Research Update:

African Export-Import Bank Assigned 'BBB+/A-2' Ratings; Outlook Stable

June 11, 2026

Overview

- Egypt-based African Export-Import Bank (Afreximbank), established in 1993, promotes trade finance and provides technical support across Africa to improve intra-continental trade and exports.
- In our view, Afreximbank's strong role and shareholder support underpins its enterprise risk profile being strong, limited by its dividend policy and partly private ownership.
- Our view of Afreximbank's financial risk profile of moderate is based on our risk-adjusted capital (RAC) ratio of 17.4% (21.6% including eligible callable capital), which we adjust down to reflect its recent track record of being impacted by sovereigns undergoing comprehensive restructurings. The bank has lower liquidity ratios compared with other multilateral institutions (MLIs) rated by S&P Global Ratings; six-month and 12-month liquidity ratios were 0.95x and 0.71x, respectively, as of Sept. 30, 2025.
- We assigned our 'BBB+' long-term and 'A-2' short-term issuer credit ratings on African Export-Import Bank. The outlook is stable.

Rating Action

On June 11, 2026, S&P Global Ratings assigned its 'BBB+' long-term and 'A-2' short-term issuer credit ratings on African Export-Import Bank (Afreximbank). The outlook is stable.

Outlook

The stable outlook balances the bank's lower capital and liquidity levels compared with other MLIs rated by S&P Global Ratings (due to its partially commercial structure), against its strengthened role as a countercyclical lender in Africa, as well as ongoing shareholder support through consecutive capital increases.

Downside scenario

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We could lower the rating within the next 18-24 months if we observe a deterioration in the bank's funding mix, for instance if an increased reliance on short-term funds puts pressure on short-term liquidity coverage. More specifically, any persistent gap at the three-month liquidity coverage horizon could trigger a multiple-notch downgrade.

Additionally, a significant reduction in Afreximbank's ability to expand lending or declining shareholder support--thereby impairing its capacity to fulfill its policy role--could lead to a downgrade. Finally, we could lower the rating should capital levels fall significantly.

Upside scenario

We could upgrade Afreximbank over the next 18-24 months if there is a significant strengthening of its capital position, resulting in the bank's RAC ratio, including callable capital, rising sustainably and structurally above 23%. Additionally, an upgrade could occur if liquidity buffers improve alongside continued growth in the bank's lending activities, thereby maintaining its strategic importance and policy role.

Rationale

Afreximbank is a multilateral development finance institution founded in 1993 to support African trade and economic development. The bank's mandate is to facilitate, promote, and expand African trade with a strategic focus on driving industrialization and deepening intra-African trade under the African Continental Free Trade Agreement (AfCFTA) framework, and commodity and minerals beneficiation to move economies up the value chain. We think that developing inter-African trade and value-addition is a core policy focus of many sovereigns on the continent. The bank's core product offerings consist of trade finance, project finance, institutional support, and advisory services. The bank maintains a pan-African presence across all 54 African countries, using a regional integration strategy that prioritizes trade corridors and infrastructure to link major economic blocs such as the Economic Community of West African States (ECOWAS), the East African Community, and the Southern African Development Community.

In our view, Afreximbank's strong track record of delivering on its mandate underscores its strategic importance. We think that Afreximbank's policy relevance has improved in recent years, as demonstrated by significant lending growth and shareholder support through a growing capital base supported by capital injections. Between 2015 and 2025, total assets expanded to $42.3 billion from $7.1 billion, supported by shareholder's equity increasing to $8.4 billion from $1.3 billion--out of the total increase, paid-in capital rose to $3.806 billion from $511.0 million with the remaining increase largely due to retained earnings. This sustained and rapid growth distinguishes the bank from other smaller, private sector-focused regional peers and underscores its mandate to serve as an important partner in facilitating trade across the continent.

Afreximbank consistently demonstrates an ability to act as a countercyclical lender, providing financing to the continent during periods of heightened risk when international commercial banks typically reduce their exposures. This track record includes the bank's response to various global crises, including the global financial crisis of 2008-2009, the commodity price downturn around 2015, and the COVID-19 pandemic. In response to the 2015 commodity downturn the bank disbursed over $10 billion under its counter-cyclical trade liquidity facility while during the COVID-19 pandemic the bank mitigated economic shocks through the $7 billion Pandemic Trade Impact Mitigation Facility and collaborated with the African Union to mobilize

resources for its Continental Strategy Against COVID-19. The bank has also deployed significant relief measures to address geopolitical shocks. This includes the $4 billion Ukraine Crisis Adjustment Trade Financing Program for Africa, launched in 2022 to stabilize food security and mitigate supply chain disruptions stemming from the Russia-Ukraine conflict. Afreximbank recently announced the $10 billion Gulf Crisis Response Program (GCRP), approved in March 2026, following the onset of the Middle East war on Feb. 28, 2026. The GCRP is designed to provide a liquidity buffer for African and Caribbean economies through short-term foreign exchange (FX) support, expanded local currency confirmation lines, and assistance to exporters in managing commodity price volatility.

While balance sheet support is important, Afreximbank also focuses on delivering technical solutions and structures to improve trade in Africa. On March 21, 2018, representatives of almost all African governments signed the AfCFTA, signaling the creation of an African single market and the Continental Customs Union. Afreximbank acts as a financial support engine behind the agreement and supports implementation through African Union- and AfCFTA-mandated trade-enablement initiatives including:

- The $10 billion AfCFTA Adjustment Fund, designed to cushion tariff revenue losses and support the private sector's transition to trade liberalization;
- The African Continental Trade Governance System, which aims to facilitate cross-border movement of goods and addresses nontariff barriers;
- The Intra-African Trade Fair, an AfCFTA-recognized continental marketplace; and
- The African Trade Gateway, a centralized digital platform integrating trade information, payments, regulations, and compliance.

We think that the successful implementation of these initiatives and the broader trade agreement could increase Afreximbank's role and importance in the region's trade finance.

In June 2019, Afreximbank also announced the Pan-African Payment and Settlement System (PAPSS), designed for the payment of goods and services across borders in local currencies and intended as the first digital payment system across the entire continent. The platform aims to facilitate the clearing and settlement of intra-African trade transactions in African currencies and significantly reduces dependence on the U.S. dollar and other hard currencies in the settlement of regional trade. We understand PAPSS is currently in use across 20 member states; is supported by over 175 financial institutions, private, and national switches; and has 27 currency pairs currently being traded.

In our view, Afreximbank's shareholding structure, including private-sector participation, could rise. The bank uses a multi-tiered shareholding structure comprising four distinct classes: African states (Class A), African public and private financial institutions (Class B), international financial institutions and investors (Class C), and freely transferable private shares (Class D). While Class D shareholders currently only hold about 2.8% of the overall shareholding, increasing participation of private-sector investors may introduce competing interests regarding dividend distributions and influence the bank's risk appetite, resulting in a more aggressive capital and liquidity deployment profile relative to peers. However, Class A shareholders retain veto rights over significant institutional changes which could balance risks associated with higher private-sector participation. As of end-2025, the shareholder base had expanded to 170 shareholders, providing broad geographic coverage that includes all 54 African states, 13 Caribbean nations alongside government-related entities across Africa and international institutions. South Africa is the latest member to join the bank in February 2026, securing Class A shareholder status.

Strong shareholder commitment underpins the bank's capitalization trajectory, most notably evidenced by the $6.5 billion general capital increase (GCI) approved in June 2021. This GCI, which includes $2.6 billion in paid-in capital, is a cornerstone of the bank's Strategic Plan VI to 2026. As of 2025, Afreximbank had already raised $2.8 billion, surpassing its GCI target one year ahead of schedule despite a challenging operating environment. Notably, Class A shareholders have demonstrated consistent support, contributing 71.5% of the cumulative net paid-in GCI from 2021 to 2025. This robust capitalization framework is intended to support a $45 billion lending target aimed at fostering a private sector-led economic recovery across the continent.

As Afreximbank provides almost 80% of its loans to private-sector entities, we do not consider preferred creditor treatment (PCT) on sovereign exposures as essential to our assessment of its business model. Consequently, we do not incorporate PCT in our enterprise risk assessment of the bank, in line with our treatment for similar MLIs, which also have high levels of private-sector exposure. While we do not incorporate PCT, we do note the track record of member governments providing some preferential treatment, for example, by specifically exempting the bank from capital controls. However, the bank's exposure to sovereigns undertaking debt restructurings, particularly under the G20 Common Framework in recent years, poses a potential risk to the bank's asset quality should other sovereigns enter similar comprehensive restructurings. In addition, the bank's decision to pursue litigation in international courts against defaulting sovereigns could strain relations with shareholders.

We note that Afreximbank has a history of consistent dividend distribution, with a payout ratio of about 25%-30%. While a profit-oriented and a dividend payout model is less common among rated MLIs, the bank's dividend policy does not appear to pose a significant risk to capital adequacy, as most dividends are reinvested by the member states into Afreximbank. In 2024, approximately 84% of the $298.3 million dividend was reinvested by member states, and we expect a similar trend for the 2025 dividend, with an estimated $260 million slated for reinvestment.

While many African states have a low ranking in terms of the effectiveness of their governance, the structure of Afreximbank's board of directors supports the quality of the bank's governance. The inclusion of two independent directors and the African Development Bank (AAA/Stable/A-1+) as a permanent member, provides institutional oversight and helps mitigate the governance risks associated with individual member states. This structure also helps ensure a level of objective oversight in the bank's decision-making processes.

We assess Afreximbank's governance and management expertise as adequate. Its executive management group has, on average, over 15 years of expertise (its president has been with the bank for over 30 years) and has delivered on strategic targets across planning cycles. The bank's risk management policies are broadly in line with other MLIs and are overseen by an independent risk management department. Furthermore, the bank has actively prioritized strengthening enterprise risk management through various initiatives since 2017, integrating these efforts into its long-term strategic planning, which is currently guided by its sixth five-year strategic plan (2022-2026).

Afreximbank's RAC ratio was 17.4% as of Sept. 30, 2025 (based on June 10, 2026 parameters)--an improvement on the 15.4% in December 2024. This upward trend is primarily attributable to higher capital levels--supported by retained earnings and a GCI--alongside a reduction in sovereign, corporate, and institutional risk-weighted assets. We expect capitalization to remain broadly stable, supported by the continued momentum of strong loan growth.

Afreximbank has total callable capital of $4.4 billion, of which $1.84 billion is credit-enhanced. The bank credit-enhanced part of its callable capital with institutions rated at least 'A', which

means the risk of nonpayment of the callable capital is transferred from shareholders to the institutions. For our calculation, we consider $1.84 billion as eligible callable capital. When including eligible callable capital, the RAC increases to 21.6%. However, in our view, this amount is not significant enough to warrant an uplift for extraordinary shareholder support.

In our view, Afreximbank's nonperforming loan ratio remains relatively modest, but asset quality is subject to risk from lending to sovereigns that are undergoing debt restructurings. The bank's reported nonperforming loan ratio was 2.35% as of year-end 2024, dropping marginally to 2.31% at end-2025. However, we understand this does not include loans to the Ghanaian and Zambian governments, who have undertaken comprehensive restructurings--these countries subsequently entered forbearance on their payments to Afreximbank. We understand these exposures were, nevertheless, adequately provisioned, as evidenced by an independent auditor's report on Afreximbank's 2025 annual financial statements, which indicated that management's estimates of expected credit losses were reasonable. In December 2025, Afreximbank announced that it had reached an agreement with Ghana on its $750 million loan, while an agreement with Zambia is yet to be reached.

MLIs are typically not included in sovereign debt restructurings. However, Afreximbank, alongside other institutions, has experienced prolonged payment arrears in recent years, most notably following the defaults and subsequent debt restructurings undertaken by Ghana and Zambia. We understand that following Afreximbank's agreement with Ghana that this loan is performing, while its Zambian government exposure remains in arrears. We therefore adjust down our view of capital to reflect the risk that the bank could be impacted by sovereign restructurings.

While Afreximbank's neutral funding assessment is supported by an adequate funding base tilted toward deposits and syndicated loans, we assess its liquidity profile to be moderate as coverage ratios are among the lowest of all rated MLIs. The bank's funding structure is different from that of many higher-rated peers and is tilted toward deposits, and syndicated and bilateral loans. These represent almost 75% of the total base and are supplemented by bond issuance (6.3%) and equity (19%). We understand that Afreximbank uses its Central Bank Deposit Program (26% of the total), which mobilizes FX from regional central banks and financial institutions, to manage funding costs and mitigate the effect of unfavorable market spreads. While this is an unconventional funding strategy, in our view, these deposits have been a significant part of the bank's funding structure for more than a decade and have remained relatively stable through periods of heightened sovereign risk across the continent.

Afreximbank also has other money market deposits amounting to about 11% of the total base. The bank has diversified its currency mix in recent years to improve funding costs. While funding remains concentrated in major convertible currencies (U.S. dollar, euro, and Japanese yen [¥]), FX risk is mitigated through asset-liability matching and currency swaps.

Afreximbank's reliance on public bond issuance is relatively limited compared with other MLIs, and most financing is through bank loans and private placements. The bank issued a Samurai bond of ¥81.8 billion ($527 million) in November 2025, a Panda bond of Chinese renminbi 2.2 billion ($303 million) in March 2025 and its first Samurai bond of ¥81.3 billion in November 2024 after three years of non-issuance. The successful 2025 issuance of Samurai and Panda bonds totaled over $800 million. The bank's funding plan for 2026 amounts to close to $10.6 billion, of which about half will be through refinancing maturing obligations and the remainder through $3.3 billion in bilateral loans (mostly with banks), issuances of about $1.2 billion in bonds and private placements, approximately $400 million from export-credit agencies and development institutions, and $280 million in syndicated loans.

We assess Afreximbank's liquidity as adequate and lower than that of most rated MLIs. Our calculation of liquidity ratios as of Sept. 30, 2025 shows six-month coverage ratios of 0.95x and 12-month ratios of 0.71x. This mainly reflects Afreximbank's lower liquid asset levels to total assets of about 18%, compared with an average of about 35%-40% for MLIs peers, as well as the short-term nature of its deposit liabilities.

African Export-Import Bank--Rating component scores

Issuer credit rating	BBB+
Stand-alone credit profile	bbb+
Enterprise risk profile	Strong
Policy importance	Strong
Governance and management	Adequate
Financial risk profile	Moderate
Capital adequacy	Strong
Funding and liquidity	Moderate
Extraordinary support	0
Callable capital	Yes
Group support	0
Holistic notch	No

Source: S&P Global Ratings.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, May 5, 2026
- Criteria | Governments | General: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology, Oct. 13, 2025
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Abridged Supranationals Interim Edition 2026: Multilateral Lending Institutions Sector Updates, May 28, 2026
- Abridged Supranationals Interim Edition 2026: Comparative Data For Multilateral Lending Institutions, May 28, 2026
- Supranationals Special Edition 2025, Oct. 22, 2025
- Introduction To Supranationals Special Edition 2025, Oct. 14, 2025
- Supranationals Edition 2025: Comparative Data For Multilateral Lending Institutions, Oct. 14, 2025

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see "Related Criteria"). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Rating Component Scores above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see "Related Criteria").

Ratings List

Ratings List	
New Rating	
African Export-Import Bank	
Issuer Credit Rating	
Foreign Currency	BBB+/Stable/A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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