AFREXIMBANK

INVESTOR UPDATE

FULL YEAR 2020 RESULTS PRESENTATION

APRIL 2021

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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Outline

1 Investment highlights

Demonstrating relevance through continental policy efforts as:

AU Partner

- Afreximbank has been accredited by the African Union, effectively making it an AU institution and amenable to strategic support and collaborations with the AU Commission.
- The AU recently endorsed the additional capitalization of Afreximbank by member states to enable the Bank to facilitate the procurement of vaccines and support post COVID-19 economic recovery

Proactive Pandemic Relief Provider

- Afreximbank is the leading Pan-African financial institution that is proactively and aggressively supporting the fight against COVID-19 pandemic in Africa.
- Through the PATIMFA, Afreximbank disbursed over US$6.5 billion to alleviate the health and economic consequences of the pandemic.
- The Bank Chairs the AU COVID-19 Response Fund, that seeks to mobilize resources and ensure equitable distribution to African countries. It also worked with UNECA to create a US$200 million facility to boost the manufacturing of COVID-19 medical supplies and other essential goods within the continent
- To ensure that Africa was not left behind in the race for vaccines, the Bank, working through the Africa Vaccine Acquisition Task Team (AVATT) committed US$2 billion, through which it provided payment guarantees to vaccine manufacturers to enable them commit to supplies to Africa.
- The Bank set up the African Medical Supplies Platform (AMSP) to harmonise the procurements of essential medical supplies, ensure equitable access to these supplies by all countries and give market access opportunities to pre-selected African manufacturers

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Demonstrating relevance as the AfCFTA Champion through (1/2):

Collaboration

- The Bank has become the principal institutions, working with the African Union Commission and the AfCFTA Secretariat in the implementation of the African Continental Free Trade Agreement.

AfCFTA Adjustment Facility

- The Bank has been mandated by the AU to institute an $8 billion adjustment facility to compensate countries for revenue lost to tariff removal and help them adjust smoothly to the implementation of the AfCFTA.

PAPSS

- The rollout of the Pan-African Payments and Settlement System (PAPSS) will soon commence as pilot testing accelerates in the West African Monetary Zone (WAMZ).
- Governance council and management board was installed.

ACTGS

- Afreximbank's has created an African Collaborative Transit Guarantee Scheme (ACTGS), through which it will issue transit bonds to African traders. Under the scheme, a single transit bond to a trader/transporter will allow them to move goods across multiple border posts within Africa.
- An agreement was recently signed with COMESA, which paves way for the Bank to begin the Scheme in the region by Q2-21.
- The Bank plans to commit $1 billion to cover transit guarantee for the continent and save the continent about $300 million annually, while serving as a new source of fee income to the Bank.

Demonstrating relevance as the AfCFTA Champion through (2/2):

TIP and TRIP

- The development of the Trade and Investments Regulations Platform (TRIP) and Trade Information Portal (TIP) have been completed and they are currently undergoing testing.
- The platforms will facilitate easy access to trade and investment regulations information thereby enhancing trade as well as promoting investment opportunities in Africa.

MANSA

- MANSA is the pan-African customer due diligence repository for financial institutions and corporate entities. It was launched in November 2020.
- Client onboarding process has begun.

Demonstrating relevance through institutions created for specific purposes

FEDA

- Afreximbank's Fund for Export Development in Africa ("FEDA") has commenced operations. FEDA's primary objective is to provide developmental equity capital into companies that are involved in intra African trade, manufacturing and export development in Africa.
- Sadly, pioneer CEO of FEDA, Dr. Philip Kamau, passed away in January 2021.

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- The objective of this vehicle is to help Africa to retain a large proportion of trade-related insurance premium written on the continent. This is in collaboration with Africa-Re.
- In addition, the Bank will benefit from the huge insurance business its financing operations generate and increase non-interest income.

The Bank continues to exceed strategy targets

Performance Metric	Strategic Objective under IMPACT 2021	Actual Results as at December 2020
Capital	Attain an equity base of US$3.5bn by Dec. 2021	Shareholders' equity stood at US$3.4bn, 3.7% short of the 2021 target with one year left
	Maintain capital adequacy ratio above 20%	Capital adequacy ratio was higher at 23.0% in December 2020
	Mobilise US$1bn fresh equity by 2021	New equity of US$930mn raised as at 2020
Income	Plan projected that an operating income of US$641mn would be achieved in 2020	Actual operating income achieved in 2020 was US$714mn, 11.4% higher than expectation
	Maintain a net interest margin of 3%	Net interest margin was 3.32% in 2020
	Keep cost to income ratio at a range between 17-30%	Cost to income ratio was 17.7% in 2020
Business impact due to the Bank's mandate	Deals aimed at promoting Intra-African trade should represent 24% of total lending portfolio in 2021	Deals aimed at promoting Intra-African trade contributed 33% to the Bank's portfolio in 2020
	Finance manufactured exports and services with US$750 million in 2020	Afreximbank successfully disbursed a total of US$1.98bn to manufactured exports and services – surpassing the set goal by 164%
	Disburse a total of US$2.2bn to support trade finance activities in 2020	Total value of trade finance facilities disbursed in 2020 amounted to US$10.9 billion

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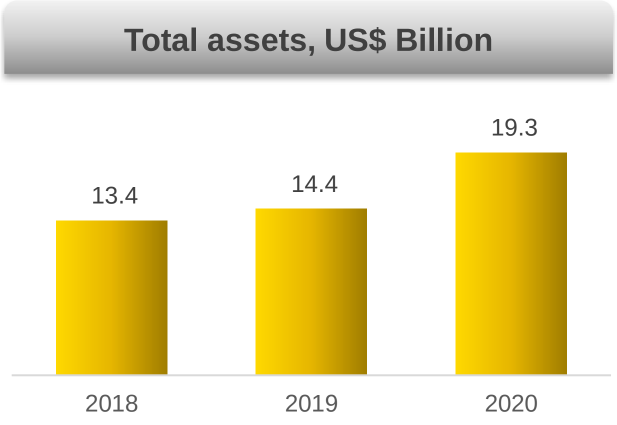
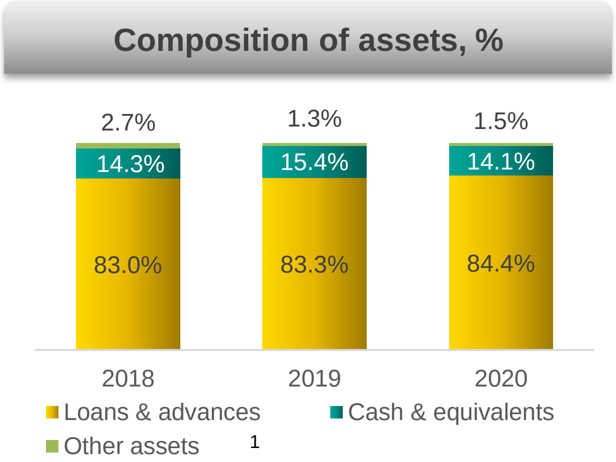
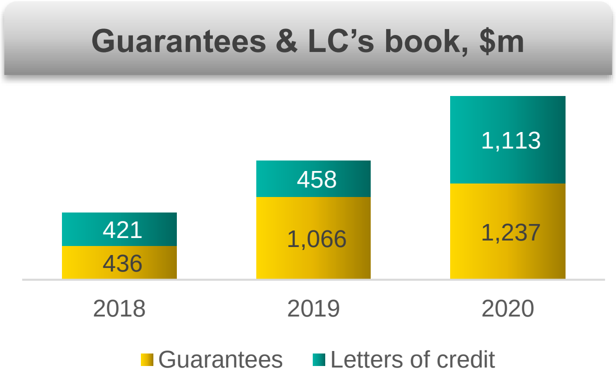
2 Review of financial results

Growing balance sheet



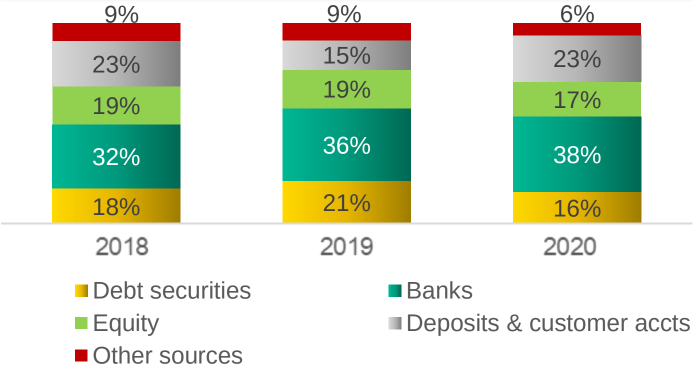




- The Bank recorded a 33.7% increase in total assets from US$14.4 billion in 2019 to US$19.3 billion in 2020 – this resulted from a strong growth in loans and advances, which accounted for 84.4% of total assets in 2020, compared to 83.3% in 2019.
- Guarantees and letters of credit products continue to be key intervention tools of the Bank, growing by 54% in 2020 to $2.35 billion (2019: $1.52 billion).
- Cash and cash equivalents constituted 14.1% of total assets (2019: 15.4%) to provide the required liquidity to the Bank's balance sheet.

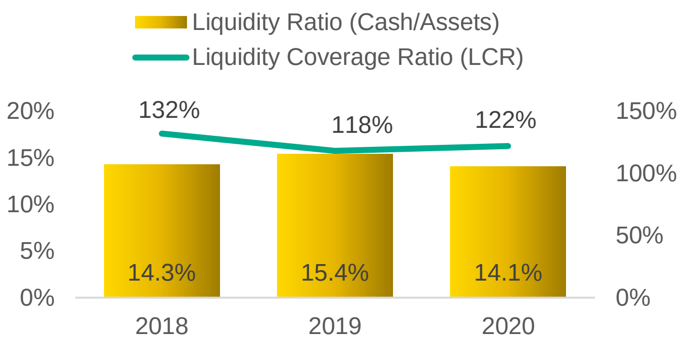
Supported by strong and diversified funding

Funding mix, %

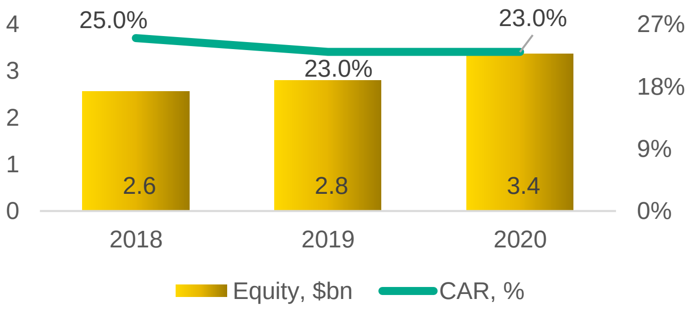


- The Bank's continues to access increased funding from diversified sources. Deposits & customer accounts and due to banks represent 61% of funding (2019: 51%).
- Liquidity coverage ratio of 122% (2019: 118%) remains strong, as proportion of liquid assets to total assets is comfortable at 14.1% (2019: 15.4%).
- Shareholders' equity rose by 20% to reach US$3.4 billion, driven by a combination of new shareholders' equity support and internally generated capital.
- Capital adequacy remained solid at 23% (2019: 23%).

Healthy liquidity position

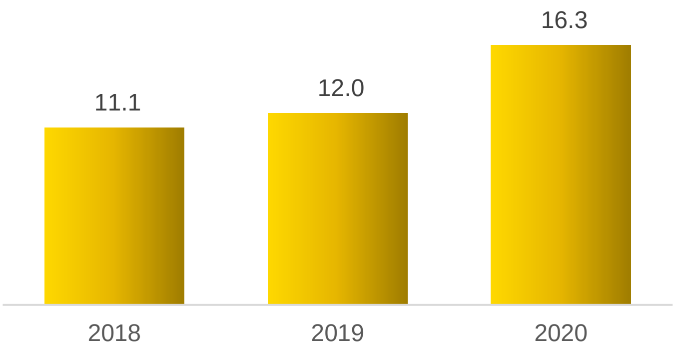


Strong equity and capital adequacy

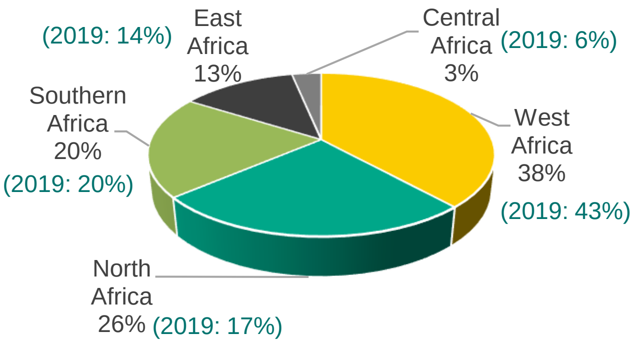


And risk-mitigated growth in loans and advances…

Loan book, US$ Billion



Loan split by African region, %

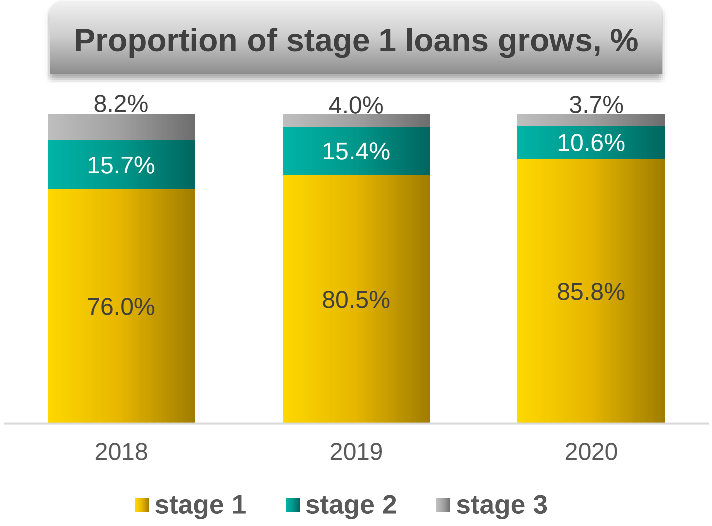


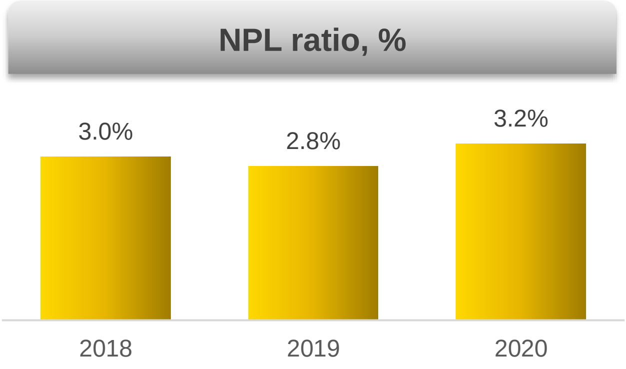
- Driven by PATIMFA, the Bank recorded a strong growth in loans and advances, which increased by 35.5% to $16.3 billion (2019: $12.0 billion).
- In terms of geography distribution, Northern Africa (26%), Southern Africa (20%) gained momentum in proportion to total loan portfolio. However, all regions recorded a growth in loan balances in 2020.
- In line with the Bank's business model, financial services sector constitute 55% of loan book (2019: 45%), as manufacturing and construction increased to 7.6% and 5% (2019: 6.2% and 1.4%) respectively.
- Due to the pandemic, support to health services emerged in 2020.

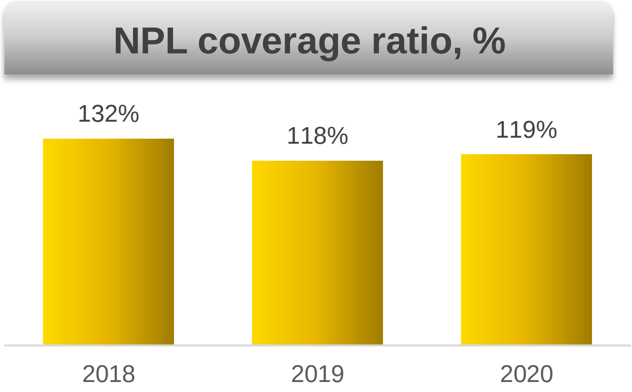
Loan distribution, by sector

Sectors	2019	2020
Financial Services	45.2%	54.7%
Oil and Gas	22.8%	14.4%
Manufacturing	6.2%	7.6%
Power	7.3%	5.4%
Construction	1.4%	5.0%
Telecommunication	4.9%	3.2%
Government	4.5%	2.1%
Health & medical services	0.0%	1.4%
Transportation	2.3%	1.3%
Others	5.4%	4.9%

…continues to defend asset quality



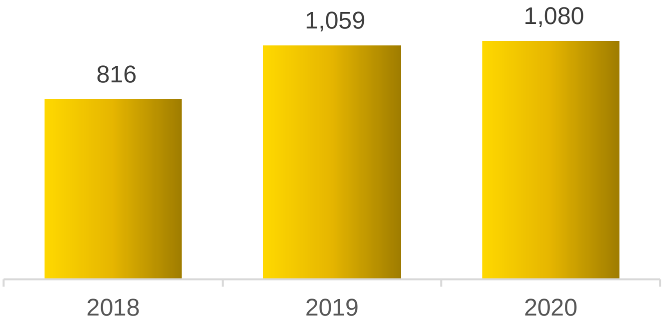




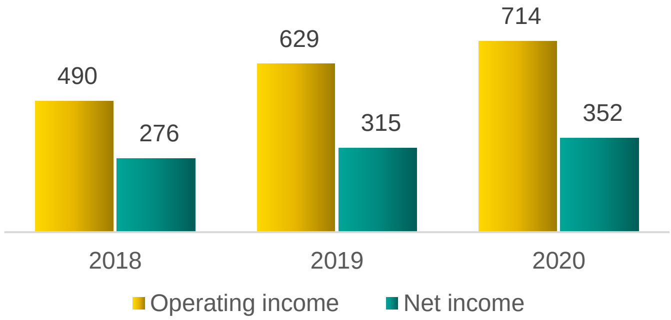
- Quality of loan portfolio continues to improve as the proportion of loans in stage 1 increased further to 86% (2019: 81%).
- NPL ratio was 3.2% (2019: 2.8%), as the Bank operated under tough economic and business conditions. The outcome is still within the Bank's acceptable levels.
- Loan loss coverage ratio improved to 119% compared to 118% in 2019.

Consistent income growth

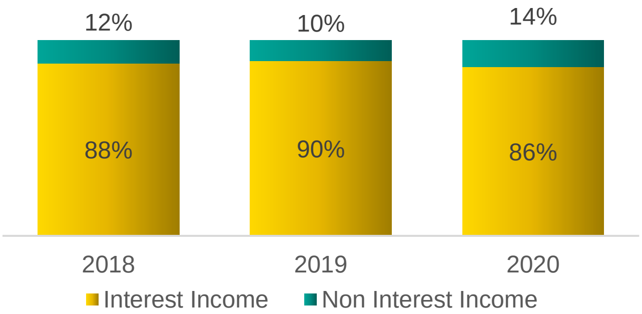
Growing gross income, $ million



Supporting increased profitability, $ m



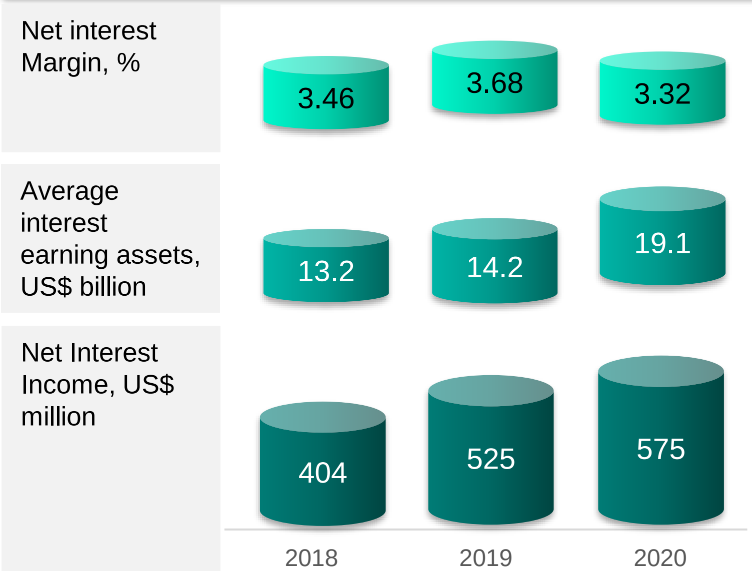
Fees contribute more to gross income, %



- Gross income growth was sustained reaching US$1.1 billion in 2020 principally due to higher contribution from non-funded income.
- The proportion of non-funded income to gross income increased to 14% (2019: 10%) on the back of commission income, and fees on LCs and guarantees.
- Therefore, operating income rose significantly by 14% to $714 million, while net income increased by 12% to reach $352 million in 2020.

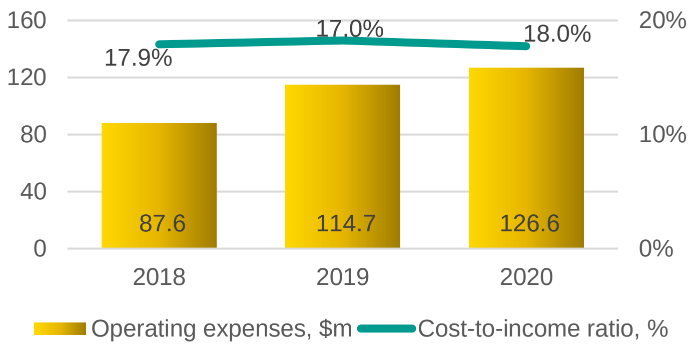
Strong operating efficiency

Net interest margin



- *Higher net interest income was driven mainly by lower interest expense during the period.*

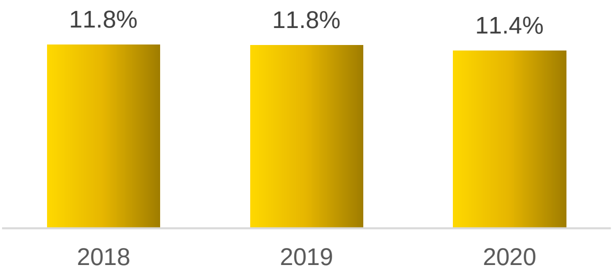
Opex & cost-to-income ratio



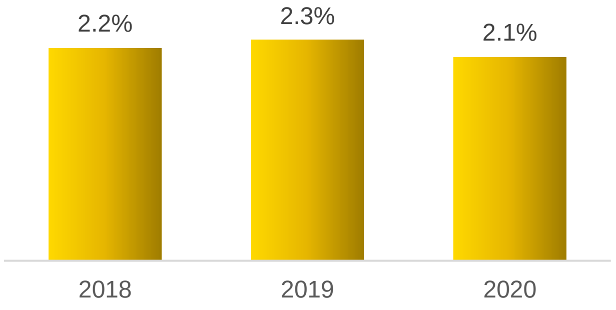
- Largely due to lower interest expense, net interest income increased by 10% to $575 million compared to $525 million in 2019.
- However net interest margin slipped to 3.32% (2019: 3.68%), due to the lower interest rate environment and a change in the mix of interest earing assets.
- Despite 10% increase in Opex, the Bank's high operating efficiency was proved as cost to income ratio was 18% (2019: 17%). This further affirms the strength of the Bank's internal efficiencies and cost control measures.

and impacting overall profitability and returns

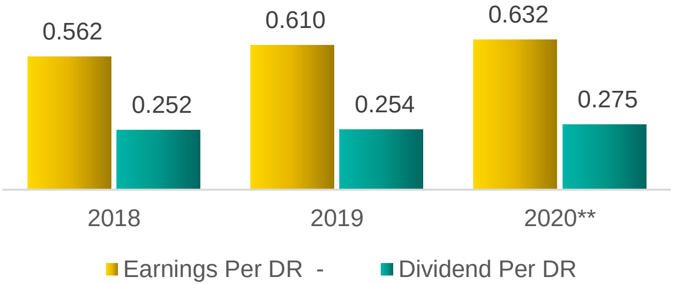
Return on equity, %



Return on assets, %



Earnings and dividend per DR, $



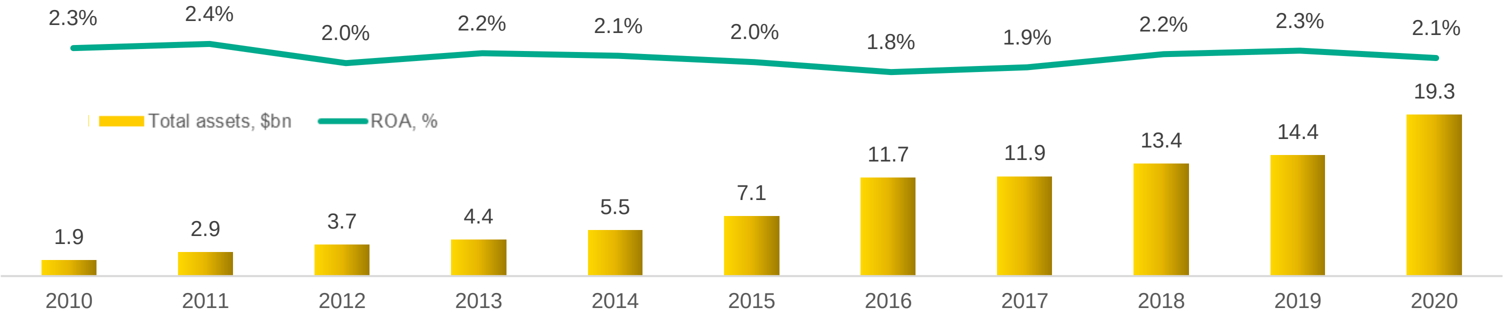
***2020 dividend to be considered at the AGM for shareholders' approval*

- Return on average equity was 11.4% in 2020 compared to 11.8% in 2019.
- In a similar vein, return on assets was stable at 2.1% compared to 2.3% in 2019. The returns were sticky due to the slip in margins on earning assets and strong balance sheet growth during the year under review.
- Basic earnings per DR was 63.2 cents, of which 27.5 cents is being proposed as dividends per DR.
- The proposed dividend represents a yield of 5% on the Bank's audited net asset value per DR and 8.6% on DR closing price at year-ended 31 December 2020..

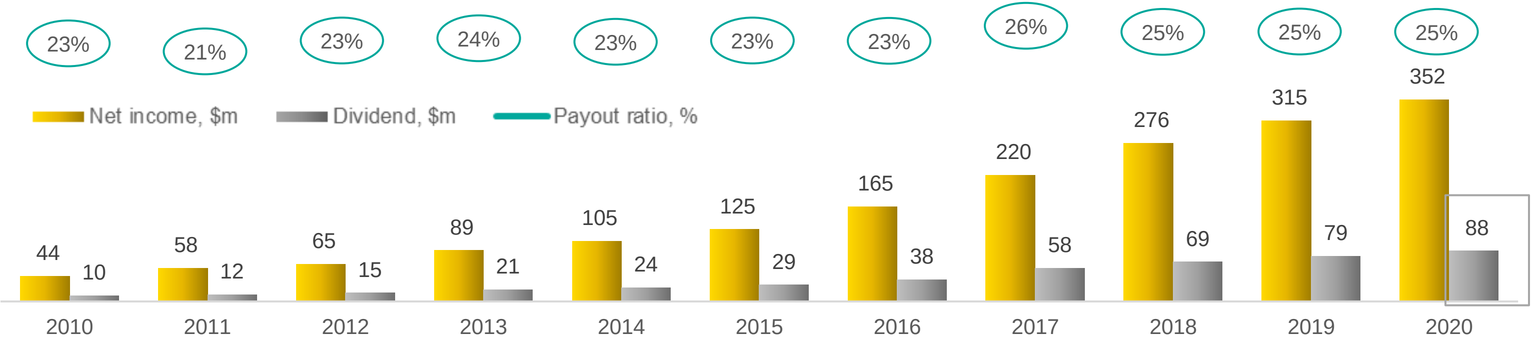
3 Summary of results

Consistent asset, income and dividend growth over the last decade

Solid asset growth with stable return on assets



Strong net income profile with healthy dividend payout



- *2020 dividend of $88 million will be considered at the AGM for shareholders' approval*

Income and balance sheet summary

B/Sheet metric, US$ million	FY-2018	FY-2019	FY-2020	1-year Growth
Net Loans	11,134	12,030	16,302	+35.5%
Total Assets	13,419	14,440	19,307	+33.7%
Total Liabilities	10,860	11,637	15,940	+37.0%
Shareholders' Funds	2,560	2,802	3,367	+20.2%

Income metric, US$ million	FY-2018	FY-2019	FY-2020	1-year Growth
Gross Income	720.1	1,058.9	1,079.8	+2.0%
Operating Income	484.8	629.0	713.9	+13.5%
Net Income	275.9	315.3	351.7	+11.5%

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Key financial ratios – three year trend

B/Sheet metric, US$ million	FY-2018	FY-2019	FY-2020
NPL Ratio	2.9%	2.8%	3.2%
Non-interest/gross income ratio	11.9%	10.4%	13.5%
Return on average assets	2.2%	2.3%	2.1%
Return on average equity	11.8%	11.8%	11.4%
Cost to income ratio	17.9%	17.0%	18.0%
Net interest margin	3.5%	3.7%	3.3%
Earnings per DR	US$0.562	US$0.610	US$0.632
Dividend per DR**	US$0.252	US$0.254	US$0.275

***2020 dividend of $0.275 will be considered at the AGM for shareholders' approval*

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4 Conclusion and outlook

Conclusion

1

- Despite operating under a difficult operating environment, the Bank demonstrated its relevance by responding proactively to business and economic realities, leveraging on its experience and supporting member countries and customers.

2

- The results demonstrated satisfactory levels of profitability, healthy liquidity, and strong capital to remain a resilient Bank and support both existing business volumes and future business growth prospects.

Outlook

1

- The Bank will support African countries by providing much-needed intervention to overcome the pandemic. Required facility would be provided to procure Covid-19 vaccines to ensure that African states rapidly access the vaccines, at competitive prices and in a timely manner to accelerate return to normalcy.

2

- To strengthen the Afreximbank's capacity and enable it to effectively implement its developmental objectives, whist enhancing value of its stakeholders, the AU's endorsement of additional capital increase for the Bank is welcomed. The Bank will take the necessary steps to implement the proposed general capital increase.

3

- During the 2021 financial year, Afreximbank will develop a new strategic plan to succeed 'IMPACT 2021: Africa Transformed'. The core elements of the sixth strategic plan will remain intra-African trade and industrialisation.

Q & A

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