	GCR	Moody's	JCR	China Chengxin
Short-term rating	F2	A2	P-2	–	–
Long-term rating	BBB	A	Baa1	A-	AAA
Previous rating	Unchanged	Unchanged	Changed	Unchanged	–
Outlook	Stable	Stable	Negative	Stable	Stable

Table 7.10: Depositary receipts data as of 31 December 2024	
Ticker Afreximbank (AEIB)	Afreximbank (AEIB)
DR price (US\$)	2.7
DR outstanding	69,090,397
Market capitalization of the DRs	186,544,072
12-month average trading volume	10,094
12-month high DR price (US\$)	3.36
12-month low DR price (US\$)	2.7
Source: Afreximbank.	
Access to More Shareholder Information	
The Bank maintains an investor relations section on its website (www.afreximbank.com/investor-relations) with access to relevant financial information and corporate actions. Details of the information disclosed in this chapter of the annual report may be obtained from the investor relations section of the website.	
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You can also visit the investor relations section of the Bank’s website for more information: www.afreximbank.com/investor-relations	





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