The African continent faces many challenges and opportunities, but it also has a unique set of factors in its favour that, if grasped, have the potential to deliver spectacular commercial and economic growth. These include the newly created single market's acceleration of intra-African trade; young demographics and forecast population growth and the resultant spur to both workforce and consumer demand; immense and attractive industrialisation, diversification, beneficiation and infrastructure investment opportunities; receptive energy supply opportunities to Europe; agricultural, technology, renewable energy and electric vehicle battery mineral opportunities, and so much more.

African countries face many challenges including: cyclical macroeconomic threats from high inflation, rising interest rates and elevated sovereign debt levels; a high vulnerability to the impacts of climate change; and a low level of development, reflected in high poverty rates, food and health insecurity; a shortage of the millions of jobs needed for Africa’s growing population; and the large infrastructure deficit.

Against this backdrop, Africa Finance Corporation - and our Africa purpose - stands as a resilient and reliable partner to a prosperous African future, turning infrastructure into an instrument for change.

by Samaila Zubairu, President & CEO, Africa Finance Corporation
Africa Finance Corporation tops US$10 billion target one year early

Africa Finance Corporation recorded an outstanding performance in its latest financial year, with total assets growing 23% to US$10.5 billion and the Corporation realising its five-year growth target a year early.

Financial Highlights

- **Increased profit by 36%**
  - US$285.9m
  - (2021: US$209.7m)
  - Passing the US$0.25 billion mark for the first time in its history.

- **Operating income up 54%**
  - US$400.4m
  - (2021: US$259.5m)

- **Net interest income up 49%**
  - US$327.9m
  - (2021: US$220.7m)

- **Cost-to-income ratio 22.7%**
  - (2021: 22.9%)

- **Liquidity coverage ratio 202%**
  - (2021: 199%)

- **Return on average equity 12.1%**
  - (2021: 9.7%)

- **Increased total assets by 23%**
  - US$10.53bn
  - (2021: US$8.56bn)
  - Passing the US$10 billion mark for the first time in its history.

- **Earnings per share up 35%**
  - US$0.2437m
  - (2021: US$0.1809m)

- **Capital adequacy ratio 34.3%**
  - (2021: 33.2%)

- **Total equity up 21%**
  - US$2.69bn
  - (2021: US$2.24bn)

- **Total comprehensive income up 52%**
  - US$285.3m
  - (2021: US$188.2m)

- **Increased profit by 36%**
  - US$285.9m
  - (2021: US$209.7m)

- **Passing the US$0.25 billion mark for the first time in its history.**

- **Passing the US$10 billion mark for the first time in its history.**

Read our recently released 2022 Annual Report here
Funding Highlights

Debut

US$625m Syndicated Loan

US$419m equivalent three-year Samurai dual currency loan facility (US$412 million and JPY1 billion)

US$160m three-year Kimchi Term Loan

US$100m five-year bilateral loan from Korea Development Bank

Investment Highlights

Acquisition of 100% of Lekela Power, the largest renewables IPP in Africa with a combined installed capacity of over 1 GW and 1.8 GW pipeline of greenfield projects.

Expansion

of the Cote D’Ivoire Integrated Industrial Platform (IIP), focused on agro-processing, notably cocoa, cotton and cashew.

Construction of the 500-MW Cap des Biches project, a dual fuel (natural gas and naphtha), combined cycle power project which will reduce CO₂ emissions by close to 1,000 tons pa.

Mandated lead arranger on a total financing package of €650m for the turnaround and capacity upgrade of Senegal’s only petroleum refinery (SAR), unlocking a 25% increase in production capacity.

Co-developer and early-stage investor in Nyanza Light Metals’ 80,000 tpa titanium dioxide pigment (TiO2) plant in South Africa. AFC is facilitating follow-on investments of up to €500m acting as a co-Mandated Lead Arranger.
Project Focus: Mahathi

How to take 100,000 trucks off East Africa’s busiest transport route

The Northern Corridor connecting landlocked Uganda, Rwanda, Burundi, South Sudan and Eastern DR Congo to the maritime port of Mombasa in Kenya is by far the busiest road network in the region. One major contributor to the traffic is transportation of petroleum products from Mombasa Port to Uganda.

In line with Africa Finance Corporation’s mission to sustainably address Africa’s infrastructure challenges, the Corporation is financing a transformational low-emissions alternative for transporting petroleum products.

Africa Finance Corporation is investing US$95.25m for Mahathi Infra Uganda Limited to add two purpose-built self-propelled barges to traverse Lake Victoria as part of an overall project with 14 petroleum storage tanks, 20 truck loading bays, a jetty, and a 50-truck capacity parking lot. A single trip by a barge on Lake Victoria is equivalent to over 200 trucks transporting fuel by road for 350km from Kisumu in Kenya to Kampala, Uganda. Based on Uganda’s annual consumption of 2.1 million cubic metres (CBM) of petroleum products, the barges could cut up to 100,000 truck journeys each year.

The project will significantly reduce haulage times from typically seven days currently and halve costs from US$60/CUM for trucking to US$30/CUM using barges.
Sustainability

By cutting pollution and congestion, the project has the potential to reduce greenhouse gas (GHG) emissions by over 95%, from 172,103 tonnes of CO₂ equivalent for tanker trucks to 7,692 tonnes of CO₂ by barges.

The double haul vessels prevent water pollution by containing any fuel leaks using a concrete wall around the tanks. The area within the fuel storage tanks will be paved and all drainage channelled through an Oil Water Separator (OWS).

Africa Finance Corporation’s investment will double the total number of barges from two to four and, once the facility is operating at full capacity, Mahathi’s staff will grow from 22 to 100, including 30% women.

Along with easing traffic, barge transport is an effective means of reducing product adulteration, and pilferage and accidents – all of which are prevalent across the northern road transport corridor.

The project will also reduce working capital requirements for small- and medium-size distributors in Uganda, who will be able to buy products at the Mahathi storage facility rather than taking delivery all the way from Kisumu.
Announcements

Below are a few key news announcements we have made this year:

1. Africa Finance Corporation secures US$625 million Syndicated Loan with New Lenders from Middle East and Asia
   Read article

2. Africa Finance Corporation and Japan Bank for International Cooperation collaborate to accelerate energy transition in Africa
   Read article

3. Africa Finance Corporation and Arise IIP break ground on new special economic zone in Sierra Leone
   Read article

4. Morocco partners with Africa Finance Corporation to advance critical financing for local institutions
   Read article

5. Africa Finance Corporation investee company Infinity Power finalizes acquisition of Lekela Power in Africa’s biggest renewable energy deal
   Read article

Ethiopia joined as our 40th member country, meaning AFC now enjoys member support from three-quarters of African countries—Ethiopia becomes Africa Finance Corporation’s 40th member state.
AFC Awards

**African Banker Awards**
- Deal of the Year - Equity for US$298m Infinity Energy equity investment and Lekela Power acquisition

**Bonds Loans & ESG Capital Market Awards**

**IJGlobal Awards:**
- DFI of the Year - Europe & Africa

**Bonds Loans & ESG Capital Market Awards**
- Best supranational syndicated loan - Africa Finance Corporation’s US$400mn syndicated loan
- Best kimchi syndicated loan in EMEA - Africa Finance Corporation’s US$160mn Kimchi loan facility
- Best yen syndicated loan in EMEA - Africa Finance Corporation’s US$382mn and JP¥1bn Samurai term loan
- Best financial institution syndicated loan in EMEA - Bank of Industry’s AFC-guaranteed US$1bn loan
Upcoming events in Q2 2023

Here are some key events that AFC will be participating in during Q2:

**Africa CEO Forum, June 5-6, Abidjan, Cote D’Ivoire**

The Africa CEO Forum is the largest international meeting of the African private sector. Two days of conferences, debates and high-level meetings dedicated to highlighting the driving role of the private sector in the development of the continent.

Register to attend [here](#).

**Bloomberg New Economy Gateway Africa, Jun 13 - 14, Morocco**

Bloomberg New Economy Gateway Africa will bring together leaders from the private and public sectors to discuss the world’s most pressing issues and evaluate potential solutions in the context of local and regional priorities. These will include the impact of a slowing global economy, rising food and energy prices, supply-chain shocks, tightening financial conditions and the growing risk of distress among sovereign borrowers. Our CEO & President, Samaila Zubairu, will speak on the opening panel “The Infrastructure Imperative”.

Register to attend [here](#).