Afreximbank

Full Year 2025
Audited Results Presentation

Globalizing Africa in an Era of Deglobalization and Institutional Transition

8 April 2025

1 President's Remarks

Smooth leadership transition sustains vision and financial performance



Leadership transition anchored on continuity and scale

This marks my first investor call as President of the Bank, succeeding Professor Benedict Oramah. Having served the Bank for nearly three decades, my appointment brings the required strategic, institutional, and operational stability. My focus will be on accelerating Africa's industrialisation to create jobs and shared prosperity.



Solid financial results in 2025, despite operating under tough conditions

Countercyclical role affirmed as total approvals reached a record US$30 billion, with disbursements amounting to US$22.4 billion. Balance sheet size grew by 21.3% to US$48.5bn, gross income increased to US$3.5bn, net income was US$1.2bn, and equity base rose to US$8.4bn, driven by retained income & shareholders' support.



Sustained momentum in trade, industrialisation, and regional integration

The Bank continued to scale interventions in trade-enabling infrastructure through FEDA and its portfolio company, ARISE IIP. PAPSS Card, Africa currency marketplace, African Trade Gateway, etc., have become operational; Engagement with the Caribbean also deepened, with Jamaica joining as the 13th member from the region.



Subsidiaries and strategic platforms continue to gain traction

FEDA deployed over $700 million across seven projects in 2025, taking its assets under management to $1.9 billion. AfrexInsure expanded its footprint to 26 African countries, supporting US$15 billion in assets. Key platforms including AQAC, AMCE, and ATDC have commenced operations, with plans for geographic expansion underway.

Afreximbank responds swiftly to external developments



Global shocks intensify macroeconomic pressures

The ongoing Gulf crisis has emerged as a major global disruption, driving higher energy prices, fuel supply constraints, and logistics challenges. These pressures are straining fiscal balances across many African economies, while also dampening tourism flows and diaspora remittances



Afreximbank's countercyclical response to emerging shocks

In response, the Board approved a US$10 billion Gulf Crisis Response Programme (GCRP) to support African and Caribbean economies. The programme will provide short-term FX and liquidity support to vulnerable member states, expand LC confirmation lines for African banks, and support energy and mineral exporters in leveraging elevated global prices.



Credit rating developments

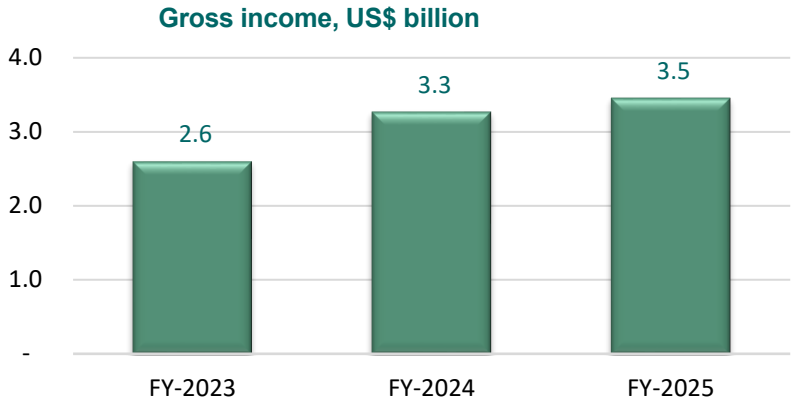
The Bank experienced credit rating downgrades by Fitch Ratings in 2025 for reasons unrelated to the fundamental strength of its credit profile, while Moody's took a similar action. In contrast, Asian and African rating agencies reaffirmed their ratings of the Bank. The Bank's DNA as a pan-African multilateral financial institution, and its firm commitment to ensuring Africa's full and sustainable self-reliance, remain firm.

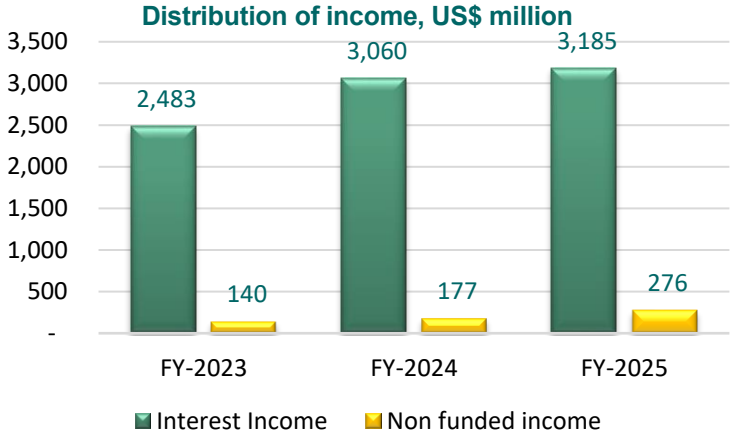


Strategically, we remain committed to our core vision of transforming Africa's trade through industrial transformation and the expansion of intra-African trade, two critical pillars of Africa's resilience and long-term development.

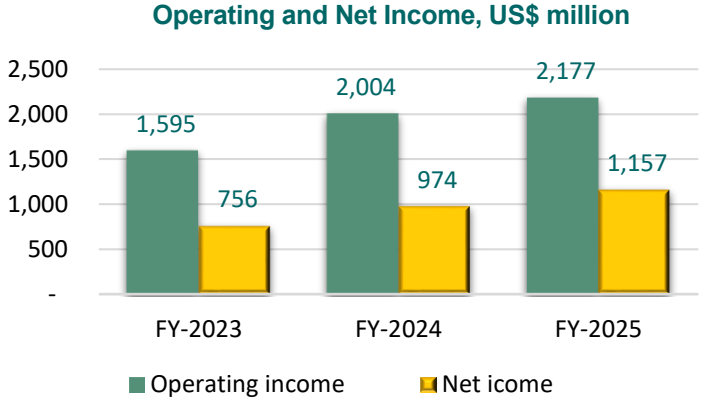
2 Review of Results

Consistent and resilient Group earnings growth



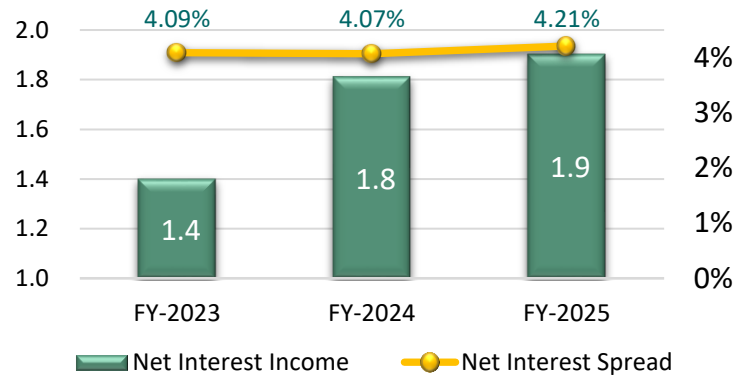


- Gross Income increased by 6.06% to US$3.5 billion in FY'2025 (FY'2024: US$3.3 billion);
- The growth was primarily driven by the year-on-year increase in average gross loans and advances, which rose to US$29.2 billion in FY2025 from US$27.0 billion in FY2024, despite the impact of lower benchmark interest rates during the year.
- Fees and commission income grew by 12% to US$198.0 million (FY'2024: US$176.9 million). This performance was largely driven by increased advisory fees and relatively higher average volumes of Letters of Credit and Guarantees.
- Resultantly, operating income closed FY'2025 at US$2.2 billion (FY'2024: US$2.0 billion), representing a 10% growth.
- Net Income grew by 19% from US$973.5 million in FY'2024 to US$1.2 billion in FY'2025. This resulted from higher net interest income, effective management of credit risk and optimal control of operating expenses.



Optimised performance and efficiency levels

Net Interest Income ($) and Net Interest Spread (%)

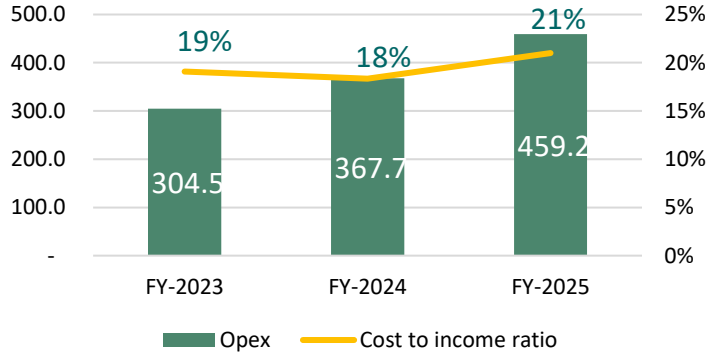


- Net Interest Income (NII) was US$1.9 billion for FY'2025, representing a 5.56% increase from the US$1.8 billion recorded for FY'2024.
- Interest rate spread on loans was 4.21% In FY'2025 (FY'2024: 4.07%).
- The reported Interest rate spread reflected the Bank's sustained management of the pricing of loans and effective management of borrowing costs.

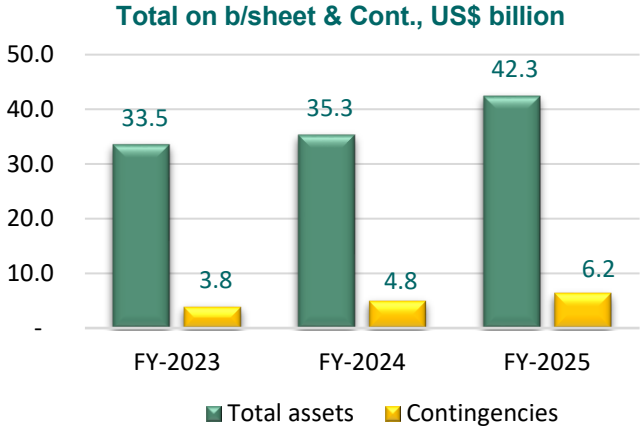
Opex & cost-to-income ratio

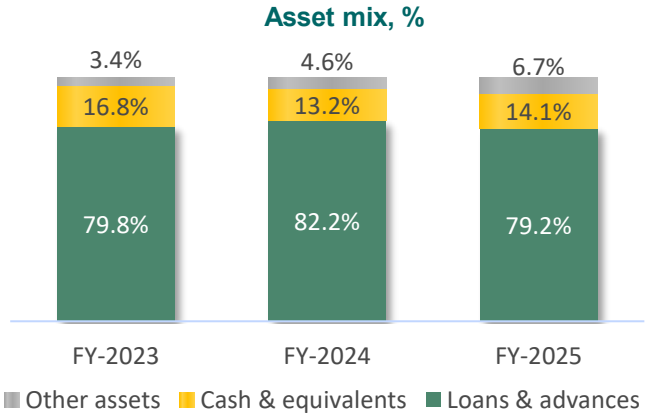
- Total Group operating expenses increased by 25% year-on-year to US$459.2 million in FY'2025, compared to US$367.7 million in FY'2024. This increase reflects the combined impact of inflationary pressures and the scaling up of business activities, and was primarily driven by:
  - ✓ Staff costs, which rose by 17% to US$159.9 million, in line with a 21% increase in headcount to support expanded operations; and
  - ✓ General and administrative expenses, which increased by 25%, mainly attributable to higher travel and meeting costs related to Intra-Africa Trade Forums, business development missions, trade development conferences, and key stakeholder engagements.
- The Cost to Income ratio of the Group was 21% in FY'2025. However, this is well within the internal strategic upper limit of 30%

Opex (US$ million) & cost-to-income ratio (%)

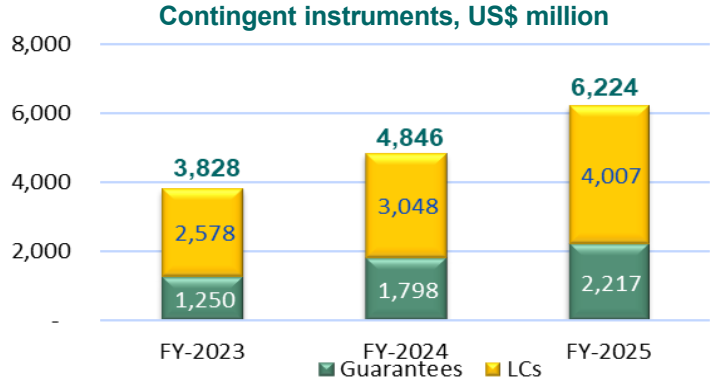


Sustainable Group financial position (1/2)



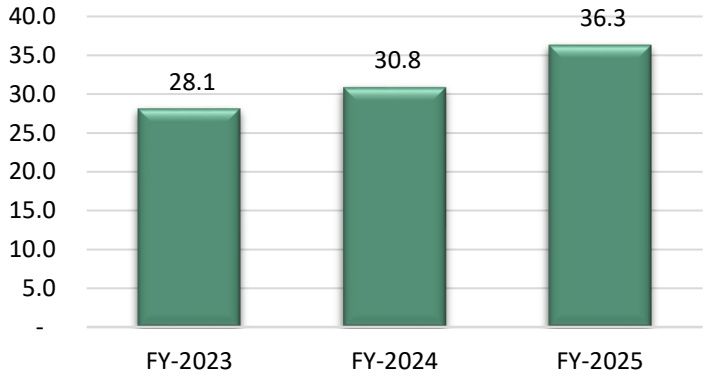


- The Group's total assets and contingencies grew by 21% to reach US$48.5 billion as at FY'2025, compared to US$40.1 billion as at FY'2024.
- Total on balance sheet assets were US$42.3 billion at FY'2025, up from US$35.3 billion at FY'2024.
- Loans and advances to customers closed FY'2025 at US$33.5 billion (FY'2024: US$29 billion) and constituted 79% percent of the Group's total assets as at FY'2025 (FY'2024: 82%).
- Cash and cash equivalents' balances closed FY'2025 at US$6 billion (FY'2024: US$4.6 billion). Resultantly, the liquid assets to total assets ratio was 14% as of FY'2025 (FY'2024: 13%) and remained relatively high and within the Bank's strategic levels.
- Group's contingencies, which primarily comprised Letters of Credit and Guarantees, amounted to US$6.2 billion (FY'2024: US$4.8 billion). The increase is attributable to the Bank's strategy to expand non-funded business.



Sustainable Group financial position (2/2)

Gross Loan book, US$ billion

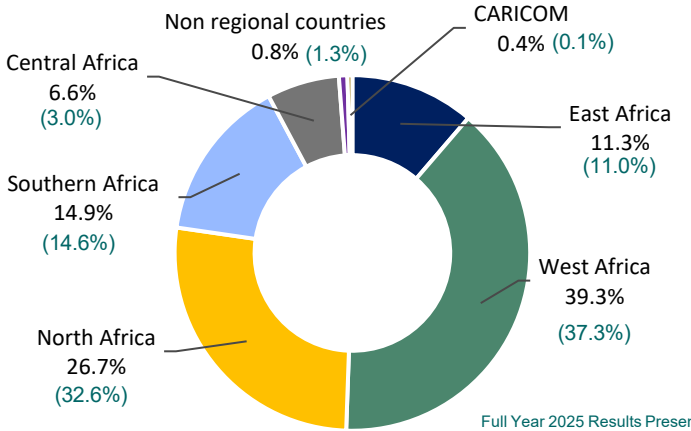


- Gross loans and advances rose to US$36.3 billion in FY'2025, up from US$30.8 billion in FY'2024, with growth observed across all sectors.
- At FY'2025, lending to Financial services accounted for 40% (FY:2024: 48%) in line with expectations and the Bank's operation model. The oil and gas sector constituted 31% of gross loans at FY'2025 (FY2024: 19.5%).
- Exposure to Governments increased to 12% at FY2025, (FY2024: 8.%) as the portfolio diversified.
- The geographical distribution of the gross loans largely mirrors the trading patterns of Africa and, as a result; West African region attracted more financing support from the Bank as it accounted for 39% of loans (FY'2024 37%), North Africa attracted 27% (FY'2024: 33%), Southern Africa accounted for 15% (FY'2024: 15%) of the total exposure and exposures to East Africa and Central Africa, were 11% (FY'2024: 11%), 7% (FY'2024: 3%), respectively.

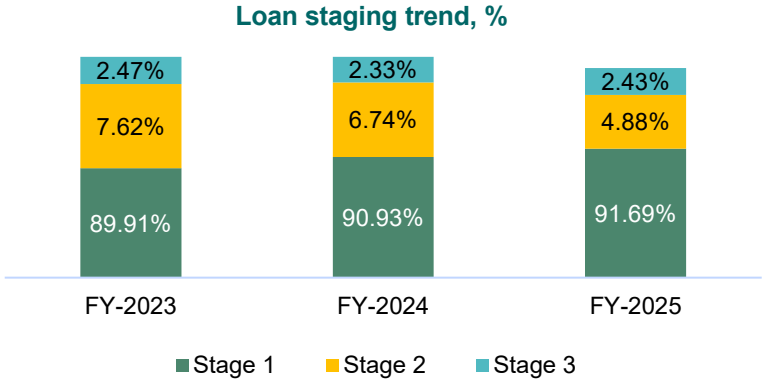
Gross Loan split by sector, %

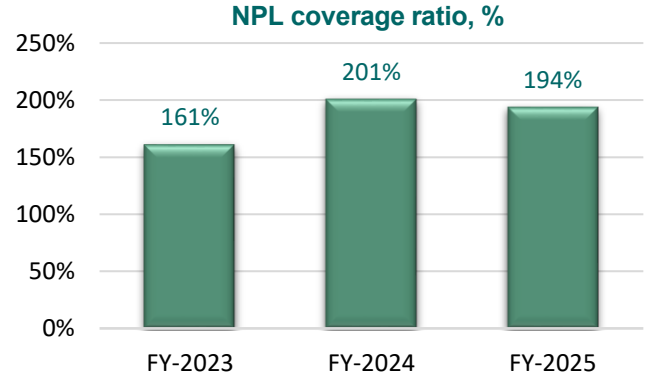
Sector	Dec. 2024	Dec. 2025
Financial Services	47.9%	40.3%
Oil and Gas	19.5%	31.2%
Manufacturing	6.1%	2.2%
Power	3.2%	2.8%
Government	8.3%	11.6%
Construction	3.9%	4.1%
Health & Med Servs	1.5%	1.2%
Telecoms	2.9%	1.4%
Others	6.7%	5.2%
Total	**100%**	**100%**

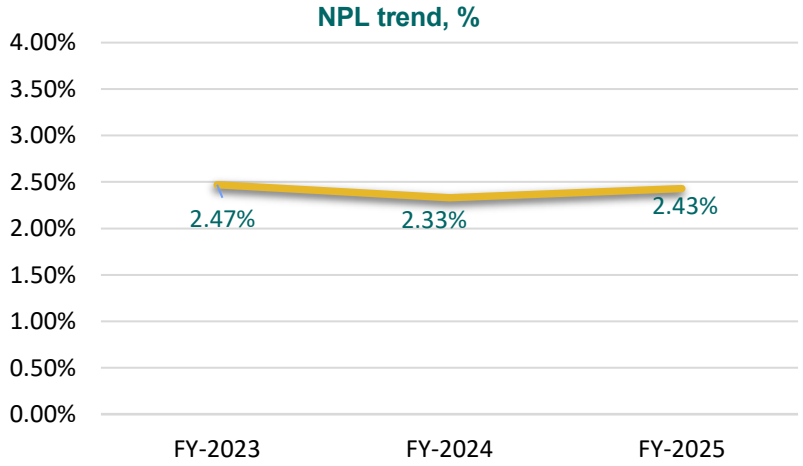
Loan split by geography, %: FY'2025 (FY'2024)



High-quality financial asset portfolio







- Asset quality remained satisfactory as the total facilities classified under IFRS 9 as Stage 1 and Stage 2 accounted for 97.57% (FY'2024: 97.57%) of the total Loans and advances as of FY'2025. NPL ratio at FY'2025 was 2.43% (FY2024: 2.33%).
- This positive outcome is directly attributed to the favourable impact of the Bank's Structured Trade Finance-based lending, robust risk management strategies, effective preferred creditor treatment by participating states and deep understanding of African markets and their needs.
- The NPL coverage ratio was 194% in FY'2025. This is above the minimum strategic threshold of 100%, indicating that the outstanding NPL exposures were adequately covered by the expected credit losses and the net value of collateral.

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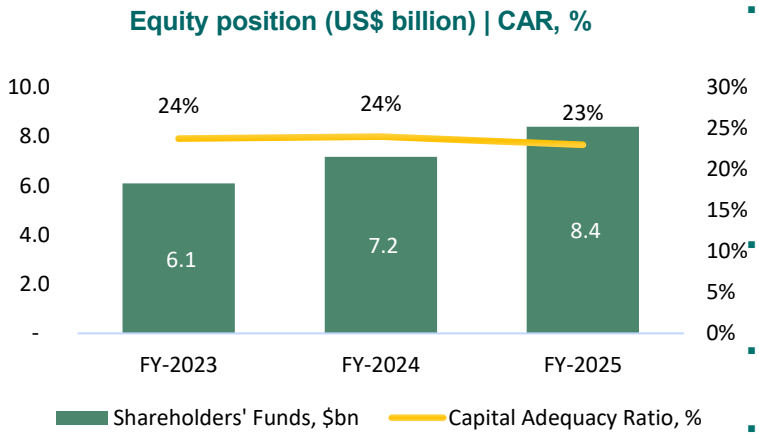
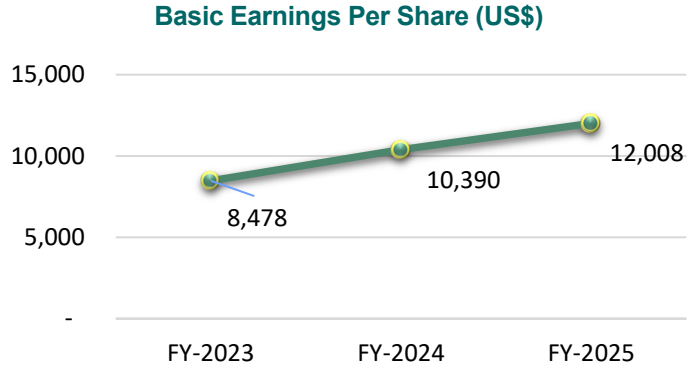
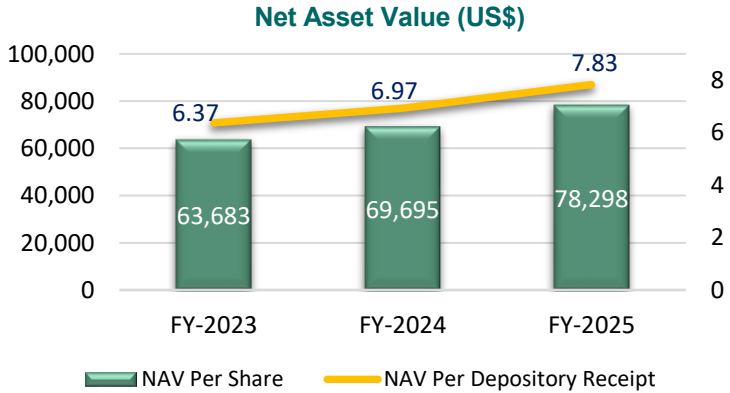
Driving sustainable value for shareholders



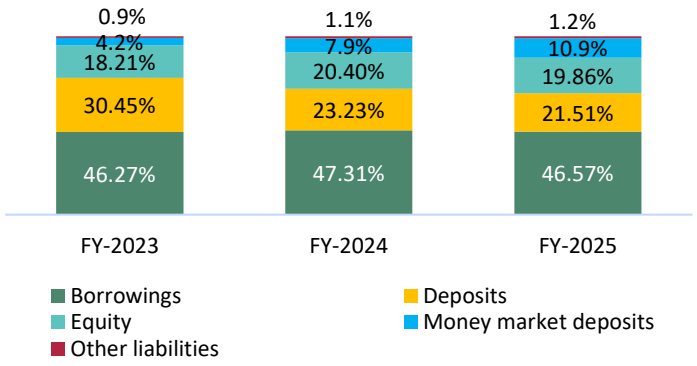
- The Group's Shareholders' funds, which closely align with those of the Bank, recorded a growth of 11% in 2025, reaching US$8.4 billion (FY 2024: US$7.2 billion). The growth was mainly attributable to:
  - ✓ successful capital raising efforts under the 2nd GCI programme, which secured fresh equity contributions totaling US$299.9 million during the year; and
  - ✓ US$1.2 billion internally generated net earnings for the year.
- For FY'2025, Directors are recommending a dividend of US$347 million (FY'2024: US$300 million), representing a payout ratio of 30% (FY'2024: 31%). An additional US$50 million was also proposed for the Concessionary Financing Window.
- The Capital Adequacy Ratio was 23% at FY'2025 (FY'2024: 24%) and is above the Bank's long-term Capital Management Strategic and Policy targets of 20%.
- The Group achieved a return on average equity (ROAE) and return on average assets (ROAA) of 15% (FY'2024: 15%) and 3.04% (FY'2024: 2.96%), respectively.





Balanced funding mix

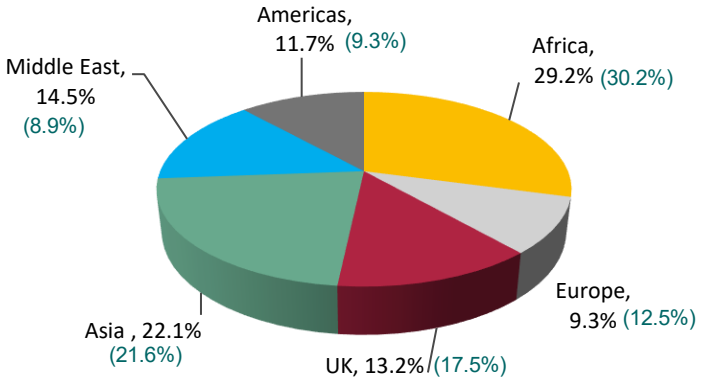
Balance Sheet Funding Mix (%)



- The Group total liabilities position stood at US$33.9 billion at FY'2025, representing an increase of 21% compared to the FY'2024 level of US$28.1 billion.
- Total borrowings (Due to Banks and Debt Securities in issue) accounted for 47% of the total funding mix of the Group (FY'2024: 48%).
- At FY'2025, Deposits and customer accounts accounted for 21% of the Total Funding mix of the Group (FY'2024: 23%).
- Total Shareholders' funds maintained at 20% of the Total Funding mix of the Group between FY'2025 and FY'2024.
- The Bank's funding structure comprised a mixture of debt and equity. Growth in loan assets was funded by new equity and debt funding mobilisation exercises, as well as liquidity from loan repayments.

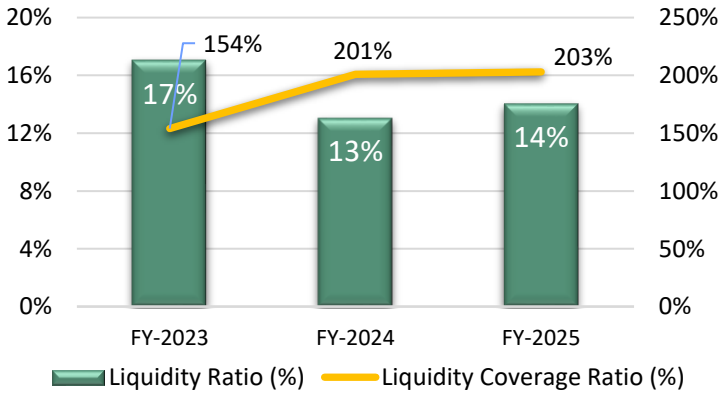
- The debt funding pool was well diversified, comprising borrowings from financial institutions, bond issuances and customer deposits (customer accounts and deposits base comprises Debt Service Reserve accounts (DSR) and Central Bank term deposits).
- Funding sources were mainly in US$ and EUR currencies. Typically, any funds raised in a currency other than US Dollars were matched with assets in the same currency or swapped into US Dollars.
- The Bank continued to enjoy deep market access and diverse liquidity sources. Main geographical sources included Africa, Asia, the United Kingdom, Mainland Europe and the Middle East.
- The Bank made use of derivative instruments to manage its exposures to interest rates, foreign currency and credit risks.

Geographical Distribution | FY-2025 (FY2024)



Bank liquidity position

- Despite the challenges in global financing conditions, the Bank was able to achieve its funding objectives, culminating in a strong liquidity position.
- The Bank's Liquidity Policy requires the asset portfolio duration to either be shorter or match the liabilities duration. This enables the Bank to accumulate asset cash flows, which, in turn, are used to fund maturing obligations.
- The Bank closed FY'2025 with a robust liquidity position, holding US$6.0 billion in cash and cash equivalents. The liquidity ratio stood at 14% (FY'2024: 13%).
- Liquidity coverage ratio remained solid at 203% (FY'2024: 201%), which was above the minimum threshold of 100%.
- The Bank's Treasury assets held with "AA-AAA" rated institutions stood at 45% as of 31 December 2025, which was above the minimum threshold of 40%.



Treasury Headroom (US$M)	FY'2023	FY'2024	FY'2025
Committed Facilities	1,701	553	1,029
Uncommitted Facilities	1,057	1,525	1,550
Untapped Headroom	**2,758**	**2,078**	**2,579**
Cash and Cash Equivalents	5,622	4,649	6,288
Total Treasury Headroom	**8,380**	**6,727**	**8,867**

Headroom & Alternative Liquidity Sources

Undrawn lines

As of FY'2025, the Bank had approximately US$2.58 billion in undrawn lines available. These were availed by banks, ECAs and DFIs. Of the total amount, US$1.03 billion was committed, and US$1.55 billion was uncommitted.

Callable capital

Afreximbank's callable capital was US$4.4 billion as at FY'2025. US$1.84 billion of callable capital is credit-enhanced and forms part of the Bank's capital management initiatives. The Bank maintains the callable capital as an additional buffer in case of need.

3 Outlook for 2026

Guidance for full-year 2026

Total assets + contingent items	US$50 billion – US$55 billion
Net loan amount	US$35 billion – US$40 billion
NPL ratio	No more than 4%
Cost to income ratio	17% – 30%
Return on average equity	10% – 12%
Dividend payout ratio	30% – 35%
Capital adequacy ratio	Above 20%

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As we advance…..

1. Afreximbank remains firmly committed to its vision of transforming Africa's trade, driven by accelerated industrialisation and the deepening of intra-African trade under the AfCFTA framework.

2. The Bank will prioritise investments in value addition across key commodity sectors, ensuring that Africa moves up the value chain, transforming cotton into textiles and garments, processing rubber locally, and developing in-continent beneficiation of strategic minerals such as manganese.

3. The Bank's subsidiaries and strategic platforms will be further scaled to enhance income diversification, positioning them as increasingly significant contributors to sustainable fee income in the years ahead.



Thank you