

African Export-Import Bank (Afreximbank)

Full Rating Report

Ratings

| | |
|----------------|------|
| Long-Term IDR | BBB- |
| Short-Term IDR | F3 |

Outlook

| | |
|---------------|----------|
| Long-Term IDR | Negative |
|---------------|----------|

Financial Data

African Export-Import Bank (Afreximbank)

| | Jun 17 | Dec 16 |
|---------------------------------------|--------|--------|
| Total assets (USDm) | 14,062 | 11,726 |
| Equity to assets (%) | 12.5 | 13.9 |
| Average rating of loans & guarantees | B | B |
| Impaired loans ratio | 2.3 | 2.4 |
| 5 largest exposures to total exposure | 49.2 | 51.0 |
| Share of non-sovereign exposure | 41.8 | 41.5 |
| Net income/equity (%) | 13.9 | 11.4 |
| Average rating of key shareholders | BB | BB |

Key Rating Drivers

Central-Bank Lending Affects Intrinsic Rating: Afreximbank's lending activities, historically focussed on trade finance activities, have shifted since end-2015, when it started to disburse large facilities to African countries' central banks ("COTRALF" loans). These loans, which accounted for 42.5% of the bank's total exposure at end-June 2017 (2015: 18.0%), translated into noticeably weaker equity/assets ratio and higher concentration metrics for the bank.

Ongoing Capital Increase: The bank's equity/assets ratio fell to 12.5% at 1H17 (2015: 17.8%), highlighting large COTRALF loan disbursements in 2016, and the slow pace of the initial capital disbursements under its USD1 billion increase targeted for completion by 2021. Although disbursements accelerated in 4Q17, Fitch considers that a sustainable reorientation of its equity/assets ratio to levels consistent with its investment-grade rating is subject to the success of this capital increase, and to large COTRALF loan repayments by end-1Q18.

Expected Improvement in Concentration: COTRALF loans are mostly directed towards two African countries, and so the bank's concentration risk has worsened since 2015, as its five largest borrowers accounted for 49.2% of total exposures in June 2017 (2015: 34%). We expect portfolio diversification to improve substantially by 2019, and top-five counterparties to account for 35% of total exposures, broadly in line with the bank's pre-COTRALF standards.

Moderate Credit Risk: The bank's NPL ratio improved to 2.3% of loans (2015: 2.8%) as of June 2017. However, the performance of its private-sector loans deteriorated to 5.4% of this portfolio (2015: 4.1%). Our assessment of moderate credit risk factors in the excellent quality of risk mitigants, such as the almost full US dollar cash collateralisation of COTRALF loans.

Liquidity Affected by Collateralisation: The bank's liquidity, assessed at 'a-', remains sound with coverage of short-term liabilities by liquid assets at 108% at 1H17 (2015: 86% and 2016: 73%). Although the cash deposits used as collateralisation of COTRALF loans weigh on liquidity metrics, Fitch considers the risk of withdrawal of these deposits prior loans repayments as remote.

High-Risk Business Environment: Afreximbank operates in a High-Risk business environment, as indicated by its rapid lending growth in a region with poor credit quality. This assessment reduces Afreximbank's solvency assessment of 'a-' by three notches, translating into an intrinsic rating of 'bbb-'.

Moderate Shareholder Support: The bank's support rating assessment of 'bb-' is driven by the average rating of its key shareholders of 'bb'. Fitch views positively the banks' callable capital insurance, which could lead to partial indemnifications should shareholders fail to honour their commitment to support the bank. We assess support propensity as moderate, chiefly reflecting the limited size of the bank relative to its operating region.

Rating Sensitivities

Capitalisation Challenges: An inability to restore the bank's equity/assets to levels commensurate with its current investment-grade rating would lead to a rating downgrade. Conversely, the Outlook would benefit from a substantial improvement in capitalisation.

Asset Quality Deterioration: A perceived deterioration in the loans' credit quality, in particular sovereign loans disbursed to Egypt (B/Stable) or Nigeria (B+/Negative), would be negative to the ratings.

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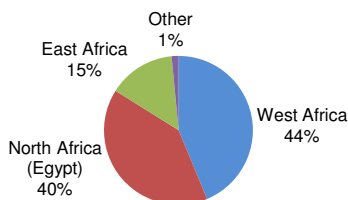
Intrinsic Rating Assessment

| Indicative value | Assessment |
|----------------------|------------|
| Solvency | a- |
| Liquidity | a- |
| Business environment | -3 notches |
| Intrinsic Rating | bbb- |

Source: Fitch

Predominant Share of Loans to Egypt and to West Africa

% of Afreximbank's outstanding loans, end-June 2017



Source: Fitch, Afreximbank

Business Environment

Afreximbank is a supranational institution set up in 1993 by the African Development Bank (AAA/Stable) to finance and promote trade among African countries and between Africa and the rest of the world. Eligible borrowers must be domiciled in one of the bank's 44 shareholder countries.

The bank is mostly active in northern and western Africa, primarily in Egypt (40.2% of total gross loans outstanding at end-June 2017), Nigeria (29%) and Zimbabwe (4.5%). Its headquarters are in Cairo, Egypt, and it has branches in Zimbabwe and Nigeria

Its mandate to foster trade finance business in Africa gives Afreximbank a unique business model among Fitch-rated multilateral development banks (MDBs): it is profit oriented and dividend distributing, with a mixed public-private shareholding base. Afreximbank's historical focus was to grant trade finance facilities, whereby the bank extends self-liquidating, short-term (180 to 360 days) facilities to African exporters, secured by the assignment of trade receivables (less frequently bank guarantees or cash deposit). Payment risk is therefore transferred to off-takers (usually based in an OECD country), which direct their payments to collection accounts in Afreximbank's name. Fitch considers this activity as relatively low risk, as indicated by the bank's overall sound loan loss track record relative to its High-Risk operating environment.

Shareholders are grouped into four classes: African sovereigns and public institutions (class A), African private companies and individuals (class B), and non-African private companies and individuals (class C). Class D was created in 2013 for new shareholders wishing to acquire tradable shares.

The business environment is High-Risk, translating into a negative adjustment of three notches over other two other intrinsic features, solvency and liquidity, both assessed at 'a-'.

Business Profile

Fitch assesses the business profile as High-Risk, chiefly reflecting Afreximbank's high-risk strategy and governance risk.

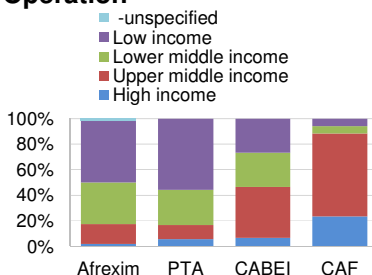
- At end-June 2017, Afreximbank's total banking exposures reached USD11.4 billion, which Fitch considers Medium-Risk. Ninety-three percent of the bank's total portfolio consisted of loans.
- The bank's strategy is deemed aggressive, as indicated by the rapid increase of its total banking exposures, which grew by 71% between end-2015 and 1H17.

Afreximbank's lending focus has shifted since December 2015, when it started disbursing large loans to three African central banks ("Counter-Cyclical Trade Finance Facility" or "COTRALF"), reaching a total of USD4.82 billion (42.2% of total banking exposures) at end-June 2017.

COTRALF facilities are aimed at providing hard-currency liquidity support to central banks and are denominated in US dollars and extended with a maximum maturity of 24 months. These loans are almost entirely backed by hard currency deposits from the same central banks at Afreximbank ("Central Bank Deposit Program" or 'CENDEP'); they totalled USD4.6 billion at end-June 2017 (38.1% of the bank's non-equity funding).

Fitch understands that about USD3.2 billion of COTRALF loans – equivalent to 66% of outstanding loans at end-1H17 under this programme – will be repaid by end-December 2017, and the remaining 34% by June 2018. Excluding COTRALF activities, the bank's portfolio increased by 20% over the same period, highlighting its aggressive lending growth strategy, even in its historical non-COTRALF trade finance businesses. Fitch expects Afreximbank's total banking exposure to increase by about 30% by 2019.

World Bank Income Group - Distribution of Countries of Operation

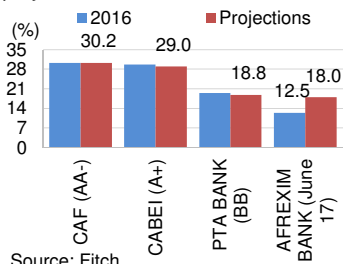


Source: World Bank - World Development Indicators, Fitch

- As a result of Afreximbank's central bank trade finance deals, the bank has become increasingly focussed on sovereign lending, which accounted for 58% of its total banking exposures at end-1H17 (2015: 35%).
- Fitch views Afreximbank's governance risk as high. Its overall governance structure is similar to most regional peers', consisting of a general assembly of shareholders, which delegates most of its powers to a board of directors and which appoints the president in charge of the bank's daily operations. However, our assessment factors in the risks entailed by the rapid and ample disbursements of COTRALF loans to a limited number of low rated shareholders.

The Least-Capitalised Bank Among Moderate-Risk Profiled Peers

Equity/assets ratio (%), actual and projections



Source: Fitch

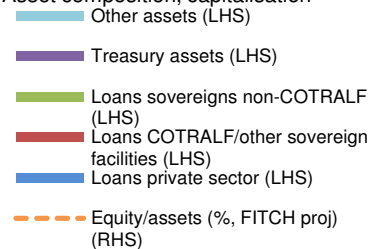
Operating Environment

Fitch assesses Afreximbank's operating environment as High-Risk. The bank operates in low- or intermediate-income African countries, which have low credit quality and, based on World Bank indicators, have weak business environment, and high political risk. At purchasing power parity, Fitch estimates that the region in which Afreximbank operates had an average per capita income of USD2,253, lower than at peers Eastern and Southern African Trade and Development Bank (TDB - formerly PTA Bank; USD 2,280), Central American Bank for Economic Integration (CABEL; USD8,918) and Corporacion Andina de Fomento (CAF; USD10,724).

Fitch also factors in the high operating environment risk inherent to the location of the bank's headquarters in Cairo, Egypt and the relatively low level of operational support provided by member states' authorities.

Capital Increase Needed to Restore Capitalisation Metrics

Asset composition, capitalisation



Source: Fitch, Afreximbank

Solvency

Afreximbank's solvency is evaluated at 'a-', reflecting the bank's moderate risk profile and our expectations that it will maintain a strong capital base over the rating horizon.

Capitalisation

Capitalisation has long been a rating weakness, due to the bank's aggressive lending growth and as indicated by the fact that Afreximbank is the least capitalised bank among peers with a similar moderate-risk profile. Its equity/asset ratio of 12.5% at end-June 2017 has declined sharply since the introduction of COTRALF/GENDEP (2015: 17.8%).

In July 2016, Afreximbank's board decided to increase its paid-in capital base by USD1 billion by 2021, to 220% of end-2016 levels. Fitch considers that the disbursement of these additional tranches of capital will be instrumental to restoring the bank's ratings to levels in line with its current investment-grade category.

The bank had only raised USD193 million of additional paid-in capital from its shareholders between July 2016 and end-June 2017, noticeably less than initially expected. However, the pace of capital instalments effectively accelerated in early October 2017; the bank had secured almost 40% of the USD1 billion expected by 2021 at this date.

Peer Comparison: Capital Ratios and Profitability

| | Afreximbank (BBB-) | | TDB (BB) | CABEL (A+) | CAF (AA-) |
|----------------------------|--------------------|-------------------------|----------|------------|-----------|
| | June 2017 | Projection ^a | End-2016 | End-2016 | End-2016 |
| Equity/adjusted assets (%) | 12.5 | 18.0 | 19.5 | 29.6 | 30.2 |
| Net income /average equity | 7.5 | 10.0 | 13.1 | 4.5 | 1.2 |

^a Medium-term projections
Source: MDBs, Fitch calculations, estimates and methodology

Related Criteria

[Supranational Rating Criteria – 2017](#)

In addition, as Afreximbank expects the repayment of USD3.2 billion of loans under the COTRALF facility in late 2017, we forecast a noticeable short-term improvement in its capitalisation ratio, which may be about 20% by December 2017. In the long run, given the

bank's aggressive lending growth forecast, Fitch expects the bank to maintain its equity/assets ratio above 18% by 2019, at the lower end of its current rating category range.

Fitch expects internal capital generation to plateau at 10% by 2019 (end-2016: 11.4%), as higher margins on non-cash collateralised trade finance loans may be offset by a higher equity base.

Risks

Fitch considers Afreximbank's overall risk exposure as a Medium-Risk, driven by the bank's moderate credit risk exposures and by our expectation that its concentration risk will substantially improve by 2019, though the rating horizon.

Risks Assessment

| Indicative value | Risk level |
|--------------------|------------|
| Credit | Moderate |
| Concentration | Low |
| Equity risk | Very low |
| Market risks | Very low |
| Risk mgmt policies | Moderate |

Source: Fitch

- Based on Fitch's estimates, Afreximbank's borrowers' credit quality is very low at 'B', reflecting the bank's heavy exposures to low-rated counterparties, Egypt, Nigeria and Zimbabwe.
- However, in Fitch's view the excellent quality of the risk mitigants used by the bank in the course of its lending operations considerably improves its credit risk profile to 'BB'.

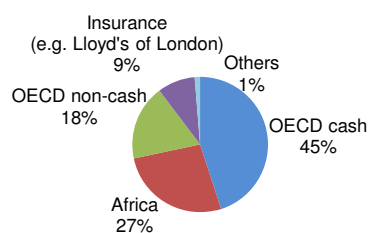
In line with Fitch's supranationals rating criteria, the agency does not net outstanding loans with collateral or risk mitigants when assessing the MDB's solvency and liquidity ratings. Consequently, although Fitch considers Afreximbank's overall risk profile benefitted from Afreximbank's cash-collateralisation practice, the introduction of COTRALF and CENDEP substantially worsened its capitalisation and concentration measures, computed on gross terms.

At end-1H17, 93% of COTRALF loans were collateralised by CENDEP deposits (2016: 72%). We consider that the CENDEP deposits used by the bank as cash collateral for its COTRALF loans are valid and enforceable securities in case of payment default. Both COTRALF loans and CENDEP deposits are denominated in US dollars and are governed by UK jurisdictions. In addition, Fitch understands that the contracts governing COTRALF loans stipulate that the corresponding amount of CENDEP pledged deposits cannot be withdrawn by the central banks until the COTRALF facilities are repaid in full.

Afreximbank's overall credit risk profile also benefits from the increasing use of credit enhancement instruments; we estimate that about 73% of the total loan portfolio's effective risks are transferred to entities located in OECD countries.

- Fitch views Afreximbank's loan impairment risk as moderate. At end-June 2017, the bank's headline NPL ratio improved to 2.3% of gross loans (2015: 2.8%). However, the large COTRALF facilities significantly inflate this metric's denominator.
- Fitch estimates that the share of impaired loans directed to private-sector borrowers rose to 5.4% in June 2017 (2015: 4.1%), highlighting a deteriorated loan performance in Afreximbank's core trade finance businesses. Fitch expects loans to the private sector to keep weighing on Afreximbank's overall impairment ratio in the coming years, translating into an overall projected NPLs ratio above 3% by 2019.
- Fitch projects Afreximbank's concentration risk – as defined in our supranationals rating criteria – to improve and become consistent with a low-risk assessment in the mid-term. At 49.2% of total exposures at end-June 2017, the bank's five largest exposures have deteriorated since 2015 (34%), as the large COTRALF facilities have been mainly directed to two countries. Fitch expects this ratio to improve and reach "pre-COTRALF" standards (35% by 2019) as most COTRALF loans are gradually repaid. We expect geographic concentration metrics to improve, with the top five countries projected to account for 60% of total banking exposures in gross terms (1H17: 73%).
- Fitch expects Afreximbank's overall vulnerability to market risks to remain very low, as evidenced by the very limited impact on its balance sheet of currency variations. Afreximbank's sensitivity to interest risk is also kept very low.

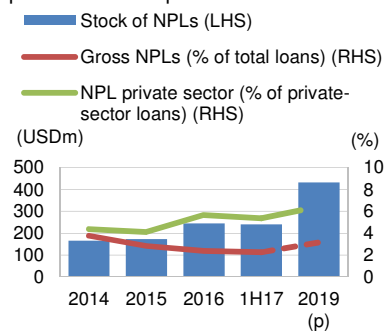
Repayment Sources Outside the Obligor's Country Geography of Actual Payment Risk (1H17)



Source: Fitch, Afreximbank

Deteriorating Asset Quality, Driven by Private-Sector Loans Impairments

Impaired loans, total loans exposures, private-sector exposures



Source: Fitch, Afreximbank

- Risk management is moderate, in Fitch's view. The bank has set maximum exposures per country, obligor, transaction and sector; however, the limits are not applied to the gross loans outstanding, but on the exposure netted with a factor defined by the bank based on the quality of the securities, which makes them looser than for most peers.

Peer Comparison: Risks

| | Afreximbank (BBB-) | | TDB (BB) | CABEI (A+) | CAF (AA-) |
|--|--------------------|-------------------------|----------|------------|-----------|
| | June 2017 | Projection ^a | End-2016 | End-2016 | End-2016 |
| Estimated average rating of loans & guarantees | B | B | B- | B+ | BB- |
| Impaired loans/gross loans (%) | 2.3 | 3.1 | 2.9 | 0.1 | 0.6 |
| Five largest exposures/total loans (%) | 49.2 | 34.6 | 55.2 | 51.3 | 54.8 |
| Equity stakes/(loans + equity stakes) (%) | 0.0 | 0.0 | 0.5 | 0.5 | 1.7 |

^a Medium-term projections

Source: MDBs, Fitch calculations, estimates and methodology

Liquidity

Fitch assesses Afreximbank's liquidity at 'a-', reflecting its moderate coverage of short-term liabilities by liquid assets and its moderate access to external sources of liquidity.

Figure 7

Peer Comparison: Liquidity

| | Afreximbank (BBB-) | | TDB (BB) | CABEI (A+) | CAF (AA-) |
|--|--------------------|-------------------------|----------|------------|-----------|
| | June 2017 | Projection ^a | End-2016 | End-2016 | End-2016 |
| Liquid asset/short-term debt (%) | 108.1 | 70.0 | 51.4 | 152.8 | 54.8 |
| Share of treasury assets rated AA- & above (%) | 4.0 | 6.0 | 8.5 | 59.6 | 1.7 |

^a Medium-term projections

Source: MDBs, Fitch calculations, estimates and methodology

Liquidity Assessment

| Indicative value | Risk level |
|---|------------|
| Liquidity buffer | Moderate |
| Quality of treasury assets | Weak |
| Access to cap markets & alt. sources of liquidity | Moderate |

Source: Fitch

Liquidity Buffer

Fitch considers Afreximbank's liquidity as sound, as reflected by our 'a-' assessment. Fitch defines Afreximbank's liquid assets as 60% of the value of unimpaired trade finance facilities, in addition to Afreximbank's deposits placed at banks whose credit quality is estimated at 'BBB-' and above. COTRALF loans accounted for 44% of liquid assets in June 2017. Treasury assets and other trade finance-related loans considered as liquid accounted for 49% and 7% of total liquid assets, respectively. Afreximbank's short-term liabilities include the bank's deposits, in addition to the current portion of banks borrowings and bonds issued.

The headline coverage of short-term liabilities by liquid assets was strong at 108.1% at end-June 2017 compared to 72.9% in 2016 and 86.2% in 2015. The depletion in the bank's liquidity profile as of end-2016 highlighted the increasing amount of CENDEP cash deposits used as collaterals. Although these deposits weigh on the bank's liquidity buffer as they account for a high share (77% at end-June 2017) of Afreximbank's short-term liabilities, we consider that the risk of withdrawal of these deposits before COTRALF loans are repaid is remote. In line with the bank's debt profile and our expectations that it would keep deposits collected from regional financial institutions after repayment of the bulk of COTRALF loans, we expect Afreximbank's liquidity buffer to be moderate in the coming years.

Although this is a secondary liquidity assessment driver, Afreximbank's funding diversification worsened in line with the increasing volume of CENDEP deposits collected. In June 2017, the bank's top two deposits accounted for 36.5% of non-equity funding (2015: 20.5%).

Quality of Treasury Assets

- The share of treasury assets held by Afreximbank rated 'AA-' and above was weak at 4% of the total at end-June 2017 (2015: 11%), a proportion we expect to remain stable in the medium term. However, the average rating of the European, Japanese and Middle Eastern banks where Afreximbank exclusively places its deposits is estimated in investment-grade category, the vast majority of them being in the 'A-' to 'BBB-' range.

Access to Capital Markets and Alternative Sources of Liquidity

- Afreximbank benefits from the additional headroom of undrawn bilateral credit lines from development financial institutions and commercial banks totalling USD1.6 billion at end-June 2017 (37% of its non-deposit short-term liabilities). This access to alternative sources of liquidity moderately enhances the bank's overall liquidity profile, in Fitch's view.

Shareholders' Support

Fitch assesses shareholder support as 'bb-', driven by the banks' average rating of key shareholders and their moderate support propensity.

Peer Comparison: Shareholder Support

| | Afreximbank (BBB-) | | TDB (BB) | CABEI (A+) | CAF (AA-) |
|--|--------------------|-------------------------|----------|------------|-----------|
| | June 2017 | Projection ^a | End-2016 | End-2016 | End-2016 |
| Coverage of net debt by callable capital | NC | NC | NC | NC | NC |
| Average rating of key shareholders | BB | BB | B- | BB- | BB |
| Propensity to support | -1 | -1 | -1 | 0 | +1 |

^a Medium-term projections
Source: MDBs, Fitch calculations, estimates and methodology

Capacity to Provide Extraordinary Support

Fitch assesses Afreximbank's shareholders' support capacity at 'bb'. Afreximbank's support does not only rely on callable capital but also on other tangible commitments from support providers, such as private-risk insurers. The average credit quality of its key shareholders – those whose cumulative share ownership accounts for 50% of total capital – is therefore the most indicative measure of shareholders' support capacity.

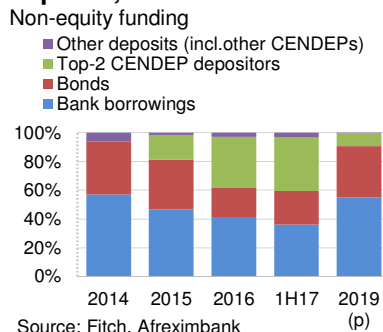
Afreximbank's callable capital is partially insured by highly rated European credit insurers, meaning that a default of a shareholder to honour its callable commitment would be partly indemnified, with some conditionality. In Fitch's view, this credit-insurance mechanism is beneficial to the bank's support capacity assessment, translating into an uplift of one notch over the bank's shareholders' average credit quality, estimated at 'bb-'.

Propensity to Provide Extraordinary Support

Fitch assesses shareholders' support propensity as moderate, translating into a negative adjustment of one notch below support capacity. This assessment chiefly reflects the relatively small size of the institution relative to its operating region's economy, as indicated by its moderately high total banking exposure of USD11.4 billion (African Development Bank: USD22.1 billion at end-2016).

In addition, our support propensity assessment reflects the fact that Afreximbank's board of directors can call capital as and when necessary to finance growth in operations or recapitalise the bank. The call becomes mandatory if the capital adequacy ratio is about to fall below the minimum 4% Basel guideline. This differentiates Afreximbank from most Fitch-rated MDBs, which can only call capital in an emergency. However, the bank has never resorted to this measure and maintains callable capital as an additional buffer.

Deposits-Funding Concentration Expected to Improve,



Afreximbank's key shareholders

| Shareholders | (%) of callable capital |
|-----------------------------|-------------------------|
| Central Bank of Egypt | 9.6 |
| Central Bank of Nigeria | 7.0 |
| Reserve Bank of Zimbabwe | 6.4 |
| National Bank of Egypt | 6.3 |
| Federal Republic of Nigeria | 6.0 |
| China Eximbank | 5.2 |
| African Development Bank | 4.6 |
| Government of cote d'Ivoire | 4.5 |
| Banqr Du Caire | 4.0 |

Source: Fitch

African Export-Import Bank (Afreximbank)

Balance Sheet

| | 30 Jun 2017 | | 31 Dec 2016 | | 31 Dec 2015 | | 31 Dec 2014 | |
|---|--------------------|---------------|-----------------|---------------|----------------|---------------|----------------|---------------|
| | 6 Months - Interim | As % of | Year End | As % of | Year End | As % of | Year End | As % of |
| | USDm | Assets | USDm | Assets | USDm | Assets | USDm | Assets |
| | Original | Original | Original | Original | Restated | Restated | Restated | Restated |
| A. LOANS | | | | | | | | |
| 1. To / Guaranteed by Sovereigns | 6,184.0 | 43.98 | 5,970.2 | 50.91 | 1,933.0 | 27.10 | 603.3 | 11.63 |
| 2. To / Guaranteed by public institutions | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. To / Guaranteed by Private Sector | 4,490.4 | 31.93 | 4,345.4 | 37.06 | 4,235.0 | 59.37 | 3,786.1 | 72.96 |
| 4. Trade Financing Loans (memo) | 5,600.0 | 39.82 | 5,002.0 | 42.66 | 2,441.0 | 34.22 | 2,278.0 | 43.90 |
| 5. Other Loans | n.a. | - | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 6. Loan Loss Reserves (deducted) | 169.2 | 1.20 | 167.4 | 1.43 | 106.7 | 1.50 | 43.4 | 0.84 |
| TOTAL A | 10,505.2 | 74.70 | 10,148.2 | 86.54 | 6,061.3 | 84.97 | 4,346.0 | 83.75 |
| B. OTHER EARNING ASSETS | | | | | | | | |
| 1. Deposits with Banks | 1,632.5 | 11.61 | 650.3 | 5.55 | 824.0 | 11.55 | 300.0 | 5.78 |
| 2. Securities held for Sale & Trading | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. Investment Debt Securities - (incl. other invest.) | 30.3 | 0.22 | 30.3 | 0.26 | 0.0 | 0.00 | n.a. | - |
| 4. Equity Investments | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 5. Derivatives (incl. Fair-value of guarantees) | 7.1 | 0.05 | 8.8 | 0.08 | 23.7 | 0.33 | 42.0 | 0.81 |
| TOTAL B | 1,669.9 | 11.87 | 689.4 | 5.88 | 847.7 | 11.88 | 342.0 | 6.59 |
| C. TOTAL EARNING ASSETS (A+B) | 12,175.1 | 86.58 | 10,837.6 | 92.42 | 6,909.0 | 96.85 | 4,688.0 | 90.34 |
| D. FIXED ASSETS | 24.3 | 0.17 | 25.3 | 0.22 | 45.9 | 0.64 | 45.7 | 0.88 |
| E. NON-EARNING ASSETS | | | | | | | | |
| 1. Cash and Due from Banks | 1,564.0 | 11.12 | 618.8 | 5.28 | 0.1 | 0.00 | 354.4 | 6.83 |
| 2. Other | 299.1 | 2.13 | 244.4 | 2.08 | 178.5 | 2.50 | 101.1 | 1.95 |
| F. TOTAL ASSETS | 14,062.5 | 100.00 | 11,726.1 | 100.00 | 7,133.5 | 100.00 | 5,189.2 | 100.00 |
| G. SHORT-TERM FUNDING | | | | | | | | |
| 1. Bank Borrowings (< 1 Year) | 661.1 | 4.70 | 2,077.8 | 17.72 | 811.7 | 11.38 | 1,362.9 | 26.26 |
| 2. Securities Issues (< 1 Year) | 500.0 | 3.56 | 0.0 | 0.00 | 534.1 | 7.49 | 30.0 | 0.58 |
| 3. Other (incl. Deposits) | 4,905.6 | 34.88 | 3,778.5 | 32.22 | 1,308.2 | 18.34 | 296.8 | 5.72 |
| TOTAL G | 6,066.7 | 43.14 | 5,856.3 | 49.94 | 2,654.0 | 37.20 | 1,689.7 | 32.56 |
| H. OTHER FUNDING | | | | | | | | |
| 1. Bank Borrowings (> 1 Year) | 3,710.0 | 26.38 | 1,973.1 | 16.83 | 1,867.0 | 26.17 | 730.1 | 14.07 |
| 2. Other Borrowings (incl. Securities Issues) | 2,338.5 | 16.63 | 2,091.0 | 17.8 | 1,200.2 | 16.8 | 1,732.1 | 33.4 |
| 3. Subordinated Debt | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 4. Hybrid Capital | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| TOTAL H | 6,048.5 | 43.01 | 4,064.1 | 34.66 | 3,067.2 | 43.00 | 2,462.2 | 47.45 |
| I. OTHER (Non-Int Bearing) | | | | | | | | |
| 1. Derivatives (incl. Fair value of guarantees) | 17.0 | 0.12 | 22.0 | 0.19 | 0.6 | 0.01 | n.a. | - |
| 2. Fair value portion of debt | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. Other (Non-Int Bearing) | 181.6 | 1.29 | 157.4 | 1.34 | 145.0 | 2.03 | 118.3 | 2.28 |
| TOTAL I | 198.6 | 1.41 | 179.4 | 1.53 | 145.6 | 2.04 | 118.3 | 2.28 |
| J. GENERAL PROVISIONS & RESERVES | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| L. EQUITY | | | | | | | | |
| 1. Preference Shares | 99.2 | 0.71 | 98.7 | 0.84 | 46.3 | 0.65 | 77.3 | 1.49 |
| 2. Subscribed Capital | 947.7 | 6.74 | 946.2 | 8.07 | 767.9 | 10.76 | 464.0 | 8.94 |
| 3. Callable Capital | (568.6) | (4.04) | (567.7) | (4.84) | (460.7) | (6.46) | (278.4) | (5.36) |
| 4. Arrears/Advances on Capital | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 5. Paid in Capital (memo) | 379.1 | 2.70 | 378.5 | 3.23 | 307.2 | 4.31 | 185.6 | 3.58 |
| 6. Reserves (incl. Net Income for the year) | 1,270.4 | 9.03 | 1,149.1 | 9.80 | 913.2 | 12.80 | 656.1 | 12.64 |
| 7. Fair-value revaluation reserve | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| TOTAL L | 1,748.7 | 12.44 | 1,626.3 | 13.87 | 1,266.7 | 17.76 | 919.0 | 17.71 |
| M. TOTAL LIABILITIES & EQUITY | 14,062.5 | 100.00 | 11,726.1 | 100.00 | 7,133.5 | 100.00 | 5,189.2 | 100.00 |

African Export-Import Bank (Afreximbank)
Income Statement

| | 30 Jun 2017 | | | 31 Dec 2016 | | 31 Dec 2015 | | 31 Dec 2014 | |
|--|--|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 6 Months - Interim USDm Original | 6 Months - Interim USDm Original | As % of Earning Assets | Year End USDm Original | As % of Earning Assets | Year End USDm Restated | As % of Earning Assets | Year End USDm Restated | As % of Earning Assets |
| 1. Interest Received | 308.8 | 308.8 | 5.11 | 484.0 | 4.47 | 371.6 | 5.38 | 317.5 | 6.77 |
| 2. Interest Paid | 124.8 | 124.8 | 2.07 | 210.8 | 1.95 | 172.8 | 2.50 | 144.4 | 3.08 |
| 3. NET INTEREST REVENUE | 184.0 | 184.0 | 3.05 | 273.2 | 2.52 | 198.8 | 2.88 | 173.1 | 3.69 |
| 4. Other Operating Income | 8.6 | 8.6 | 0.14 | 30.4 | 0.28 | 29.8 | 0.43 | 28.4 | 0.61 |
| 5. Other Income | 0.9 | 0.9 | 0.0 | 3.8 | 0.0 | 14.6 | 0.2 | 0.7 | 0.0 |
| 6. Personnel Expenses | 17.0 | 17.0 | 0.28 | 32.0 | 0.30 | 26.1 | 0.38 | 23.9 | 0.51 |
| 7. Other Non-Interest Expenses | 11.7 | 11.7 | 0.19 | 23.8 | 0.22 | 22.3 | 0.32 | 16.7 | 0.36 |
| 8. Impairment charge | 47.7 | 47.7 | 0.8 | 82.7 | 0.8 | 63.4 | 0.9 | 55.7 | 1.2 |
| 9. Other Provisions | n.a. | n.a. | - | 3.9 | 0.0 | 6.1 | 0.1 | 0.9 | 0.0 |
| 10. PRE-DERIVATIVE OPERATING PROFIT | 117.1 | 117.1 | 1.94 | 165.0 | 1.52 | 125.3 | 1.81 | 105.0 | 2.24 |
| 11. Net gains / (losses) on non-trading derivative instruments | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 12. POST-DERIVATIVE OPERATING PROFIT | 117.1 | 117.1 | 1.94 | 165.0 | 1.52 | 125.3 | 1.81 | 105.0 | 2.24 |
| 13. Other income and expenses | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 14. NET INCOME | 117.1 | 117.1 | 1.94 | 165.0 | 1.52 | 125.3 | 1.81 | 105.0 | 2.24 |
| 15. Fair value revaluations recognised in equity | 4.1 | 4.1 | 0.1 | (51.7) | -0.5 | 8.9 | 0.1 | 2.0 | 0.0 |
| 16. FITCH'S COMPREHENSIVE NET INCOME | 121.2 | 121.2 | 2.01 | 113.3 | 1.05 | 134.2 | 1.94 | 107.0 | 2.28 |

**African Export-Import Bank (Afreximbank)
Ratio Analysis**

| | 30 Jun 2017 | 31 Dec 2016 | 31 Dec 2015 | 31 Dec 2014 |
|--|--------------------|-------------|-------------|-------------|
| | 6 Months - Interim | Year End | Year End | Year End |
| | % | % | % | % |
| | Original | Original | Restated | Restated |
| I. PROFITABILITY LEVEL | | | | |
| 1. Net Income/Equity (av.) | 13.88 | 11.41 | 11.47 | 12.92 |
| 2. Net Income/Total Assets (av.) | 1.75 | 1.66 | 1.90 | 2.10 |
| 3. Net Interest Revenue + Commitment Fees / Gross Loans + Treasury Assets + Guarantees (av.) | 2.78 | 2.80 | 3.13 | 3.63 |
| 4. Cost-Income Ratio | 14.90 | 18.38 | 21.17 | 20.15 |
| 5. Income from Equity Investment / Equity Investment (av.) | n.a. | n.a. | n.a. | n.a. |
| 6. Provisions / Average Total Banking Exposure (excl LCs) | 0.9 | 1.0 | 1.2 | 1.4 |
| II. CAPITAL ADEQUACY | | | | |
| 1. Net Total Banking Exposure (excl LCs) / Subscribed Capital + Reserves | 473.5 | 485.4 | 376.2 | 381.4 |
| 2. Equity/Adjusted Total Assets | 12.45 | 13.90 | 17.76 | 17.71 |
| 3. Equity /Adjusted Total Assets + Guarantees | 12.05 | 13.33 | 16.73 | 16.99 |
| 4. Paid-in capital / Subscribed capital | 40.00 | 40.00 | 40.01 | 40.00 |
| 5. Internal Capital Generation after Distributions | 7.5 | 7.8 | 12.3 | 13.2 |
| III. LIQUIDITY | | | | |
| 1. Liquid Assets / Short-term debt | 108.07 | 72.92 | 86.24 | 92.95 |
| 2. Treasury Assets / Total Assets | 22.95 | 11.08 | 11.55 | 12.61 |
| 3. Treasury Assets IG + eligible non IG / Total Assets | 22.73 | 10.82 | 11.55 | 3.93 |
| 4. Unimpaired Trade Financing Loans / Total Assets | 39.82 | 42.66 | 34.22 | 43.90 |
| 5. Liquid Assets / Total Assets | 46.62 | 36.42 | 32.08 | 30.26 |
| 6. Liquid Assets / Undisbursed Loans & Equity | n.a. | n.a. | n.a. | n.a. |
| IV. ASSET QUALITY | | | | |
| 1. Impaired Loans /Gross Loans | 2.3 | 2.4 | 2.8 | 3.8 |
| 2. Loan Loss Reserves / Gross Loans | 1.6 | 1.6 | 1.7 | 1.0 |
| 3. Total reserves / Gross Loans, Equity Investment & Guarantees | 1.5 | 1.6 | 1.6 | 0.9 |
| 4. Loan Loss Reserves/Impaired Loans | 70.2 | 68.3 | 61.4 | 26.2 |
| V. LEVERAGE | | | | |
| 1. Debt/Equity | 692.81 | 610.00 | 451.66 | 451.78 |
| 2. Debt/Subscribed Capital + Reserves | 522.82 | 452.16 | 331.20 | 346.74 |
| 3. Debt/Callable Capital | 2,130.71 | 1,747.47 | 1,241.85 | 1,491.34 |
| 4. Net Income + Interest Paid/Interest Paid | 193.83 | 178.27 | 172.51 | 172.71 |

African Export-Import Bank (Afreximbank) Spread Sheet Annex

| | 30 Jun 2017 | 31 Dec 2016 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|-------------|-------------|-------------|
| | USDm | USDm | USDm | USDm |
| | Original | Original | Restated | Restated |
| 1. LENDING OPERATIONS | | | | |
| 1. Loans outstanding | 10,674.4 | 10,315.6 | 6,168.0 | 4,389.4 |
| 2. Undisbursed Loans | n.a. | 453.5 | 236.1 | 324.6 |
| 3. Approved Loans | 3,594.0 | 12,031.0 | 5,040.0 | 3,893.2 |
| 4. Disbursed Loans | 2,818.0 | 10,421.0 | 3,804.4 | 2,992.5 |
| 5. Loan Repayments | 2,460.0 | 6,274.0 | 1,657.4 | 1,891.5 |
| 6. Net disbursements | 358.0 | 4,147.0 | 2,147.0 | 1,101.0 |
| 2. OTHER BANKING OPERATIONS | | | | |
| 1. Equity participations | 0.0 | 0.0 | 0.0 | 0.0 |
| 2. Guarantees plus LCs and other off BS credit commitments | 760.9 | 745.5 | 514.2 | 252.4 |
| 3. Total banking exposure (BS & off BS) | 11,435.3 | 11,061.1 | 6,682.2 | 4,641.8 |
| 4. Growth in total banking exposure (BS and off BS) | 10.0 | 65.5 | 44.0 | 22.3 |
| 3. SUPPORT | | | | |
| 1. Share of AAA / AA shareholders in callable capital | 5.08 | n.a. | 6.27 | 8.76 |
| 2. Share of A / BBB shareholders in callable capital | 15.60 | n.a. | 13.89 | 8.01 |
| 3. Share of Speculative Grade shareholders in callable capital | 82.99 | n.a. | 79.84 | 83.01 |
| 4. Rating of callable capital ensuring full coverage of net debt | NC | NC | NC | NC |
| 5. Weighted Average Rating of Key Shareholders | BB | BB | BB- | B+ |
| 4. BREAKDOWN OF BANKING PORTFOLIO | | | | |
| 1. Loans to Sovereigns / Total Banking Exposure | 54.08 | 53.97 | 28.93 | 13.00 |
| 2. Loans to Non Sovereigns / Total Banking Exposure | 39.27 | 39.29 | 63.38 | 81.57 |
| 3. Equity participation / Total Banking Exposure | 0.00 | 0.00 | 0.00 | 0.00 |
| 4. Non Sovereign Exposure (incl. guarantees)/Total Banking Exposure | 41.84 | 41.50 | 64.52 | 82.25 |
| 5. CONCENTRATION MEASURES | | | | |
| 1. Largest exposure | 3,700.0 | 3,700.0 | 1,200.0 | 228.0 |
| 2. Five largest exposures | 5,624.0 | 5,645.0 | 2,274.0 | 986.3 |
| 3. Largest exposure / Equity (%) | 211.59 | 227.51 | 94.73 | 24.81 |
| 4. Five largest exposures / Equity (%) | 321.61 | 347.11 | 179.52 | 107.32 |
| 6. Five largest exposures / Total Banking Exposure (%) | 49.18 | 51.03 | 34.03 | 21.25 |
| 6. CREDIT RISK | | | | |
| 1. Average Rating of Loans & Guarantees | B | B | B | B |
| 2. Loans to Investment Grade Borrowers / Gross Loans | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Share of Treasury Assets rated AAA-AA | 4.03 | 3.86 | 10.93 | 31.13 |

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