



INVESTOR UPDATE

HALF YEAR 2018

RESULTS PRESENTATION

12 SEPTEMBER 2018

African Export-Import Bank
Banque Africaine D'Import-Export

Transforming Africa's Trade

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The Bank makes written and/or oral forward-looking statements, as shown in this presentation and in other communications, from time to time. Likewise, officers of the Bank may make forward-looking statements either in writing or during verbal conversations with investors, analysts, the media and other key members of the investment community. Statements regarding the Bank's strategies, objectives, priorities and anticipated financial performance for the year, constitute forward-looking statements. They are often described with words like "should", "would", "may", "could", "expect", "anticipate", "estimate", "project", "intend", "believe".

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Review of Financial Results

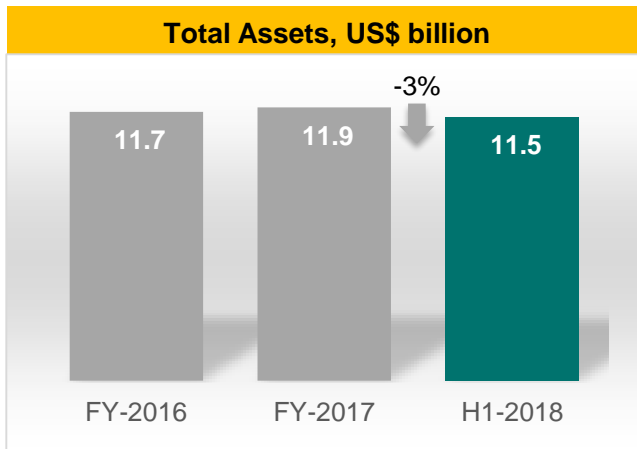


***Mr. Denys Denya – EVP Finance,
Admin and Banking Services***

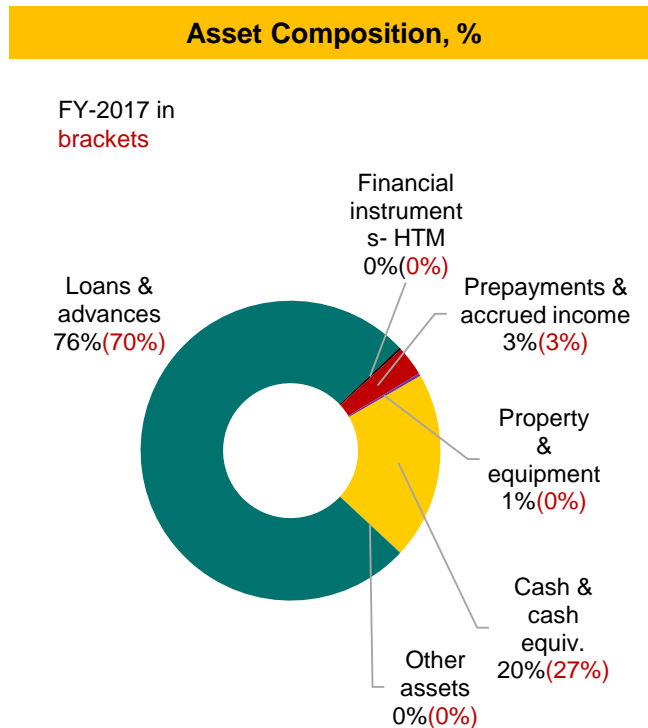
Income and balance sheet highlights

Income Metric, US\$ million	H1-2017	H1-2018	% Chg
Gross Income	323.4	344.4	+6.5%
Operating Income	194.2	199.9	+2.9%
Net Income	117.1	110.0	-6.1%
B/Sheet Metric, US\$ million	FY-2017	H1-2018	% Chg
Net Loans	8,330	8,753	+5.1%
Total Assets	11,913	11,518	-3.3%
Total Liabilities	9,789	9,208	-5.9%
Shareholders' Funds	2,124	2,310	+8.8%

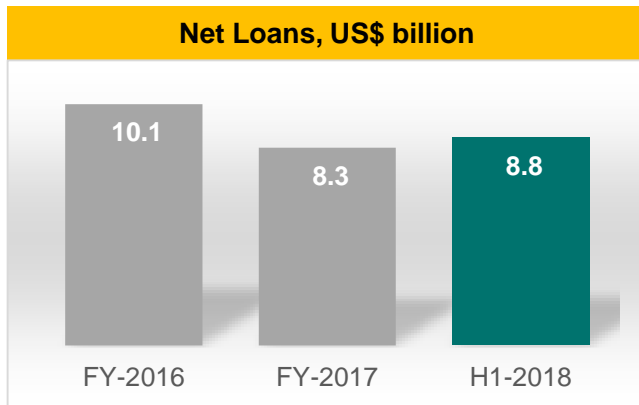
Strong and liquid balance sheet



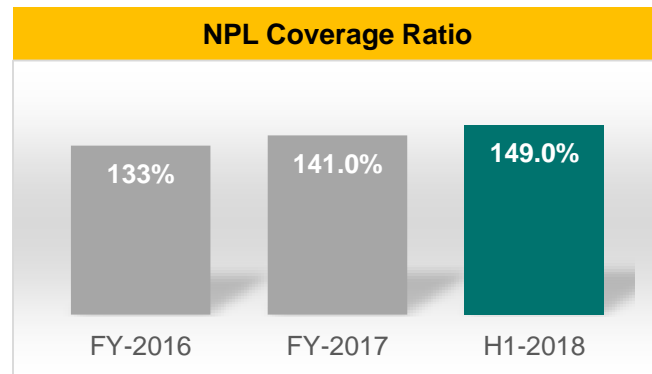
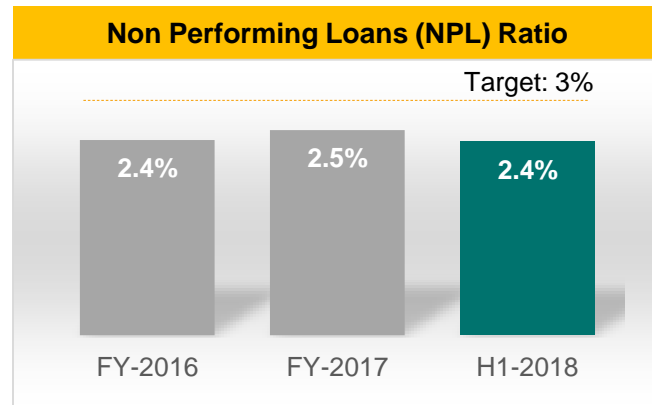
- The Bank's total assets stood at US\$11.5 billion (FY2017: \$11.9 billion). The decline is on the back of winding down of the Bank's 2-year COTRALF programme.
- Loans balance accounted for 76% of assets (FY2017: 70%), while cash constituted 20% (FY2017: 27%).
- The Bank has the liquidity to fund the planned disbursements in the second half of the year, when loan demands peak.



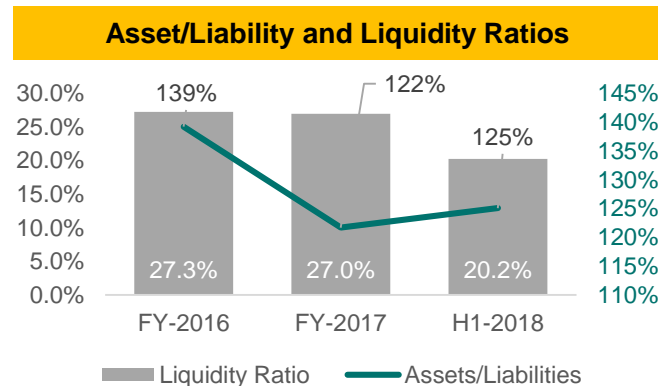
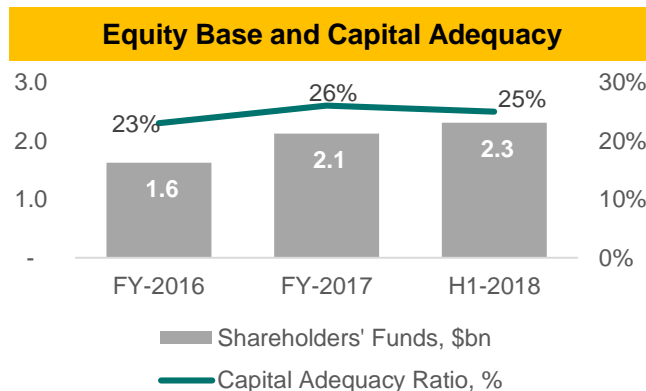
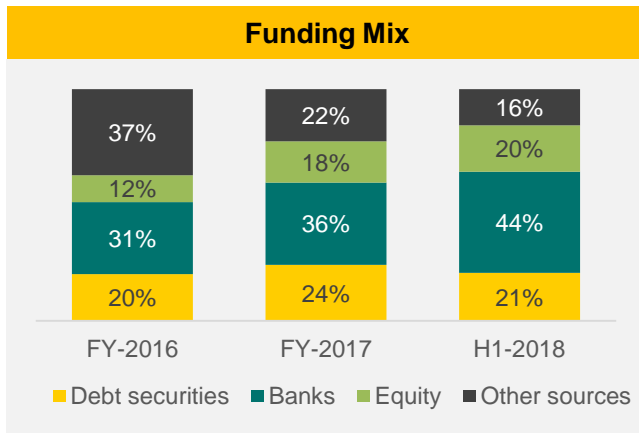
High quality loan portfolio



- Following the repayment of large portion of COTRALF, net loans grew by 6% from FY-2017 position.
- The Bank expects to sustain growth in loan book during the year in line with its strategic business plans and based on the good pipeline of deals awaiting approval.
- NPL ratio improved by 10 basis points since last year end to 2.4% (FY2017: 2.5%) due to effective credit enhancement and risk management Programmes.
- In addition, NPL coverage ratio was satisfactory and above 100%.

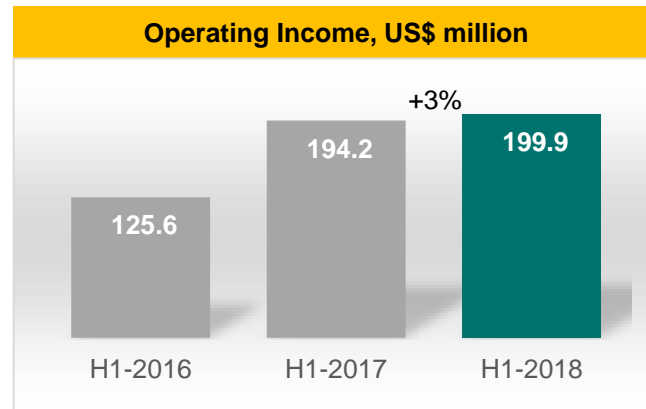
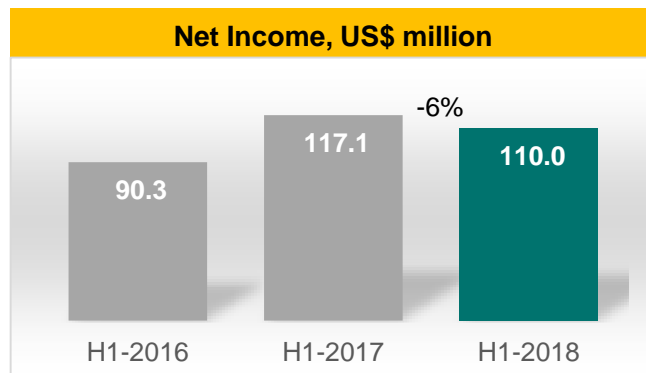
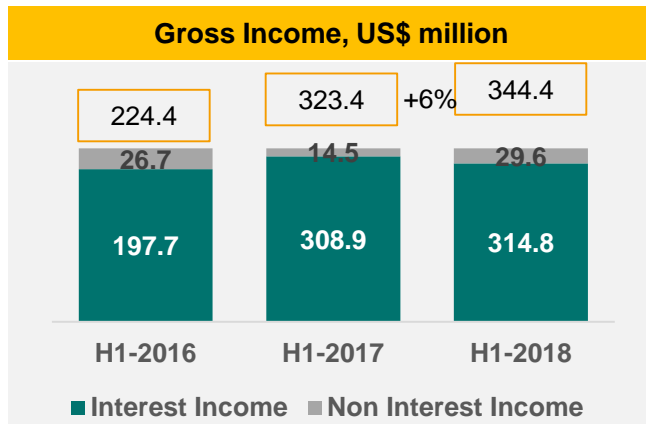


Driven by robust capital and liquidity position



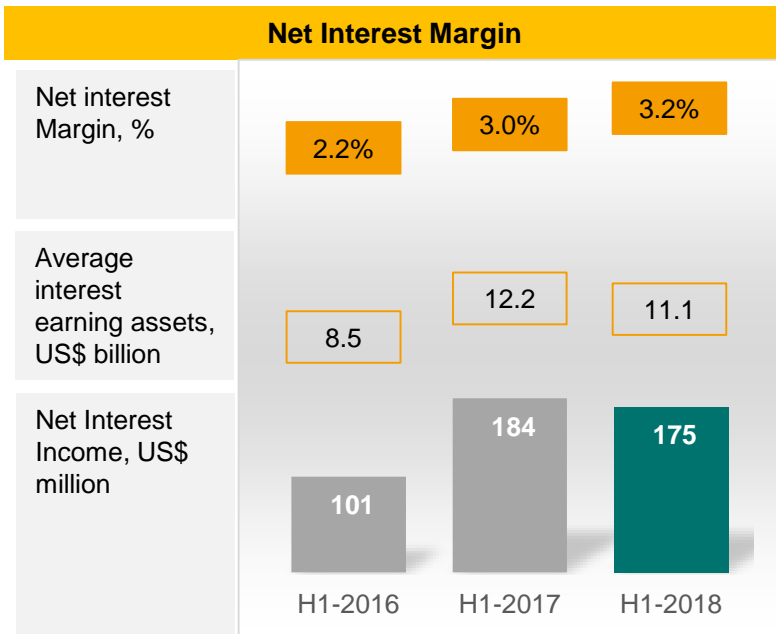
- The Bank maintained a diversified funding structure, which comprises of debt and equity.
- Proportion of assets to liabilities has increased considerably due to maturity of funding from Central Bank Deposits which were linked to COTRALF programme..
- The Bank maintained a strong capital adequacy ratio of 25%, which is above internal benchmark of 20%.
- Shareholders' funds of US\$2.3 billion affirms that the Bank has sufficient capacity to finance existing pipeline of transactions.

Consistent robust profitability

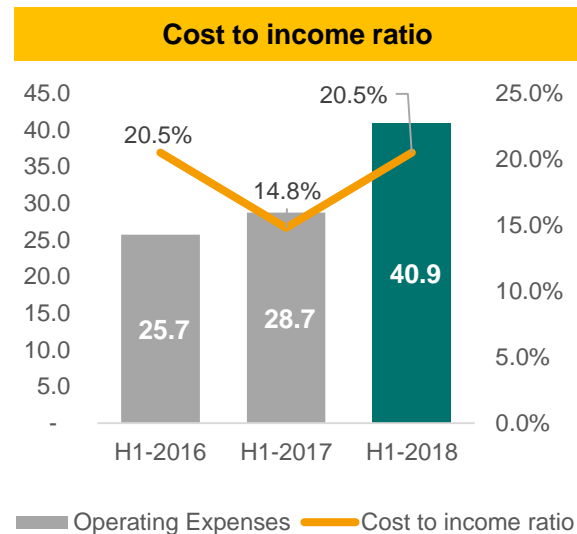


- Gross income of US\$344.4 million, up by 6% year-on-year, mainly driven by advisory and capital market fees, reflecting the benefits of reorganization at the Bank.
- Interest and similar income grew by 2% due to increase in average pricing as a large proportion of COTRALF is replaced with higher-margin facilities.
- Operating income grew by 3% despite 12% increase in interest and similar expenses.
- Net income declined by 6% due to higher operating costs incurred to support various strategic initiatives being pursued by the Bank through professional hires.

Sound operating efficiency



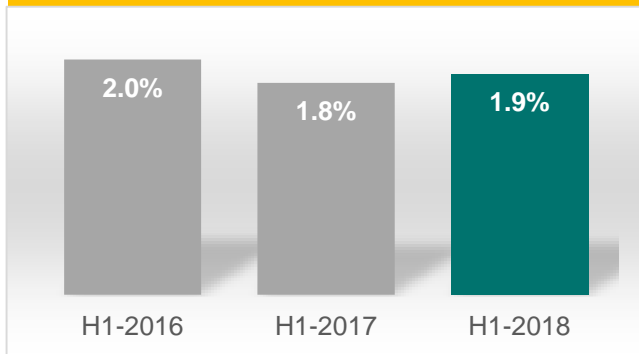
- Net interest margin improved to 3.2% reflecting better pricing on new disbursements, as a large proportion of lower priced COTRALF facilities matured during the period.
- General rising interest rate environment partially impacted margins through increased cost of borrowing.



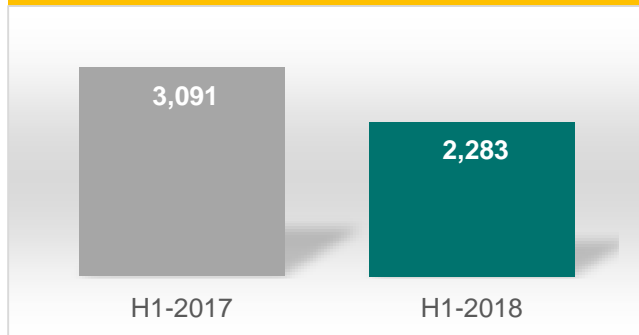
- Cost to income ratio of 20.5% remained below the strategic target level and industry benchmark.
- Increase in operating expenses was in line with expectations as the Bank is undertaking various initiatives in line with its mandate.

New equity to boost shareholders' return

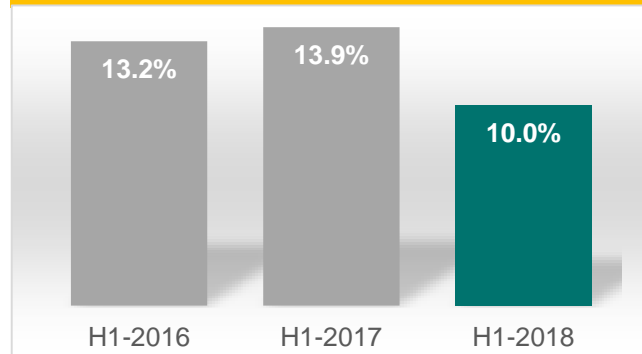
Return on Average Assets



Basic Earnings Per Share

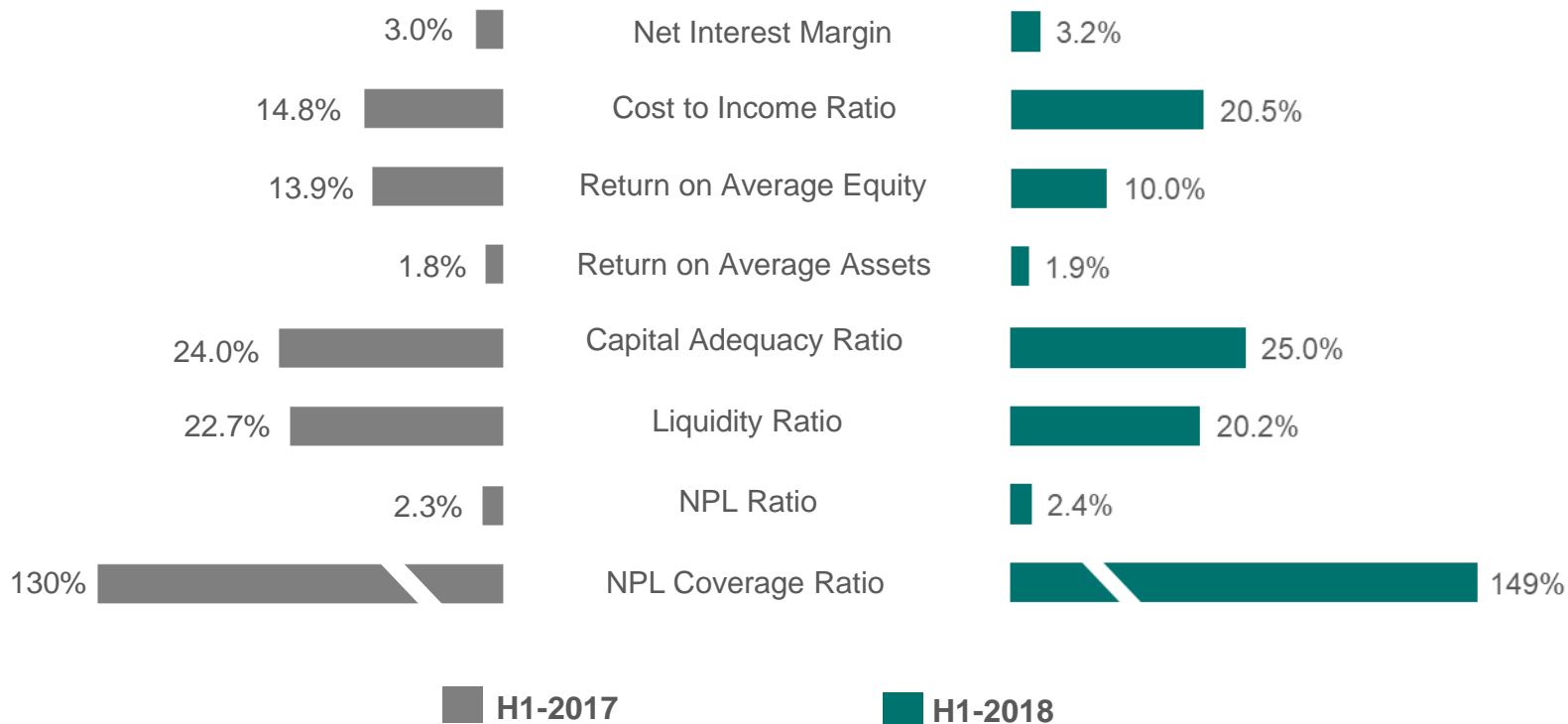


Return on Average Equity



- Return on Average Assets was 1.9% in H1-2018, higher than the 1.8% recorded in H1-2017. This was in spite of the slight decline in net income for the period.
- Return on Average Equity of 10.0% was lower than 13.9% recorded last year due to increase in equity base (+US\$186 million in six months), which is yet to make full impact on the Bank's earnings and income.
- Basic EPS of US\$2,283 is lower year on year due to due increased number of shares in issue. EPS is expected to improve in the second half with expected growth in business volumes.

Key financial outcomes

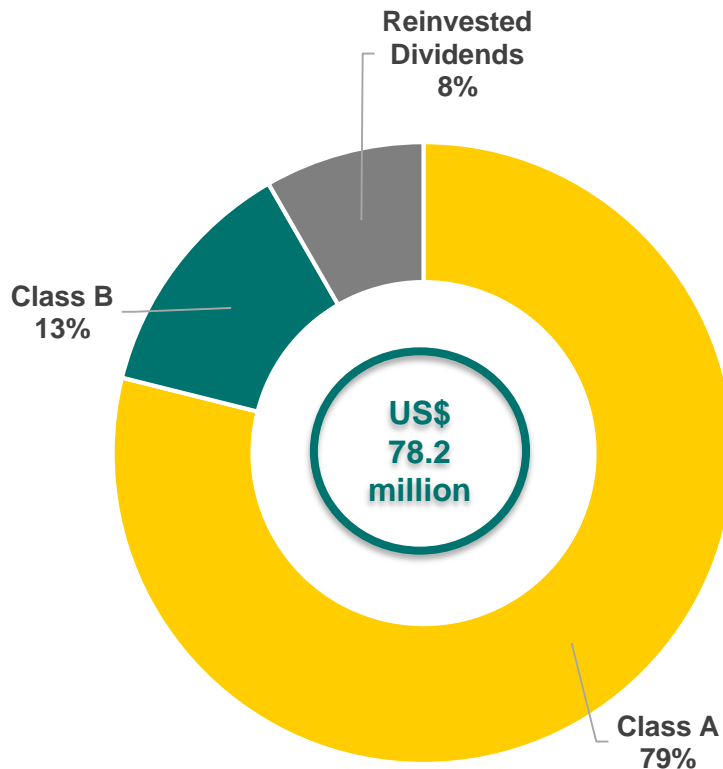


Equity Strategy – Impact 2021



***Dr. George Elombi – EVP Governance,
Legal and Corporate Services***

Fresh equity investments of US\$78.2 million in the first half



- Based on 5-year strategy, “IMPACT 2021”, Afreximbank aims to raise paid-in equity of US\$1 billion over the period ending December 2021, of which US\$445.2 million has been raised as follows:
 - ✓ US\$367 million in 2017 via issuance of depository receipts and from other classes of shareholders; and
 - ✓ US\$78.2 million within the first six months of 2018 – excluding internally generated capital.
- These funds have enhanced the Bank’s capacity to finance pipeline of transactions in excess of US\$10.6 billion.
- Equity raise is from diversified sources and made to accommodate new shareholders.
- Dividend reinvestment accounted for 8% of new equity in the first half, affirming that...
- ...the Bank remains a solid investment platform for those seeking sustainable long-term growth.

Key Takeaways and Outlook



***Prof. Benedict Oramah – President
and Chairman of the Board***

Key takeaways

1

The first half results demonstrated that the Bank has transited from the COTRALF regime to normal operations.

2

The Bank's relevance has been heightened by effective implementation of its strategic plan and the recent accreditation by the African Union.

3

The Bank is on track to meeting its financial performance targets as provided in the guidance.

Guidance for Full Year 2018

Financial Parameter	FY-2017	FY-2018
Total Assets (US\$ billion)	11.9	12.0
Loans and Advances (US\$ billion)	8.3	9.0 – 10
Net Income (US\$ million)	220.5	230 – 250
Return on Average Assets (ROAA)	1.9%	1.7% – 2.0%
Return on Average Equity (ROAE)	11.8%	10% – 12%
Capital Adequacy Ratio (CAR)	26%	Over 20%

Q & A

CONTACT
emir@afreximbank.com