AFRICAN EXPORT-IMPORT BANK
ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

DIRECTORS' COMMENTARY

This communique is issued pursuant to SEM Listing Rules 11.3 and 12.20 and section 8.8 of the Securities Act of Mauritius 2005.

GENERAL INFORMATION

The African Export-Import Bank (the Bank) is a multilateral trade finance institution, established in October 1993. It commenced lending operations in September 1994. The Bank's mandate is to promote, finance and facilitate intra and extra-African trade, while operating commercially. The Bank is headquartered in Cairo, Egypt and is located at No. 72 (B) El Maahad El Eshteraky Street, Heliopolis, Cairo 11341, Egypt. In addition, the Bank has regional offices in Harare (Zimbabwe), Abuja (Nigeria), Abidjan (Cote D'Ivoire) and is currently setting up a regional office in East Africa. The Bank has four (4) classes of shareholders, Class A (African Governments and African Multilateral institutions e.g. African Development Bank) and/or associated institutions, Class B (African financial institutions and private investors), Class C (non-African institutions) and Class D (any investor). Class A, B and C shares are partially paid, 40% upon subscription, while Class D shares are fully paid. Class D shares were created in 2012 to broaden the type of shareholder and source equity capital to include equity capital markets. In October 2017 the Bank listed Depository Receipts on the Stock Exchange of Mauritius backed by Class D shares.

REVIEW OF FINANCIAL PERFORMANCE

The Directors are pleased to report that the unaudited financial performance for the nine months ended 30 September 2019 was ahead of prior year performance and in line with expectation.

Despite the uncertainties triggered by the US-China trade tension, escalation in geopolitical events and a slow-down in global trade, coupled with the unresolved Brexit situation, most African economies exhibited signs of resilience. This was partly due to commodity prices, which extended their recovery that gathered steam from the second half of 2017. Oil, metals and selected agricultural commodities, including cocoa and cotton, were at the forefront of the price recovery path. Apart from the economic slow-down seen in Angola, South Africa and Nigeria, the rest of the continent experienced satisfactory growth rates during the first nine months of 2019. Africa continued to expand its trade and investment relations with multiple partners including China, Japan, Turkey & Russia.

The downward movement of USD interest rates experienced since the beginning of 2019 also brought considerable relief to African countries that have significant foreign borrowings as such countries were able to curtail growth in foreign interest obligations. For the Bank, the environment offered an opportunity to not only diversify its liabilities by tapping onshore USA investors but also to lengthen its liability book. This culminated, amongst others, in the raising of US$750 million through a highly successful 10-year RegS/144a bond issuance under the Bank's recently updated Global Medium-Term Note (GMTN) programme at highly competitive interest rates. The deal was 5 times oversubscribed. The success of the transaction solidified the Bank's capability to harness competitively priced long dated resources into Africa, thereby enabling it to play a major role in the development of Intra-African trade as well as trade between Africa and the rest of the world.

It was against this backdrop that the Bank continued to forge ahead with its strategic priorities, as articulated in its Fifth Strategic Plan. In July 2019, the African Continental Free Trade Agreement (AfCFTA) came into force in Niger following the ratification of the agreement by more than the requisite 22 countries. This momentous occasion also saw the adoption by the African Union of the Bank's Pan Africa Payments and Settlement System (PAPSS) as the AfCFTA's payment infrastructure. The AfCFTA will integrate Africa into a single market of more than 1.2 billion people with a combined Gross Domestic Product (GDP) in excess of USD 2.5 trillion. The Pan African Payments and Settlement System (PAPSS), a payment settlement and clearing infrastructure developed by the Bank, will boost intra-regional trade, especially for those countries without significant foreign currency reserves. The financial benefits of implementing PAPSS is expected to show within the next twelve (12) months once the current pilot testing, underway in the West African Monetary Zones (WAMZ) is finalized and continental deployment is embarked upon, in cooperation with African central banks.

The Bank has also registered significant progress with respect to the other key Strategic Pillars of the Impact 2021, namely,Industrialization and Export Development. Initiatives aimed at nurturing the development of export processing zones as part of the industrialization efforts, are at various stages of implementation in various countries.

Notwithstanding the volatility in the operational environment, the Bank, once again, delivered solid results.

The Bank's performance was largely driven by the judicious use of capital, which was applied to steadily and systematically grow Loans and Advances, which grew by nearly S$1billion(10.28%) on a net basis and resulted in increased Interest and Similar Income. Fee Income (non-funded), which grew by 18%, also contributed to the performance of the Bank. The combined growth of Interest and Fee Income resulted in Net Income for the nine months ended 30 September 2019 rising by 46% compared to the same period in 2018. Whilst borrowings grew to support the increase in Loans and Advances, the Bank managed the costs of such borrowings by optimising the funding mix. This strategy saw a significant growth in relatively better priced African sourced deposits. Growth in revenues outpaced growth in expenses resulting in a lower cost to income ratio of 17% in September 2019 compared to 19% in September 2018.

The prior period comparable financial statements for 2018 were published under IAS 39 and not IFRS 9 which now required a restatement of some of the numbers to enhance comparability.

For the period ended 30 September 2019, the Bank achieved a Return on Average Equity (ROAE) of 11.3% (9M-2018: 10.3% and restated (IFRS 9 impact) 9M-2018: 9.55%) and a Return on the Bank's Average Assets (ROAA) of 2.15% (9M-2018:1.92% an restated (IFRS 9 impact) 9M-2018: 1.74%). The increases in ROAE and ROAA were due to higher Net Income. The Bank's Capital Adequacy Ratio remained strong at 23% (9M-2018: 23%) in line with the Bank's Capital Management Policy targets. A more detailed analysis of the Statement of Comprehensive Income is presented hereunder.

During the period under review the Bank posted a 42.82% growth in Interest and Similar Income reaching US$694.19 million (9M-2018: US$486.07 million). The increase in Interest and Similar Income was largely as a result of comparatively higher interest rates as well as the growth in the volumes of Loans and Advances. Net Loans and Advances grew by US$1 billion (10.28%) from US$ 9.63 billion as at the end of September 2018 to US$10.62 billion as at the end of September 2019. Also contributing to the Interest and Similar Income was interest income earned from Money Market Investments which increased by US$ 14 million (48.11%) mainly due to the average yield, which increased from 2.05% in 2018 to 2.62% in 2019. On the other hand, Interest and Similar Expenses increased by 53.52% to US$331.36 million in September 2019 (September 2018: US$215.84 million) as a result of growth in average interest-bearing liabilities, which increased by 30.24%, and increase in average Libor rate. Interest-bearing liabilities rose as a result of increased funding mobilized to support growth in business volumes in the fourth quarter of the year, a period with the greatest demand for the Bank's Loans and Advances, in tandem with the commodity trading seasons of many African economies.

Net interest margin increased to 3.32% during the period under review compared to 3.20% for the comparative period of the previous year. The increase is mainly due to higher average yields achieved on the Bank's interest-bearing assets.

Fee and Commission Income were driven by a strong growth in Guarantee and LC business resulting in income of US$68.53 million in 9M-2019 (9M-2018: US$58.31 million). Also contributing to the Fee and Commission Income, were Financial Advisory fees earned on higher volumes of advisory mandates which were concluded by 30 September 2019 compared to same period in 2018.

In line with the planned increased capacity necessary to support the Fifth Strategy "IMPACT 2021", Operating Expenses grew by 16% to levels of US$ 72.57 million in September 2019 (September 2018: US$62.56 million).

The primary cost drivers were Staff costs, which grew, largely driven by the engagement of more staff to support the planned growth in business volumes as well as support the development and introduction of new products. Also contributing to the growth in Operating Expenses were Depreciation and Amortisation expenses which increased on account of the acquisition of Information Technology (IT) related software and equipment in support of the Bank's strategic drive to enhance automation of its processes and activities. Furthermore, Expenses were impacted by the Bank's donation of $1.5 million towards ameliorating the devastating effects of Cyclone Idai which affected Malawi, Mozambique and Zimbabwe.

Despite the increase in Operating Expenses, the Bank's Cost to Income Ratio was 17% in September 2019 (September 2018: 19%), remained satisfactory and relatively lower compared to industry averages.

As the previously published Financial Statements for the nine (9) months ended 30 September 2018 did not reflect the impact of adopting IFRS 9 (Financial Instruments), these Financial Statements have now been restated in line with the adoption of IFRS 9 to enhance comparability with the current period.

The level of Non-Performing Loans (NPLs) ratio was in 9M-2019 at 2.9% (9M-2018: 2.54% and restated (IFRS 9 impact) 2018: 3.44%) was within the acceptable strategic target of the Bank. The NPLs outcome reflected the prudence of Structured Trade Finance-based lending, the benefits of Preferred Creditor Treatment across the Bank's member countries, sound risk management practices and very good knowledge of the African markets.

As expected, the loan loss provisions/impairment (Expected Credit Losses (ECL)) is comparatively higher for the accounting periods subsequent to the adoption of IFRS 9. This is mainly because the ECLs are now based on the probability of the losses arising as opposed to actual incurred losses. Furthermore, the inclusion of additional Financial Instruments, previously not part of the provisioning process, (on and off-Balance Sheet Financial Instruments), resulted in increased ECL provisions as some provisions were also set aside even on performing Financial Instruments.

It is in the context of the foregoing that the Expected Credit Losses (ECL) charge in the Statement ofComprehensive Income increased to US$ 135.72 million as at 30 September 2019 compared to US$ 90.10 million (restated) for the nine months ended 30 September 2018. Management believes that the ECLs adequately reflect the risk inherent in the loan portfolio.

The Bank's total assets increased by 22.62% from US$11.85 billion as at 30 September 2018 to US$14.53 billion as at 30 September 2019. This increase is largely explained by higher volumes of Loans and Advances which increased on a net basis by 10.28% to US$ 10.62 billion compared to the September 2018 level of US$9.63 billion, with continued notable progress in geographical diversification of the loan book covering 34 countries (2018: 31 countries). Increases in cash and cash equivalents, which rose by 80.43%, also contributed to the growth in Total Assets.

The high cash and cash equivalent balances were meant to ensure that there was enough capacity to fund the planned disbursements in the fourth quarter of the year when loan demands usually peak, as occasioned by the seasonal nature of Africa's exports and trade.

Loans and Advances accounted for 73.07% as at September 2019 (September 2018: 81.27%) of total assets with cash accounting for 25.7% resulting in 99% of the assets being revenue generating.

Total liabilities of the Bank stood at US$ 11.80 billion as at 30 September 2019 (2018: US$ 9.64 billion), an increase of 22.40% mainly due to a growth of US$ 0.85 billion in customer deposit accounts. Borrowing balances also increased by 15.3% from US$ 7.86 billion in September 2018 to US$ 9.06 billion in September 2019. These increases were necessary in order to enhance liquidity to support expected business growth. Total borrowings accounted for 76.77% (September 2018: 81.52%) of total liabilities while customer deposits accounted for 19.95% (2018: 15.62%) of total liabilities.

As a result of the evolution of the Bank's assets and liabilities as described above, with increases in Retained Earnings and General Reserves arising from higher profitability as well as new equity injections of US$ 46.67 million, the Bank's Shareholders' Funds rose by 23.82% to US$ 2.74 billion as September 2019 from US$ 2.21 billion as at 30 September 2018. The strong capitalisation of the Bank reflected solid support by existing shareholders, an expanded shareholder base and continued strong internal capital generation. The Bank's callable capital which has been credit enhanced as part of the Bank's capital management strategy, amounted to US$ 943 million as at30 September 2019 (September 2018: US$ 846 million).

The Board of Directors (The Board) are pleased with the results achieved for the period under review and which are in line with expectation. The performance of the Bank for the nine months ended 30 September 2019 was significantly better compared to the same period in 2018. The Bank delivered a solid set of results reflected by the strong profitability and earnings growth which were underpinned by a strong growth in the business volumes as well as prudent management of funding costs.

The solid performance enabled the Bank to maintain a strong capital adequacy and liquidity position. Additionally, despite the prevailing uncertainties in the global operating environment and in some parts of Africa, the Bank maintained a high-quality portfolio of Loans and Advances. The Board expects the year-end outcome to be in line with the Bank's business plan.

The Bank will continue to focus on maintaining a judicious balance between profitability, liquidity and risk, with the goal of delivering profitable and sustainable growth, good quality assets, maintaining decent net interest margin despite continued interest rate cuts. Furthermore, attention will continue to be directed on improving efficiency throughout the Bank and harnessing the benefits of the new core banking system, which was implemented in the current year. The number of technology driven initiatives, such as the Mansa platform, PAPSS, Trade information portal and Corporate Internet Banking have put the Bank on a path of creating a digital bank for the future which will become the Africa Trade Gateway. The digital platform will drive fee income in future, while value would also be created from the Managing General Agency initiative intended to boost fee income from insurance underwritten on deals originated by the Bank.

NET ASSET VALUE ("NAV")

The NAV per share as at 30 September 2019 was US$52,961 (30 September 2018: US$44,188), equivalent to US$5.3 in September 2019 (September 2018: US$4.42) per Depository Receipt (DR).

DIVIDENDS

The Bank's dividend policy has remained the same with dividends being declared and paid once a year based on annual audited Financial Statements. The shareholders approved a dividend appropriation amounting to US$68,970,000 (2017: US$57,534,000) during June 2019 Annual General Meeting. The September 2019 financial statements reflect the dividend payable, which has been accounted for in equity as an appropriation of Retained Earnings in the 3rd quarter of 2019. Subsequent to the approval, dividends totaling US$ 17.47 million out of the US$ 68.97 million declared, were paid, in July 2019, to class D shareholders which support the Depository Receipts (DR), resulting in dividend per DR of US$0.252.

KEY PERFORMANCE METRICS (%)

	Sep 19	Dec 18	IFRS 9 Impact Sep 18
Profitability			
Return on average assets (ROAA)	2.15%	2.18%	1.74%
Return on average equity (ROAE)	11.30%	11.78%	9.55%
Operating Efficiency			
Cost -to -income ratio	17%	18%	19%
Asset Quality			
Non-performing loans ratio (NPL)	2.90%	2.95%	3.44%
Loan loss coverage ratio	161%	132%	123%
Liquidity			
Cash/Total assets	25%	14%	17%
Capital Adequacy			
Capital Adequacy ratio (Basel II)	23%	25%	23%

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	30 September 2019	31 December 2018	30 September 2018
	US$000	US$000	US$000
ASSETS			
Cash and cash equivalents	3,607,840	1,918,434	1,999,621
Derivative assets held for risk management	13,546	3,684	-
Loans and advances to customers	10,619,943	11,134,424	9,628,123
Prepayments and accrued income	97,734	134,358	114,847
Investment securities measured at amortized cost	128,247	168,328	70,464
Other assets	17,093	13,988	1,607
Property and equipment	38,159	39,806	30,998
Intangible Assets	11,232	6,348	1,119
Total assets	**14,533,794**	**13,419,370**	**11,846,779**
LIABILITIES			
Derivative liabilities held for risk management	203	24,840	32,627
Due to banks	5,978,528	5,147,944	5,329,058
Deposits and customer accounts	2,354,401	2,365,385	1,505,087
Debt securities in issue	3,080,047	3,027,717	2,527,300
Other liabilities	385,200	293,737	243,607
Total liabilities	**11,798,379**	**10,859,623**	**9,637,679**
CAPITAL FUNDS			
Share capital	516,496	506,300	499,928
Share premium	798,653	764,790	742,906
Warrants	166,756	191,531	-
Reserves	594,541	594,541	474,733
Retained earnings	658,969	502,585	491,533
Total capital funds	**2,735,415**	**2,559,747**	**2,209,100**
Total liabilities and capital funds	**14,533,794**	**13,419,370**	**11,846,779**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2019

	30 September 2019	30 September 2018
	US$000	US$000
Interest and similar income using the effective interest method	694,193	486,070
Interest and similar expense using the effective interest method	(331,361)	(215,840)
Net interest and similar income	**362,832**	**270,230**
Fee and commission income	68,526	58,314
Fee and commission expense	(6,364)	(7,187)
Net fee and commission income	**62,162**	**51,127**
Other operating income	540	2,203
Personnel expenses	(40,845)	(34,161)
General and administrative expenses	(27,967)	(25,179)
Depreciation and amortisation expense	(3,759)	(3,216)
Exchange adjustments	(5,491)	(2,118)
Fair value gain/(loss) from derivatives	13,604	(14,254)
Expected Credit Losses provisions on financial instruments	(135,721)	(90,098)
PROFIT FOR THE PERIOD	**225,355**	**154,534**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**225,355**	**154,534**

FIG 1: Cost-Income ratio trend for the period ended 30 September

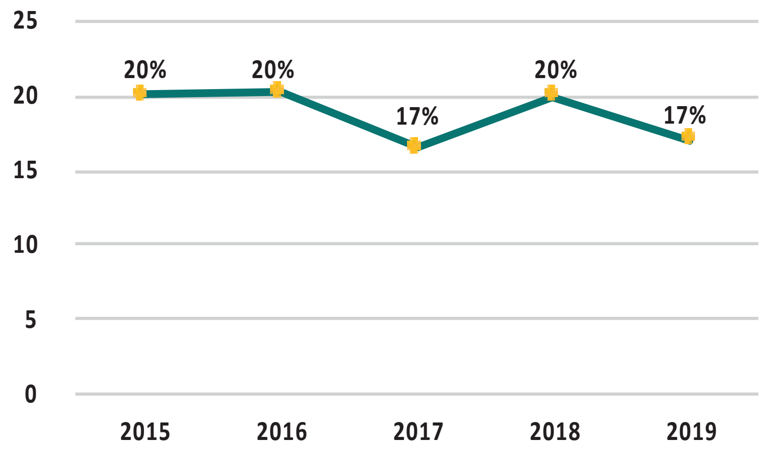


FIG 2: Net Income -Total assets for the period ended 30 September

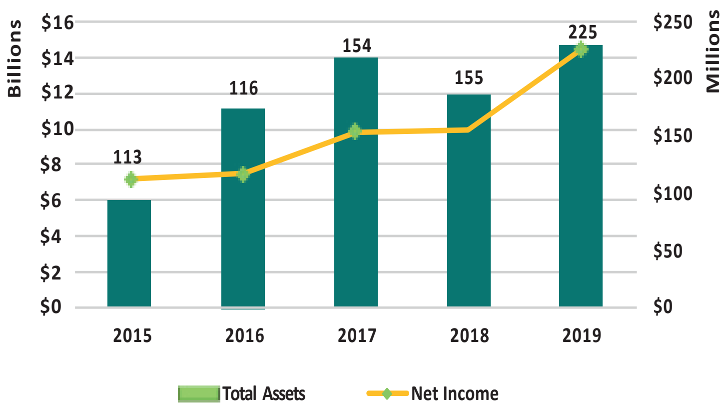
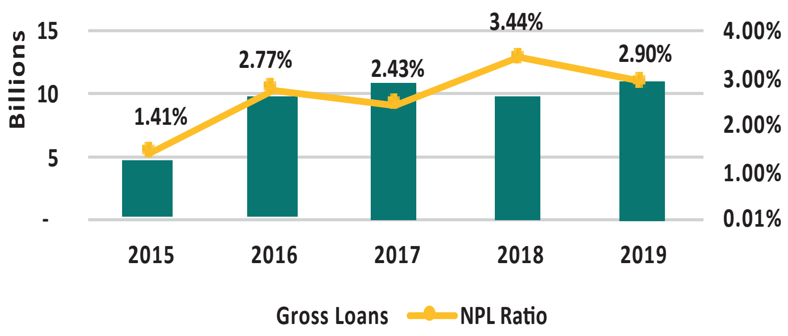


FIG 3. NPL Ratio - Gross loans for the period ended 30 September



STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2019

	Share Capital	Share Premium	Warrants	General Reserve	Asset Revaluation Reserve	Project preparation facility Fund reserve	Retained Earnings	Total
	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balance as at 31 December 2018	**506,300**	**764,790**	**191,531**	**551,228**	**28,313**	**15,000**	**502,585**	**2,559,747**
Total comprehensive income								
Profit of the period	-	-	-	-	-	-	225,355	225,355
Transactions with equity owners of the Bank								
Issued and Paid in capital during 2019	10,196	33,862	-	-	-	-	-	44,058
Warrants retirement	-	-	(24,775)	-	-	-	-	(24,775)
Dividends for year 2018	-			-	-	-	(68,970)	(68,970)
Balance at 30 September 2019	**516,496**	**798,652**	**166,756**	**551,228**	**28,313**	**15,000**	**658,970**	**2,735,415**
Balance at 31 December 2017	470,816	562,350	91,723	447,762	19,471	7,500	524,412	2,124,034
Impact of Adopting IFRS 9 at 1 January 2018	-	-	-	-	-	-	(129,878)	(129,878)
Restated Balance at 1 January 2018	**470,816**	**562,350**	**91,723**	**447,762**	**19,471**	**7,500**	**394,534**	**1,994,156**
Total comprehensive income								
Profit of the period	-	-	-	-	-	-	154,534	154,534
Transactions with equity owners of the Bank								
Issued and Paid in capital during 2018	29,112	180,556	-	-	-	-	-	209,668
Warrants retirement	-	-	(91,723)	-	-	-	-	(91,723)
Dividend for year 2017	-	-	(91,723)	-	-	-	(57,535)	(57,535)
Balance at 30 September 2018	**499,928**	**742,906**	**-**	**447,762**	**19,471**	**7,500**	**491,533**	**2,209,100**

STATEMENT OF CASH FLOW FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

	30 September 2019	30 September 2018
	US$000	**US$000**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	**225,355**	**154,534**
Adjustment for non-cash items:		
Depreciation and amortization of intangible assets & property and equipment	3,759	3,216
Expected Credit Losses provisions on financial instruments	135,721	72,210
Fair value adjustment from derivatives	(13,604)	14,254
	351,231	**244,214**
Changes in :		
Prepayments and accrued income	39,214	(81,798)
Hedging derivatives instruments	(20,895)	481
Other assets	(3,105)	1,324
Other liabilities	58,875	(290,941)
Deposits and customer accounts	(10,985)	(644,269)
Loans and advances to customers	372,263	(1,234,409)
Net cash inflows/(outflows) from operating activities	**786,597**	**(2,005,398)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases and additions to property and equipment & intangible assets	(6,980)	(1,247)
Investment Security measured at amortised cost	41,000	(41,000)
Net cash outflows from investing activities	**34,020**	**(42,247)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital subscriptions and share premium		
Retirement of warrants	44,058	209,668
Dividends paid	(24,775)	(91,723)
Net increase in due to banks and debt securities	(33,397)	(28,610)
Net cash inflows from financing activities	882,903	743,358
	868,789	**832,693**
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at 1 January	**1,689,406**	**(1,214,952)**
	1,918,434	**3,214,573**
CASH AND CASH EQUIVALENTS	**3,607,840**	**1,999,621**

NOTES

The Bank is required to publish financial results for the nine months ended 30 September 2019 as per Listing Rule 12.19 of the SEM. The abridged unaudited financial statements for the nine months ended 30 September 2019 ("financial statements") have been prepared in accordance with the requirements of IFRS and the SEM Listing Rules.

The accounting policies adopted in the preparation of these financial statements are consistent with those applied in the preparation of the audited financial statements for the year ended 31 December 2018.

The abridged unaudited financial statements have not been reviewed or reported on by the Bank's external auditors.

Copies of the abridged unaudited financial statements and the Statement of Direct and Indirect Interests of each officer of the Bank, pursuant to Rule8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request to the Executive Secretary at the Registered Office of the Bank at No.72(B) El-Maahad El-Eshteraky Street, Heliopolis, Cairo 11341, Egypt.

This communique is issued pursuant to SEM Listing Rules 11.3 and 12.20 and Section 8.8 of the Securities Act of Mauritius 2005. The Board of Directors accepts full responsibility for the accuracy of the information contained in these financial statements. Directors are not aware of any matters or circumstances arising subsequent to the period ended 30 September 2019 that require any additional disclosure or adjustment to the financial statements.

By Order of the Board
African Export-Import Bank

Executive-Secretary

SBM Securities Limited
SEM Authorised Representative and Sponsor

15 November 2019

Headquarters
72B El-Maahad El-Eshteraky Street, Roxy, Heliopolis
Cairo 11341, Egypt
T +(20) 22456 4100/1/2/3/4
business@afreximbank.com

afreximbank.com

Abuja Branch
No. 2 Gnassingbe
Eyadema Street
off Yakubu Gowon Crescent
Asokoro, Abuja, Nigeria
T +(234) 9 460 3160
abuja@afreximbank.com

Harare Branch
Eastgate Building, 3rd Floor
Gold Bridge (North Wing)
Sam Nujoma Street, Harare,
Zimbabwe
T +(263) 24 2 700 904 / 941
harare@afreximbank.com

Abidjan Branch
3ème Etage, Immeuble CRRAE-UMOA, Angle Boulevard
Botreau Roussel – Rue Privée
CRRAE-UMOA, Abidjan,
Côte d'Ivoire
T +(225) 2030 7300
abidjan@afreximbank.com