



INVESTOR UPDATE

NINE MONTHS 2019

RESULTS PRESENTATION

27 NOVEMBER 2019

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

Transforming Africa's Trade

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Outline

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Investment proposition

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

Investment proposition

Unique mandate
with differentiated
position in Africa


**Developmental
mandate with
profit-driven
philosophy**



**Preferred
creditor
status**



0%
Tax and customs
in Participating
States



Positive impact on
Africa's trade
economy

~US\$71bn
Trade financing support
since inception



~US\$7bn
Disbursement of trade
financing deals in 2018




US\$1.8bn
Commitment to
manufactured exports in
2018




Low-risk, growing
balance sheet with
robust returns to
shareholders


~15%
CAGR in loan book
between 2017 and Sept.
2019... low NPL ratio of
2.9%



~23%
Capital adequacy ratio
as at Sept. 2019




~11.3%
RoAE in 9M-2019



Best-in-class
market experience

**Access to equity
capital market via
listing on the Stock
Exchange of Mauritius**



US\$3.1bn
Bonds outstanding



Baa1 / BBB-
Credit rating assigned by
Moody's / Fitch



Afreximbank strategy is a catalyst...

Intra-African Trade

- Promote / finance intra-African trade

Industrialisation and Export Development

- Create conditions to attract export manufacturing investors
- Support activities to improve efficiency and quality in production

Trade Finance Leadership

- Bridge the gap created by limitations of international banks
- Improve capacity of Africans in trade finance

Financial Soundness and Performance

- Profitability (10-12% ROaE) and capital adequacy ratio above 20%.
- Enables the Bank to make a meaningful impact on African trade

... for harnessing significant long-term business opportunities

US\$40bn

of deals in the current pipeline

US\$25bn

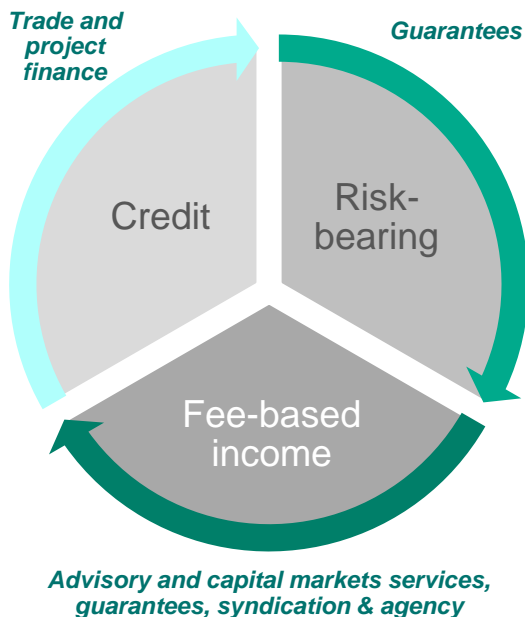
of trade financing to be disbursed in 2017 – 2021

5%

of intra-African trade to be financed by Afreximbank

Income diversification with innovative instruments & products

Afreximbank's key segments...



... complemented by revenue enhancing initiatives...

Initiative type	Initiative name	Description
Emergency liquidity lines	Countercyclical Trade Liquidity Facility	<ul style="list-style-type: none"> Large scale facilities implemented between 2015-2017 Response to 2014 crash of the commodity cycle Resulted in 10 new countries joining the Bank
Payments	Pan-African Payment and Settlement System	<ul style="list-style-type: none"> Designed to formalize cross-border trade, address payment challenges and reduce costs of completing trade
Private Equity	Fund For Export Development	<ul style="list-style-type: none"> Invest into trade-focused companies across all market segments Includes, start-ups, SMEs and mature companies
Due Diligence	Mansa	<ul style="list-style-type: none"> The centralised African customer due diligence repository platform
Trade Information	Trade information portal	<ul style="list-style-type: none"> Provision of data of trade, financial sector, commodity market and country reports
Funding	Central Bank Deposit/Investment programme	<ul style="list-style-type: none"> Aims to harness Africa's FX reserves and Support the continent's trade and economic development

Review of Financial Performance

***Mr. Hlupo Nyevero – Chief Finance
Officer***

Balance sheet and income highlights

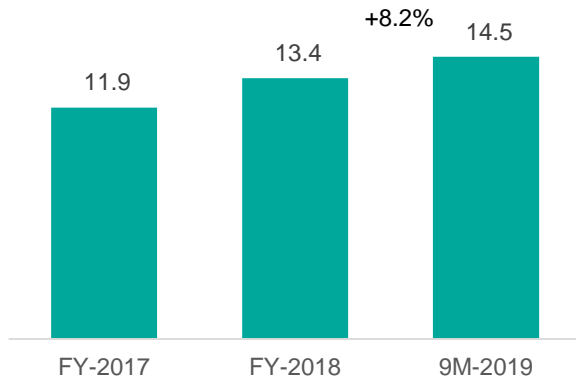
B/Sheet metric, US\$ million	FY-2017	FY-2018	9M-2019	CAGR*
Net Loans	8,546	11,134	10,620	+13.2%
Total Assets	11,913	13,419	14,534	+12.0%
Total Liabilities	9,789	10,860	11,798	+11.3%
Shareholders' Funds	2,124	2,560	2,735	+15.5%

Income metric, US\$ million	9M-2017	9M-2018	9M-2019	CAGR*
Gross Income	478.1	546.6	763.3	+30.7%
Operating Income	275.0	323.6	425.5	+28.3%
Net Income	154.0	154.5	225.4	+24.3%

*CAGR is over 1.75 years

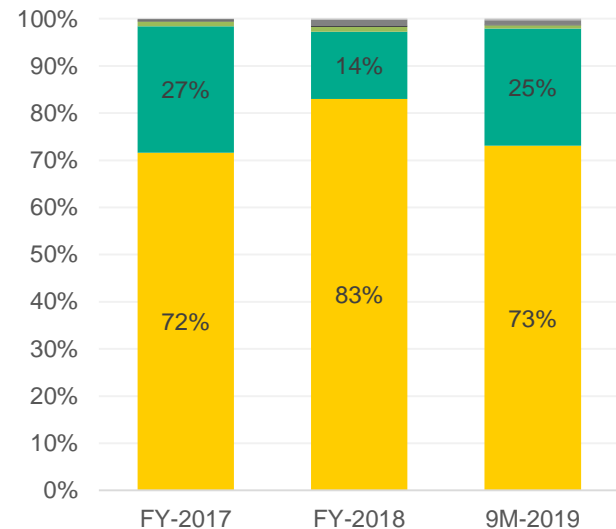
Strong and diversified balance sheet

Total Assets, US\$ billion



- Total assets strengthened further to US\$14.5 billion (FY2018: US\$13.4 billion). Increase in asset book resulted from new disbursements and higher cash position required to finance lending.
- Loans represent 73% of assets (FY2018: 83%), as cash component increased to 25% (FY2018: 14%).
- The Bank still has ample liquidity to fund the planned disbursements in the remainder of 2019.

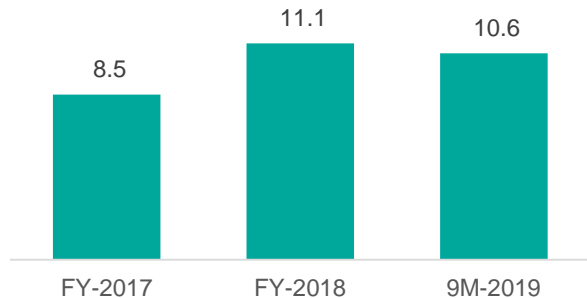
Asset Composition, %



- Loans & advances ■ Cash & equivalents
- Prepayments ■ Property & equipment
- Investments - HTM ■ Other assets

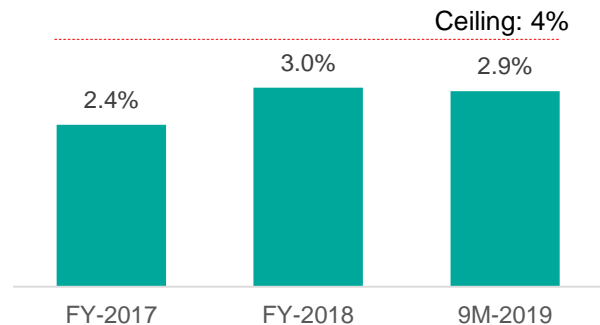
Driven by high quality loan portfolio

Net Loans, US\$ billion

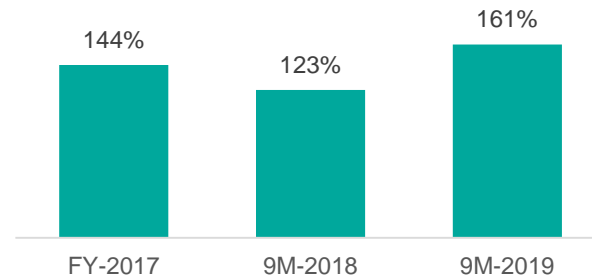


- There was a temporary slip in loan book to US\$10.6 billion due to larger amount of repayments compared to new disbursements.
- The Bank expects to drive growth in the loan book in FY-2019 in line with its strategic business plans and based on the good pipeline of deals awaiting approval.
- Asset quality remained satisfactory and within strategic plan tolerance levels with a NPL ratio of 2.9%. This further attests to the effectiveness of the Bank's credit risk management practices.
- NPL coverage ratio of 161% is strong and satisfactory.

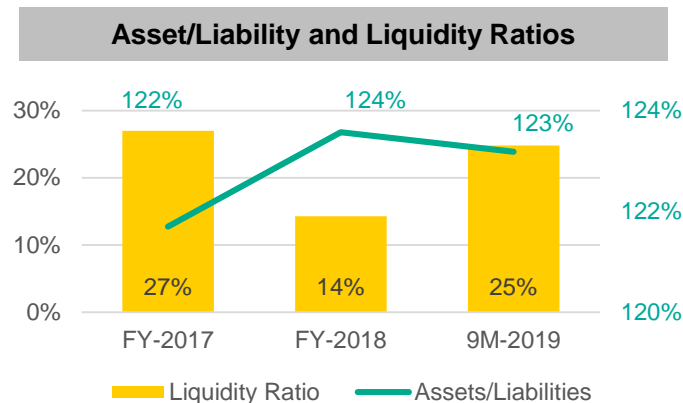
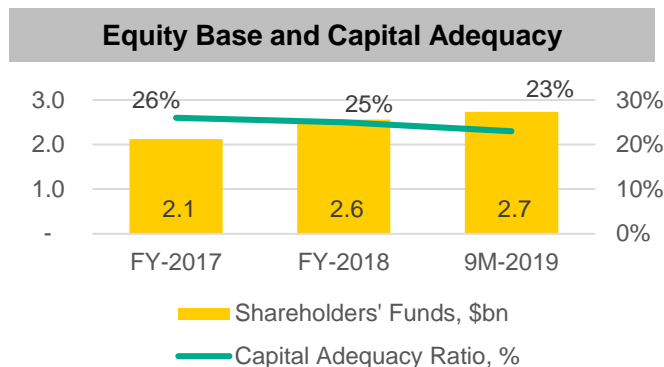
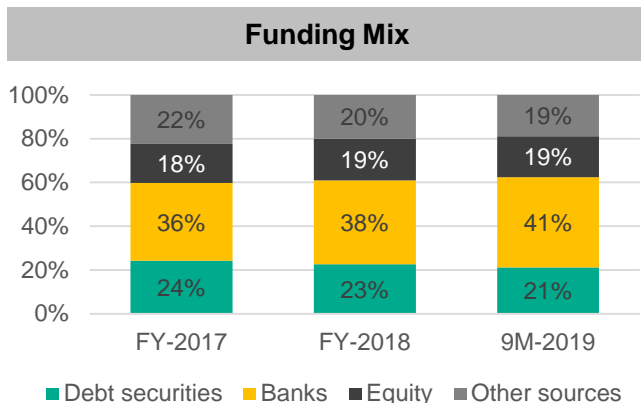
Non Performing Loans (NPL) Ratio



NPL Coverage Ratio



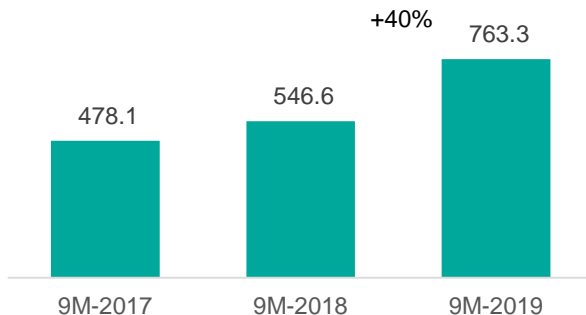
Funded by healthy liquidity and capital position



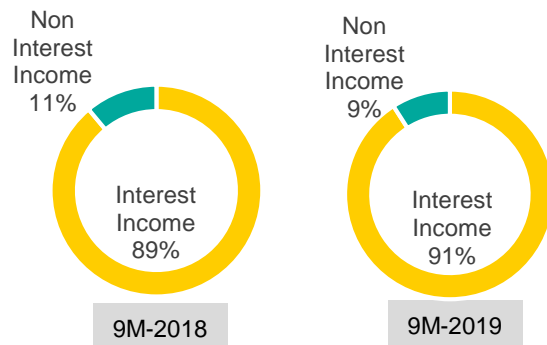
- The Bank's funding pool remains diversified and robust with increasing proportion of equity and funding from other financial institutions in the pool.
- Stable assets to liabilities ratio of 123% (FY-2018: 124%) is due to optimal use of core capital to drive assets growth.
- Shareholders' funds rose to US\$2.7 billion (FY2018: US\$2.6 billion) due to internal capital generation and fresh equity investments, which attest to investors' confidence in the Bank.
- Capital adequacy ratio of 23% is strong and within strategic plan target range.

Sustaining growth in income and profitability

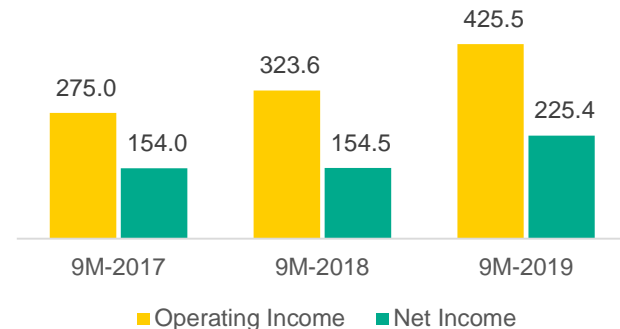
Gross Income, US\$ million



Gross Income Distribution, %

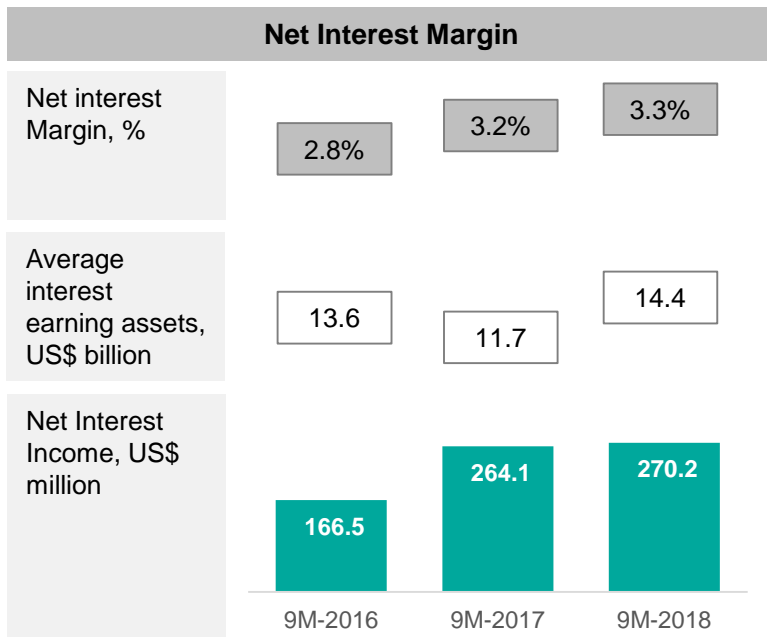


Growing Profits, US\$ million

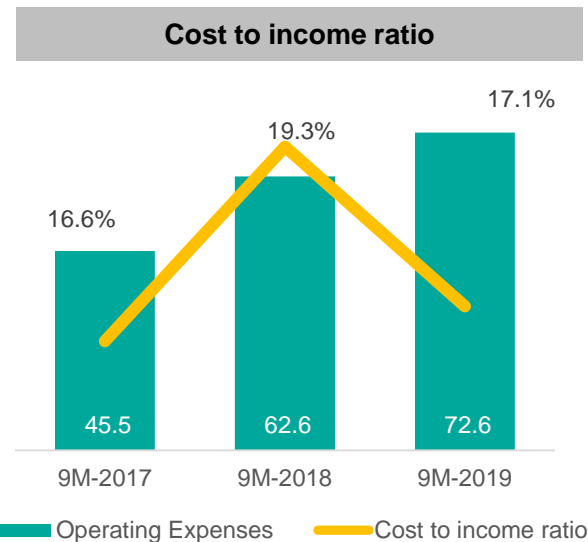


- Gross income grew by 40% year-on-year to reach US\$763 million (9M-2018: US\$547 million). Contributing to this performance are higher interest income from money market instruments and repricing of loans during the period.
- Fee income represented 9% of gross income (9M-2018: 11%) due to solid performance of the funded income line.
- Reported net income of US\$225.4 million was driven by higher operating income of US\$425.5 million (31.5% higher than US\$323.6 million in 2018).

Due to better margins and high operating efficiency



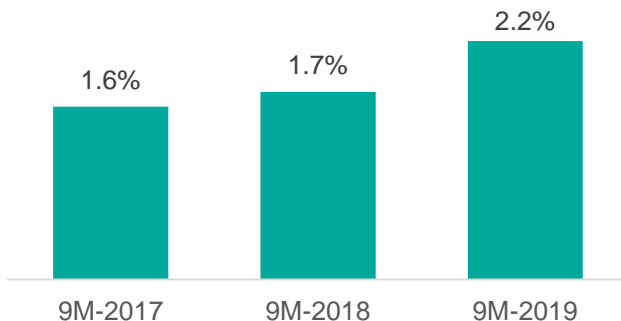
- Efficient pricing on new disbursements continue to improve interest margins, which have increased further to 3.3% (9M-2018: 3.2%),



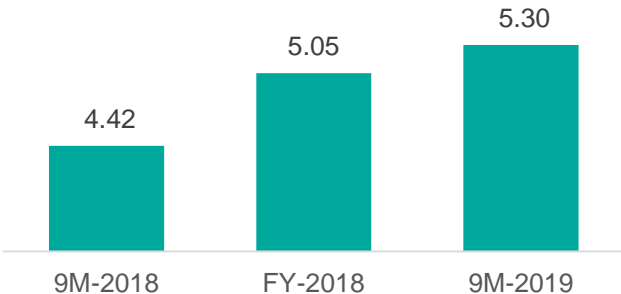
- Operating expenses rose during the period to US\$72.6 million (driven by higher staff costs) due to internal capacity building required to drive strategy.
- However, the cost to income ratio improved to 17.1% (9M-2018: 19.3%), thereby affirming that productivity levels are satisfactory.

Resulting in good returns to shareholders

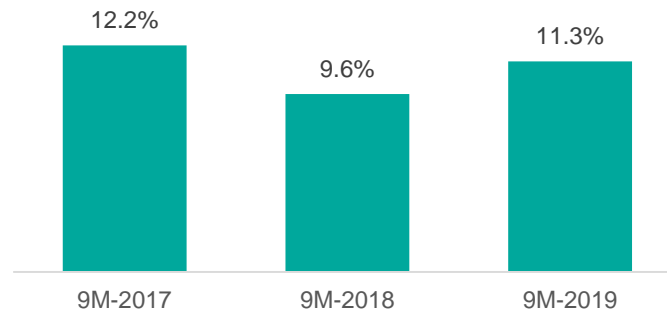
Return on Average Assets



Net Asset Value Per Depository Receipt, \$



Return on Average Equity



- 2.2% (9M-2018: 1.7%) with a higher return on average equity of 11.3% (9M-2018: 9.6%) on the back of better operating efficiency during the period.
- With increased capitalization, Net Asset Value (NAV) per share rose to US\$52,961 in spite of the 1,034 increase in the number of outstanding shares.
- NAV per depository receipt increased by 5% to reach US\$5.3 (FY-2018: US\$5.05).

Financial metrics

Financial ratio	9M-2018	9M-2019
Net interest margin	2.8%	3.3%
Non-interest/gross income ratio	11%	9%
Cost to income ratio	19.3%	17.1%
Return on average assets	1.7%	2.2%
Return on average equity	9.6%	11.3%
NPL ratio	3.4%	2.9%
NPL coverage ratio	123%	161%

Update on proposed listing

***Mhamed Laraqui – Head, Equity
Mobilisation and Investor Relations***

Update on the proposed listing on the LSE



Q & A

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