GCR RATINGS

RATING ANNOUNCEMENT

GCR affirms African Export-Import Bank's international scale ratings of A and A2. The outlook is revised to Rating Watch Evolving from Stable

Rating action

Ebene, 31 July 2025 – GCR Ratings (GCR) has affirmed African Export-Import Bank's (Afreximbank or the Bank) international scale long and short-term issuer ratings of A and A2 respectively. The outlook was revised to Rating Watch Evolving from Stable.

At the same time, the following long and short-term national scale issuer ratings have been affirmed:

- Botswanan National Scale at AAA(BW)/A1+(BW); Stable Outlook
- Côte D'Ivoire National Scale at AAA(CI)/A1+(CI); Stable Outlook
- Egyptian National Scale at AAA(EG)/A1+(EG); Stable Outlook
- Ghanaian National Scale at AAA(GH)/A1+(GH); Stable Outlook
- Kenyan National Scale at AAA(KE)/A1+(KE); Stable Outlook
- Mauritian National Scale at AAA(MU)/A1+(MU); Stable Outlook
- Namibian National Scale at AAA(NA)/A1+(NA); Stable Outlook
- Tanzanian National Scale at AAA(TZ)/A1+(TZ); Stable Outlook and
- Ugandan National Scale at AAA(UG)/A1+(UG); Stable Outlook.

GCR has also affirmed the international scale long term programme rating on the USD5bn Global Medium Term Note (GMTN) Programme, at the same level as the issuer credit rating, with the outlook accorded as Rating Watch Evolving.

Rated entity / Issue	Rating class	Rating scale	Rating	Outlook/Watch
African Export-Import Bank	Long and Short-Term Issuer	International	A/A2	Rating Watch Evolving
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(BW)/A1+(BW)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(CI)/A1+(CI)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(EG)/A1+(EG)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(GH)/A1+(GH)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(KE)/A1+(KE)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(MU)/A1+(MU)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(NA)/A1+(NA)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(TZ)/A1+(TZ)	Stable
African Export-Import Bank	Long and Short-Term Issuer	National	AAA(UG)/A1+(UG)	Stable

USD5bn Global Medium Term Note Programme	Long Term Programme	International A	Rating Watch Evolving

Rating rationale

The affirmed ratings reflect a strong counter-cyclical mandate with an exceptional track record, and ongoing preferential creditor treatment (PCT) from shareholders despite the evaluation of the preferred creditor status (PCS). The Bank's sound capitalisation and diversified funding profile provide meaningful buffers against emerging credit risks. The ratings also factor a very diverse shareholding base, restrained by exposure to high-risk operating environments and the risk of soft market confidence.

Afreximbank's membership diversity is a relative strength. Afreximbank is a treaty-established multilateral development bank (MDB) with 166 shareholders divided into four classes: Class A (African governments and central banks), Class B (African financial institutions and private investors), Class C (non-African investors), and Class D. Class A shareholders account for about 65% of total shareholding, ensuring sovereign influence remain dominant despite a private-sector shareholding of around 30%. Shareholder support remains robust, evidenced by $413 million in new capital raised in 2024 and the admission of two new members. Looking ahead, Afreximbank is expected to benefit from further diversification without a material exposure to the private sector. However, the Bank's shareholder strength is constrained by the generally weak credit quality of many African sovereign members.

Preferential treatment remains strong. Although international frameworks question the recognition of PCS, Afreximbank continues to receive preferential creditor treatment from member states, as evidenced by priority repayment even during sovereign distress. The Bank's PCS is enshrined in the ratified treaty-based establishment agreement (Agreement) and legally binds member countries to honour debt obligations in full. Additionally, at the 32nd Annual General Meeting of shareholders of Afreximbank, the shareholders reaffirmed the commitment of the Bank's member states to the PCS enshrined in the Agreement to which all member states are signatories.

Afreximbank's continental prominence, scale, and treaty-backed mandate underpin a strong assessment for status, diversity, and track record. The Bank's mandate to promote intra- and extra-African trade and industrialisation plays a leading role in supporting the African Continental Free Trade Area (AfCFTA) and regional financial integration through initiatives such as the Pan-African Payment and Settlement System (PAPSS), and the AfCFTA Adjustment Fund. Established in 1993 and headquartered in Cairo, the Bank has grown into one of Africa's leading MDBs, with total assets exceeding $35.3 billion and a gross loan portfolio of $30.8 billion as of 2024. Its operations span almost all African countries and 12 CARICOM states, reinforced by subsidiaries such as FEDA and AfrexInsure.

The Bank continued to demonstrate countercyclicality during crises / stress. Over three decades, Afreximbank has shown strong execution, approving over $22 billion and disbursing $18.7 billion in 2024 while connecting nearly 300,000 SMEs to markets and creating over 22,000 jobs through intra-African trade and export development. Despite moderate concentration in its loan book, the Bank's proven delivery, and high visibility within the African Union and regional economic communities reinforce its critical role in Africa's development architecture.

Capitalisation is strong, demonstrated by a GCR leverage ratio of 16.9% at 31 December 2024 (2023: 15.8%) with forecasts indicating 17–18% over the next 12–18 months, supported by ongoing equity mobilisation and good internal capital generation. Credit-enhanced callable capital of $1.8 billion is ratings positive as well as the operationalisation of the Capital Risk Protection Facility (CARPROOF), a structured excess-loss insurance mechanism. These measures, combined with adequate reserve coverage, enhance the Bank's loss-absorbing capacity and provide a buffer against potential loan impairments arising from sovereign stress.

Afreximbank's risk profile remains resilient despite obligor and geographic concentration, with an NPL ratio of 2.4% as of Q1 2025. Conservative underwriting, high collateralisation, and strong recovery practices underpin this performance. Stage 2 loans were 6.7% of the portfolio at year-end 2024, compared to 7.6% in the prior year. Credit losses remained at 2.2% in 2024 driven partly by additional reserving on some weak exposures. Credit losses above 2.5% will be viewed negatively. Concentration remains a constraint, with more than 40% of exposures in the top five countries, leaving the Bank vulnerable to regional volatility. The Bank distributes risk via syndications, insurance cover, and risk participation agreements, while foreign exchange and interest rate risks are mitigated through matched funding structures and a floating-rate, short-duration loan book.

The Bank's funding structure is deliberately diversified. In 2024, Afreximbank raised $12.9 billion across bond issuances, bilateral facilities, and syndicated deals, maintaining market access despite tighter global financial conditions. The Bank successfully expanded into new funding markets, including Samurai and Panda bond issuances in 2024-25, which broaden investor reach and currency diversification. Its funding mix is balanced, with 37% from African resource mobilisation, 27% from bilateral facilities, 18% from syndicated and club deals, and 14% from development financial institutions and export credit agencies. The tenor profile is moderately long, with over 50% of liabilities maturing beyond one year. While the Samurai and Panda bonds enhance funding optionality, sustaining issuance in these markets will depend on continued investor appetite, currency swap efficiency, and adherence to local regulatory protocols. Furthermore, geopolitics could introduce uncertainty in global capital flows, which could affect pricing and issuance timing.

Liquidity remains robust. Afreximbank's liquidity coverage ratio (LCR) stood at 173%, with liquid assets covering forward net outflows 1.2x over an 18-month horizon. Approximately 45% of treasury assets are placed with 'AA' to 'AAA' rated international counterparties, enhancing the overall quality and safety of the Bank's liquid reserves. Syndicated borrowings, undrawn committed facilities, and trade finance receivables maturing within 12 months provide additional liquidity buffers.

African Export-Import Bank's USD5bn Global Medium Term Note Programme

The Notes issued under the GMTN Programme are unsecured and unsubordinated obligations of the Issuer and rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer. Therefore, the Notes attract the Issuer's long-term international scale rating.

Outlook statement

The Rating Watch Evolving underscores emerging downside risks related to heightened uncertainty stemming from sovereign debt restructurings and ambiguity around the enforceability of PCS under the G20 Common

Framework. These factors may materially impair asset quality and elevate provisioning pressure. We expect the Bank to continue successfully fulfilling its mandate and maintain robust liquidity.

Rating triggers

A downgrade could follow 1) impairments from sovereign debt restructuring, 2) weakening of capital buffers, 3) capitalisation below 16.0%, 4) cost of risk above 2.5% or 5) an unanticipated deterioration in the status of the Bank. Conversely, a return to a stable outlook could occur if PCS recognition is clarified, capital buffers are further strengthened, and asset quality remains robust despite operating environment pressures.

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Related criteria and research

Criteria for the GCR Ratings Framework, May 2024
GCR Rating Scales, Symbols & Definitions, May 2023
Criteria for Rating Supranational Institutions, May 2024
GCR Country Risk Scores, July 2025
GCR Financial Institutions Sector Risk Score, July 2025

Ratings history

African Export-Import Bank					
Rating class	Review	Rating scale	Rating class	Outlook	Date
Long and Short-Term Issuer	Initial	International	BBB+/A2	Stable	February 2017
	Last	International	A/A2	Stable	July 2024
	Initial	National	AAA(EG)/A1+(EG)	Stable	February 2017
	Last	National	AAA(EG)/A1+(EG)	Stable	July 2024
	Initial	National	AAA(BW)/A1+(BW)	Stable	February 2017
	Last	National	AAA(BW)/A1+(BW)	Stable	July 2024
	Initial	National	AAA(CI)/A1+(CI)	Stable	February 2017
	Last	National	AAA(CI)/A1+(CI)	Stable	July 2024
	Initial	National	AAA(GH)/A1+(GH)	Stable	February 2017
	Last	National	AAA(GH)/A1+(GH)	Stable	July 2024
	Initial	National	AAA(KE)/A1+(KE)	Stable	February 2017
	Last	National	AAA(KE)/A1+(KE)	Stable	July 2024
	Initial	National	AAA(MU)/A1+(MU)	Stable	February 2017
	Last	National	AAA(MU)/A1+(MU)	Stable	July 2024
	Initial	National	AAA(NA)/A1+(NA)	Stable	February 2017
	Last	National	AAA(NA)/A1+(NA)	Stable	July 2024
	Initial	National	AAA(TZ)/A1+(TZ)	Stable	February 2017
	Last	National	AAA(TZ)/A1+(TZ)	Stable	July 2024
	Initial	National	AAA(UG)/A1+(UG)	Stable	February 2017

Long Term Issue	Last	National	AAA(UG)/A1+(UG)	Stable	July 2024
	Initial	International	BBB+	Stable	June 2017
	Last	International	A	Stable	July 2024

Risk score summary

Rating Components & Factors	Score
Operating environment	**13.50**
Country risk score	3.00
Sector risk score	3.00
Membership / Shareholder Base	3.50
Preferential Treatment	4.00
Business profile	**7.50**
Status and diversity	3.50
Mandate and track record	4.00
Sustainability	0.00
Financial profile	**7.00**
Capital and leverage	3.50
Risk	1.50
Funding and liquidity	2.00
Comparative profile	**0.00**
Callable capital	0.00
Total Risk Score	**28.00**

Glossary

Arrears	An overdue debt, liability or obligation. An account is said to be 'in arrears' if one or more payments have been missed in transactions where regular payments are contractually required.
Callable	A provision that allows an Issuer the right, not the obligation, to repurchase a security before its maturity at an agreed price. The seller has the obligation to sell the security if the call option holder exercises the option.
Coverage	The scope of the protection provided under a contract of insurance.
Currency Risk	The potential for losses arising from adverse movements in exchange rates.
Deed	A legal document that is signed and delivered, especially one regarding the ownership of property or legal rights.
Downgrade	The rating has been lowered on its specific scale.
Interest	Scheduled payments made to a creditor in return for the use of borrowed money. The size of the payments will be determined by the interest rate, the amount borrowed or principal and the duration of the loan.
Issuer	The party indebted or the person making repayments for its borrowings.
Mandate	Authorisation or instruction to proceed with an undertaking or to take a course of action. A borrower, for example, might instruct the lead manager of a bond issue to proceed on the terms agreed.
Market Risk	Volatility in the value of a security/asset due to movements in share prices, interest rates, currencies, commodities or wider economic factors.
Market	An assessment of the property value, with the value being compared to similar properties in the area.
Pari Passu	Side by side; at the same rate or on an equal footing. Securities issued with a pari passu clause have rights and privileges that are equivalent to those of existing securities of the same class.
Refinancing	The issue of new debt to replace maturing debt. New debt may be provided by existing or new lenders, with a new set of terms in place.
Risk Management	Process of identifying and monitoring business risks in a manner that offers a risk/return relationship that is acceptable to an entity's operating philosophy.
Risk	The chance of future uncertainty (i.e. deviation from expected earnings or an expected outcome) that will have an impact on objectives.
Senior	A security that has a higher repayment priority than junior securities.
Shareholder	An individual, entity or financial institution that holds shares or stock in an organisation or company.
Tranche	A portion of an obligation, each of which has different terms.
Trust Deed	A deed of conveyance creating and setting out the conditions of a trust.
Trust	A third party that acts in the best interest of another party, according to the trust deed, usually the investors. Owner of a securitisation vehicle that acts in the best interest of the Noteholders.
Trustee	An individual or firm that holds or administers property or assets for the benefit of a third party.
Unconditional	Not subject to any conditions.

Salient points of accorded rating

GCR affirms that a.) no part of the rating process was influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument.

The credit ratings have been disclosed to the rated entity.

The ratings above were solicited by, or on behalf of, the rated entity.

The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included:

- Audited financial results as at 31 December 2024
- Breakdown of loan book and funding as at December 2024
- Breakdown of facilities
- Other related documents

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