Full Year 2020 Result Presentation

Pan-African institution at the epicentre of the continent’s infrastructure growth

April 2021
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Provider of expertise and innovation in African infrastructure financing

Vision
To become Africa’s leading infrastructure solutions provider

Mission
To foster economic growth and industrial development of African countries, while delivering a competitive return on investment to our shareholders

1. Introduction to AFC
- Founded in 2007 as a multilateral financial institution created by sovereign African states
- Provides pragmatic solutions to Africa’s infrastructure requirements by financing and developing infrastructure, natural resources and industrial assets
- Unrivalled access to Africa
- Record of identifying, executing and delivering transformational infrastructure projects
- Track record in co-investing / co-developing with real benefits for sponsors and co-investors
- Diverse workforce consisting of 114 employees operating on a pan-African basis

2. Strategic positioning
- One of the most successful Public Private Partnership initiatives in Africa
- Preferred creditor status, immunities and privileges in member countries
- Private sector participation, combined with multilateral structure, enhances AFC’s capacity as a financier and adviser to clients

3. Solid capital structure
- Well capitalised multilateral financial institution with US$2.1bn of capital as at FY’20
- Has one of the lowest leverage ratios with growth financed by conservative financial policies
- Has been profitable since inception

4. Comprehensive product offering
- AFC invests across the value chain of 5 key priority sectors, and products are complemented with advisory capabilities in project development and management, capital raisings and restructurings
- Key priority sectors include power, transport, heavy industries, natural resources and telecommunications
- Diversified asset portfolio, by geography, sector and product

5. Robust credit profile
- A3 long-term issuer rating and P-2 short-term issuer rating from Moody’s, on the back of strong liquidity and capital position

Source: Company information
Key facts and figures

Market and volumes

- **US$7.3bn**
  Total Assets

- **~US$8.7bn**
  Cumulative disbursement since inception

- **~US$1.5bn**
  Disbursement in 2020

Growth and profitability

- **31% CAGR**
  Gross loans to customers (FY'18-20), amounting to **US$2.3bn**

- **10% CAGR**
  Operating income (FY'18-20), amounting to **US$219mn**

- **9.2%**
  Return on average equity

- **US$166mn**
  Net income

Balance sheet and capital

- **0.7%**
  NPL ratio (vs. 0.9% in 2019)

- **34.1%**
  Capital adequacy ratio (vs. 32.9% in 2019)

- **Consistently rated A3 by Moody’s since 2014**

Business proposition

- **Developmental mandate with profit-driven philosophy**

- **Preferred creditor status**
  mitigates country risk & preferential access

- **Immunity of property & assets**
  Immune from local banking regulation, taxation or certain other laws

Source: Company information, FY’20 financials

1 2020 figures
### Impact of the COVID-19 Pandemic

**Asset Quality**

Parts of the Corporation’s portfolio came under significant pressure, as the unprecedented collapse in international oil prices, and lockdowns and travel restrictions particularly affected investee companies in the **Natural Resources (oil & gas)** and **Transport & Logistics** sectors. Moreover, several other projects experienced delays in their previous timelines.

**The following factors helped mitigate the impact and prevent an overall deterioration in portfolio quality:**

- Rolling hedges absorbed, to some extent, losses due to lower oil prices; geographical distribution of assets spread out the adverse impact of OPEC quotas; relatively quick oil price recovery meaning borrower exposure to stressed prices was short (Brent prices < $30 for only 2 weeks, and < $40 for less than 3 months).

- In 2020, the Corporation’s non-payment insurance on single names and the portfolio, secured in previous years, played a key role in preserving asset quality, albeit at the cost of lower TCI margins.

- We increased the stringency of our loan disbursement and stepped-up portfolio monitoring and engagement in order to minimize disruptions to borrower operations. In the mining sector specifically, we worked with clients to implement “COVID bubbles” which ensured minimal disruptions to operations and construction of key projects.

**Due to these deliberate actions, the number of NPLs was unchanged from 2019 with the Corporation’s NPL ratio declining from 0.9% in 2019 to 0.7%**.

**Liquidity**

- At the start of COVID, it was clear that despite of its strong starting liquidity position, the Corporation needed to further increase its liquidity buffers in order to better manage any prolonged fallout of the pandemic.

- Despite an uncertain funding market owing to the elevated financial market volatility, AFC successfully accessed the market twice: through a successful US$700mn Eurobond issuance in June 2020 at 3.125%, AFC’s lowest ever coupon rate, and the issuance of our debut CHF150mn Green bond at 1.205%.

- Thus, liquidity coverage ratios increased further to 25 months of coverage i.e. up to **178% from 138%** in 2019. Significantly higher than the Corporation’s 18month policy.

**Capital Raise Program**

- The pandemic adversely affected the Corporation’s capital raise program in 2020, meaning that Corporation was only able to attract US$60mn in fresh equity against the US$500mn envisaged under the capital raise program at the beginning of 2020, as investors adopted a “wait and see” approach.

**Steps taken to mitigate impact and prevent a deterioration in CAR**

- We expanded our capital structure to include callable capital and equity warrant instruments, thereby improving the investor universe and outreach
- Issued US$200mn in Equity Warrants which bolstered our capital position
- Raised US$250mn in Tier II capital from DFC
- All in all, the Corporation’s CAR rose to 34.1% from 32.9% in 2019

Source: Company Information
Business Highlights

**Resilient balance sheet withstood market volatility**
- AFC’s 2020 performance demonstrates strong fundamentals and resilience against market uncertainties exacerbated by the Covid-19 pandemic; balance sheet grew 20% as the Corporation invested in critical infrastructure to accelerate Africa’s post-pandemic recovery
- Strong liquidity and capital buffers ensured maturing obligations, whilst exploring investment opportunities particularly in the technology and mining sectors
- Successfully tapped the market despite market extremes and grew borrowings 17% YTD to US$5.1bn, including one benchmark size Eurobond, an inaugural Green Bond and a tier 2 capital loan
- US$260mn new equity injection as at 2020: BADEA (US$10mn), CDC Gabon (US$50mn) and Central Bank of Nigeria (US$200mn)*

**Improved asset quality owing to rigorous credit and risk management practices**
- Strong risk management practices, a proactive risk-centric approach, delivered improved asset quality ratio of 0.7% (FY’2019: 0.9%)
- The Corporation stepped up its portfolio monitoring capabilities deploying technology to pre-empt potentially challenging assets, engaging obligors proactively to assess the impact of Covid-19 on their businesses, and deploying portfolio insurance as a risk mitigation tool in managing the credit

**Expanded investment footprint through infrastructure ecosystems**
- Expanded investment footprint to 35 countries, growing balance sheet to US$7.3 billion from US$6.1 billion in 2019, marking a 20% y-o-y growth
- Continued focus on processing and beneficiation, further deepening our sustainable investing efforts through gas processing (NLNG) and gas to power (Senegal Gas IPP)
- Supported ARISE Integrated Industrial Platform with a US$150 million convertible debt investment to expand the successful wood-based special economic zone in Gabon, to cashew and cotton based industrial zones in Benin and Togo
- Creation of project development facilities for the critical minerals needed to feed the increased global demand for renewable energy

**Building partnerships for Africa’s post covid-19 recovery**
- COVID-19 pandemic has underscored the importance of strategic partnerships and coalitions across Africa’s public and private sectors in shaping a resilient and sustainable recovery
- The pandemic has further widened the continent’s already-substantial infrastructure financing needs of an estimated US$130 to US$170 billion per year
- AFC’s expertise and proven track record in investing in Africa’s infrastructure, continue to offer a unique value proposition for external partners seeking impact and returns whilst intervening in areas critical to Africa’s sustainable recovery

* Via Equity Warrants
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Resilient performance amidst macro headwinds

Key Takeaways from FY’20 Results

Asset Quality
- NPL Ratio: 0.7%
  - Dec’19: 0.9%, 20bps y/y
  - Improved asset quality underpinned by robust risk management practices

Capital Base
- US$2.1bn
  - Dec’19: $1.7bn, ↑22% y/y
  - Balance sheet remained adequately capitalised with significant headroom to explore opportunities through transformational projects across Africa

Net Profit
- US$165.5mn
  - FY’19: $183.3mn, ↓10% y/y
  - Minimal decline in Profitability supported by strong net interest income, on the back of 20% y/y asset growth

Liquidity Coverage
- 178%
  - Dec’19: 137%, ↑30% y/y
  - Sufficient liquidity buffers to continually withstand market volatility whilst promptly meeting debt obligations

Source: Company information, FY’20 financials
Delivering consistent growth and profitability

Track record of strong financial performance

Gross Income / Operating Income (US$'mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY'18</th>
<th>FY'19</th>
<th>FY'20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Interest Income</td>
<td>307</td>
<td>466</td>
<td>452</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>182</td>
<td>151</td>
<td>163</td>
</tr>
</tbody>
</table>

Cost to Income ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.0</td>
<td>17.2</td>
<td>22.8</td>
<td></td>
</tr>
</tbody>
</table>

Net Interest Margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2</td>
<td>3.6</td>
<td>2.9</td>
<td></td>
</tr>
</tbody>
</table>

Profitability (US$'mn / %)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY'18</th>
<th>FY'19</th>
<th>FY'20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>182</td>
<td>234</td>
<td>235</td>
</tr>
<tr>
<td>RoE</td>
<td>8.4%</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>RoA</td>
<td>3.0%</td>
<td>3.5%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Source: FY'20 financials
Robust and well-capitalized balance sheet

**Total assets (US$'mn)**

- Dec '18: 4,487
- Dec '19: 6,119 (+20%)
- Dec '20: 7,363

**Capital adequacy ratio – Basel II ratio (%)**

- Dec '18: 39%
- Dec '19: 33% (+1p.p.)
- Dec '20: 34%

**Total equity (US$'mn)**

- Dec '18: 1,096
- Dec '19: 1,126 (+22%)
- Dec '20: 1,157

**Liquidity coverage ratio (%)**

- Dec '18: 143%
- Dec '19: 137% (+41p.p.)
- Dec '20: 178%

Source: Company information, FY'20 financials

Note: 2020 total equity also includes share warrants of US$200mn and non controlling interests of US$0.725mn
Strong asset profile

Growth in core infrastructure assets reflected in growth in loans and advances to customers

Asset breakdown as at 31 December 2020 (US$’mn)

- Other Assets
- Investment securities
- Financial assets at fair value through P&L
- Loans & advances to customers
- Loans & advance to banks
- Cash & balances with Central / Commercial Bank

<table>
<thead>
<tr>
<th>Year</th>
<th>Other Assets</th>
<th>Investment Securities</th>
<th>Financial Assets at Fair Value through P&amp;L</th>
<th>Loans &amp; Advances to Customers</th>
<th>Loans &amp; Advance to Banks</th>
<th>Cash &amp; Balances with Central/Commercial Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec’18</td>
<td>4,487</td>
<td>196</td>
<td>725</td>
<td>603</td>
<td>1,340</td>
<td>1,598</td>
</tr>
<tr>
<td>Dec’19</td>
<td>6,119</td>
<td>254</td>
<td>1,003</td>
<td>2,010</td>
<td>2,311</td>
<td>2,083</td>
</tr>
<tr>
<td>Dec’20</td>
<td>7,363</td>
<td>597</td>
<td>782</td>
<td>2,345</td>
<td>2,345</td>
<td>2,010</td>
</tr>
</tbody>
</table>

Investment securities 31 December 2020 (%)

- Equity securities 10%
- Corporate debt 40%
- Sovereign debt 50%

Total: US$782mn

Financial assets at fair value through P&L as at 31 December 2020 (%)

- Debt securities 2%
- Hybrid instruments 32%
- Equity securities 66%

Total: US$1 275mn

Growth in loans and advances to customers supported by strong liquid investment portfolio

Source: Company information, FY’20 financials
Note: Other Assets consist of Derivative Financial Instruments, Pledged and Other Assets, Property & Equipment, Intangible Assets and Assets held for sale
Note: Hybrid instruments consist of convertible debt. Debt securities managed by a third-party investment company on a discretionary basis
Note: Total assets figure also includes derivatives, pledged and intangible assets, PPE and other assets
Well-diversified portfolio by geography and sector

**Infrastructure Asset Composition (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity book</th>
<th>Loans to customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>28.5%</td>
<td>71.5%</td>
</tr>
<tr>
<td>2020</td>
<td>25.8%</td>
<td>74.2%</td>
</tr>
</tbody>
</table>

**Top 10 Loans to Customers (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>62.0%</td>
<td>59.0%</td>
<td>58.0%</td>
</tr>
</tbody>
</table>

**Loans by Sector (%)**

- **Dec’20**
  - Transport: 23%
  - O&G Upstream: 17%
  - Heavy Industry: 22%
  - Financial Services: 10%
  - Power: 11%

- **Dec’19**
  - Transport: 9%
  - O&G Upstream: 24%
  - Heavy Industry: 39%

**Loans by Country (%)**

- **Dec’20**
  - Nigeria: 32%
  - Senegal: 6%
  - Gabon: 11%

- **Dec’19**
  - Nigeria: 43%

Source: Company information, FY'20 financials

Note: 2020 other loans by sector includes Telecommunications and O&G downstream; 2020 other loans by country includes Guinea Conakry, Chad, Tanzania, Cameroun, Tunisia and Angola
Asset quality

NPL Analysis

- NPL($Mn)
- NPL (%)¹
- NPL Coverage Ratio(%)²

Stage 2 Analysis

- Total Loans($Bn)
- Stage 2 Loans($Mn)
- Stage 2 as a % of Total Loans

Comments

- AFC has a fully-fledged Portfolio Management function that ensures the proactive monitoring of the portfolio and engagements with obligors to pre-empt and manage the risks.

- Portfolio Management has developed a comprehensive early warning system tailored to AFC’s focus sectors and has weekly monitoring meetings with the Risk and Compliance Division to discuss interventions for borrowers that risk indicators have identified are likely to experience stress in the short to medium term.

Note: ¹NPL percentage calculated as NPL divided by total loans
Note: ²NPL coverage calculated as loss allowance divided by stage 3 loans
Source: Company information, FY20 financials
AFC's financing strategy is to maintain a flexible balance sheet with debt to equity of approximately 3:1, sourced from a diverse pool of lenders.

Capital structure as at 31 December (US$'mn)

- Debt
- Shareholder equity

Debt maturity profile as at 31 December (US$'mn)

Type of borrowings as at 31 December (US$'mn)

- Corporate bonds
- Other borrowings

2020 Key borrowing activities

**Bonds**
- 5Y 3.125% USD 700mn Reg. S Notes
- 5Y 1.205% CHF 150mn Green Bond
- USD 105 million equivalent Private Placement Notes with maturities up to 27Yrs

**Loans**
- 15Y USD 250 millón Tier-2 Capital Loan
- 10Y USD 50 million Term loan Facility
AFC operates a very conservative liquidity management policy that requires us to hold HQLA to support our non-cancellable obligations over an 18-month period under a business-as-usual assumption, and over a 12-month period under a stress scenario. This very conservative liquidity policy is a major liquidity risk mitigant for the Corporation. AFC therefore remains very liquid and well positioned to repay all maturing obligations as they mature.
AFC pursues a highly conservative financial policy – adopted by its Board of Directors – in order to ensure business sustainability, underpin its credit rating and reduce its cost of financing

- Capital adequacy ("CAR") remains at a strong level
- AFC maintains strong liquidity buffers, invested conservatively

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital adequacy¹:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital adequacy ratio</td>
<td>39.2%</td>
<td>32.9%</td>
<td>34.1%</td>
</tr>
<tr>
<td>Liquidity coverage ratio</td>
<td>143.0%</td>
<td>137.0%</td>
<td>178.0%</td>
</tr>
<tr>
<td><strong>Asset quality:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-performing loan to total loan</td>
<td>1.7%</td>
<td>0.9%</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Profitability:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on average assets</td>
<td>3.0%</td>
<td>3.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Return on average equity</td>
<td>8.4%</td>
<td>11.2%</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>Management efficiencies:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost to income</td>
<td>26.0%</td>
<td>17.2%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Net interest margin ratio</td>
<td>4.2%</td>
<td>3.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Earnings per share (US cents)</td>
<td>11.7</td>
<td>16.6</td>
<td>14.4</td>
</tr>
</tbody>
</table>

Source: Company information, FY'20 financials

Note: ¹ Basel II
## Key takeaways

| 1. | • Despite the prevailing uncertainties in the operating environment due to the COVID-19 pandemic, AFC delivered a resilient financial performance supported by very strong balance sheet  
• Sound liquidity and capital levels provide buffers to withstand market uncertainties, explore unique opportunities and meet maturing debt obligations  
• The Corporation continues to invest in technology as a means of streamlining its processes and ensuring cost efficiency |
| 2. | • Strong risk management practices and a proactive risk-centric approach in managing its risk assets evidenced by NPL ratio of 0.7%  
• Increased portfolio insurance deployed as a risk mitigation tool in managing risk assets  
• Fully-fledged Portfolio Management function to proactively monitor portfolio and deploy a comprehensive early warning system tailored to AFC’s focus sectors |
| 3. | • Covid-19 has exposed critical gaps in Africa’s digital and social infrastructure, further widening the continent’s infrastructure financing needs up to US$170 billion per year  
• AFC is the partner of choice in developing value accretive beneficiation projects to support import substitution on the continent and create jobs  
• The Corporation is continually adapting its operations to global energy transition to support the enhancement of Africa’s infrastructure climate resilience |

Source: Company information
Q & A

AFRICA FINANCE CORPORATION

A: 3A Osborne Road,
   Ikoyi, Lagos
   Nigeria
T: +234 279 9600
E: investorrelations@africafc.org
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### Audited balance sheet and income statement

#### Balance Sheet

<table>
<thead>
<tr>
<th>US$'mn</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>YoY △</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to banks</td>
<td>1,598</td>
<td>2,083</td>
<td>2,345</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>1,340</td>
<td>2,010</td>
<td>2,311</td>
<td>15%</td>
<td>31%</td>
</tr>
<tr>
<td>Financial assets at fair value through P&amp;L</td>
<td>603</td>
<td>1,003</td>
<td>1,275</td>
<td>27%</td>
<td>45%</td>
</tr>
<tr>
<td>Investment securities</td>
<td>725</td>
<td>719</td>
<td>782</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Other assets</td>
<td>29</td>
<td>51</td>
<td>39</td>
<td>(24%)</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4,487</td>
<td>6,119</td>
<td>7,363</td>
<td>20%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td>2,902</td>
<td>4,347</td>
<td>5,092</td>
<td>17%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>1,553</td>
<td>1,708</td>
<td>2,076</td>
<td>22%</td>
<td>16%</td>
</tr>
</tbody>
</table>

#### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>YoY △</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>260</td>
<td>310</td>
<td>340</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(109)</td>
<td>(148)</td>
<td>(172)</td>
<td>16%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>151</td>
<td>163</td>
<td>167</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Dividend income</td>
<td>16</td>
<td>2</td>
<td>2</td>
<td>0%</td>
<td>(65%)</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>15</td>
<td>69</td>
<td>66</td>
<td>(4%)</td>
<td>110%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>182</td>
<td>231</td>
<td>219</td>
<td>(5%)</td>
<td>10%</td>
</tr>
<tr>
<td>Net gains on financial instruments at fair value through P&amp;L</td>
<td>(1)</td>
<td>72</td>
<td>35</td>
<td>(51%)</td>
<td>492%</td>
</tr>
<tr>
<td>Impairment charge on financial assets</td>
<td>(21)</td>
<td>(77)</td>
<td>(39)</td>
<td>(50%)</td>
<td>36%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(47)</td>
<td>(54)</td>
<td>(60)</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>129</td>
<td>183</td>
<td>166</td>
<td>(9%)</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>118</td>
<td>165</td>
<td>157</td>
<td>(5%)</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Company information, FY20 financials
Priority on sectors with a high developmental impact (1/3)

ARISE (IIP, P&L): Gabon, Cote D’Ivoire, Benin, Togo

- In 2016, AFC invested US$140MM investment for a 21% stake in Gabon Special Economic Zone (GSEZ), now rebranded as ARISE alongside Olam International (40.5%) and Caisse des Dépôts et Consignations du Gabon (CDC Gabon), the Republic of Gabon’s (RoG) investment vehicle (38.5%).
- In 2020, ARISE re-organized into 3 separate verticals - each a unique joint-venture partnership, with strategic partners and host government shareholders: ARISE Port & Logistics (‘ARISE P&L’), ARISE Integrated Industrial Platforms (‘ARISE IIP’) and ARISE infrastructure Services.
- Since AFCs investment, several global investors have invested in the platform through debt/equity including AfreximBank, African Development Bank, GuarantCo, Investec, Bollore, Meridiam, Stoa and most recently AP Moller Capital.

Synopsis

Opportunity

Impact

- The ARISE Ports and Logistics business continues to expand the ecosystem in existing mineral and general cargo ports in Gabon, as well as developing new port infrastructure to support ecosystems in Cote D’Ivoire.
- The ARISE Integrated Industrial Platforms business is operating the successful US$1bn forestry-based Nkok special economic zone in Gabon, with over 100 international investors in the zone, having invested over US$1.7bn as well as developing the special economic zones in Benin, Togo and Cote D’ivoire.
- In 2020, AFC invested 150MM convertible debt to ARISE IIP for expansion into these new countries (Benin and Togo), following execution of binding concession agreements with the respective governments, with continued developments in Cote d’Ivoire, Chad and Gabon.
- The GSEZ general cargo port has improved efficiencies for the export and import of containerized & bulk goods, catering for wood, grains, liquid & petroleum products.
- The GSEZ mineral port has exported over 5MT of product from primarily manganese exporters including AFCs investee company, Nouvelle Gabon Mining.
- Nkok SEZ is 1st in exporting veneer wood and 2nd in sawn wood in Africa, contributing US$900MM to the GDP of the country. Benin SEZ is expected to generate US$2bn in additional GDP, US$3bn in exports and impact 600k farmers. Togo SEZ is expected to generate US$0.75bn in additional GDP, US$1bn in additional exports and impact over 200 farmers.
- ARISE has enabled effective diversification of the Gabonese economy from dependence on crude oil exports, job creation (over 30k), FX earnings and increase in GDP (US$900MM) and is expected to do same for Benin, Togo & Cote d’Ivoire.

Source: Company information
AFC partnered with Thor Explorations Limited, a Toronto Stock Exchange (TSX) listed mineral exploration company, to develop the Segilola Gold Project (Segilola) in Osun State, Nigeria.

AFC has committed US$86 million in a combination of senior debt, equity and stream instruments million towards the construction and production of the Segilola project.

The asset sits on a 400km schist belt which has multiple prospective areas some of which are currently being exploited by small scale artisanal miners.

Segilola is a fully permitted 4g/t open pit mine project, with a capacity of 625,000 tonnes per annum.

Thor's Segilola assets is owned through its wholly owned subsidiary, Segilola Resources Operating Limited (SROL).

Segilola is the largest and furthest advanced institutional quality gold mining project in Nigeria, in addition to being one of the highest-grade reserves in West Africa.

The gold facility would open the Nigerian Mining Sector (a top priority for Nigerian Federal Government) to Foreign Direct Investment. It would re-ignite the relevance of the Nigerian mining sector and as such encourage diversification of the economy away from its reliance on oil & gas.

Thor gold mine, Nigeria

• AFC has been working closely with the Djibouti Ports and Free Trade Zone Authority (DPFZA) under an advisory mandate, to map out partnership opportunities between AFC and Djibouti
• This led to the signing of an MoU in August 2017 for AFC to lead the development of the 60MW wind independent power plant and interconnection facilities comprising of 220kv substation and 5km overhead transmission line located between Lake Assal and Djibouti city
• The Project is Djibouti’s first privately financed independent power plant and the first renewable energy project in the country, boosting the country’s renewable energy credentials.

Djibouti wind farm

• AFC, as the lead developer, FMO, the Dutch Development Bank, Climate Investor One, and Great Horn Investment Holdings (a wholly owned subsidiary of the DPFZA, the local partner), co-developed the Project over a 24-month period and achieved Financial Close in December 2019
• Siemens is the engineering procurement and construction (EPC) and operations and maintenance (O&M) Contractor
• 25-year PPA with Electricite De Djibouti (EDD), the national electricity utility

• The Project provides a significant energy source to support increasing energy demand in the country.
• Djibouti is currently dependent on fuel oil/ diesel thermal power which comes at a high cost of up to US$0.22/kWh and electricity imports from neighboring Ethiopia at US$0.07/kWh, which can often be unreliable especially during the dry season.
• The Project provides domestic energy security, clean energy and limits country’s additional carbon emissions.

Source: Company information
Priority on sectors with a high developmental impact (3/3)

Dangote refinery and fertilizer complex, Nigeria

- Dangote Industries Limited (DIL) is the holding company of Dangote Group with equity interests in the various Dangote Group subsidiaries including Dangote Cement, Dangote Sugar and Dangote Salt etc.

- The crude oil refinery is expected to curb Nigeria’s increasing crude oil imports to meet 80% of the country’s demand by addressing the enormous demand for refined petroleum products.
- The project is expected to contribute to federal government budget savings that would otherwise have been used for fuel subsidies.
- The plants upon completion will attract over 100,000 direct and indirect jobs and reduce imports of refined petroleum products in Nigeria by 50% and the importation of fertilizers completely.

MTN

- MTN Nigeria (MTN Nigeria) is a market leader in the Nigerian telecommunications market and the largest subsidiary of MTN Group South Africa; a large and well-capitalised multinational company listed on the Johannesburg Stock Exchange (JSE) with revenues in excess of US$10 billion in FYE 2019.
- MTNN’s position in the Nigerian market is strong as the company has the largest number of subscribers with 39% market share and controls 47% of the entire mobile market revenue. MTNN is the largest company listed on the NSE with a market capitalisation of N2.9 trillion.

- Due to the COVID lockdown, MTNN has experienced increased demand for data services, which is accelerating its already planned network expansion to accommodate more data traffic.
- The demand driven by increased usage of smart phones and broadband services due to containment policies that have seen customers working remotely at unprecedented levels.
- These are largely through video conferencing and streaming services, which are improving the demand for MTNN’s services and therefore its revenue performance.

- MTNN’s role in the growth of Nigeria’s telecoms industry is transforming the way people live, work and interact owing to broadband connectivity; creating new companies and jobs to integrate various new services and applications which build upon the network.
- With the largest 3G and 4G network coverage, MTNN is also able to empower most marginalized communities.

Source: Company information