



# Results Presentation

April 2024

*Instrumental Infrastructure.  
Instrumental Africa.*



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# Presenters



**Samaila Zubairu**  
Chief Executive Officer



**Ayotunde Anjorin**  
Chief Financial Officer



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# Africa Finance Corporation is an investment grade rated multilateral finance institution established to help address Africa's infrastructure needs and challenges

## Overview

01

Founded in 2007 as a multilateral financial institution created by sovereign African states and structured as a Public Private Partnership.

02

Investment footprint across thirty-six (36) African countries.

03

Growing member status with 43 African states and 3 multilateral members till date.

04

Enjoys **preferred creditor status**, immunities, tax exemptions and other privileges among member states.

05

A balance of development impact and adequate return for investors.

06

Record of identifying, executing and delivering transformational infrastructure projects whilst delivering returns to shareholders.

## Key Financial Indicators

### FY 2023

Ratings (Moody's)	A3/P-2
Total Assets	US\$ 12.3bn
Authorised Share Capital	US\$ 2bn
Paid-in Capital	US\$ 1.5bn
Debt/Equity	2.4
Capital Adequacy Ratio	34.5%

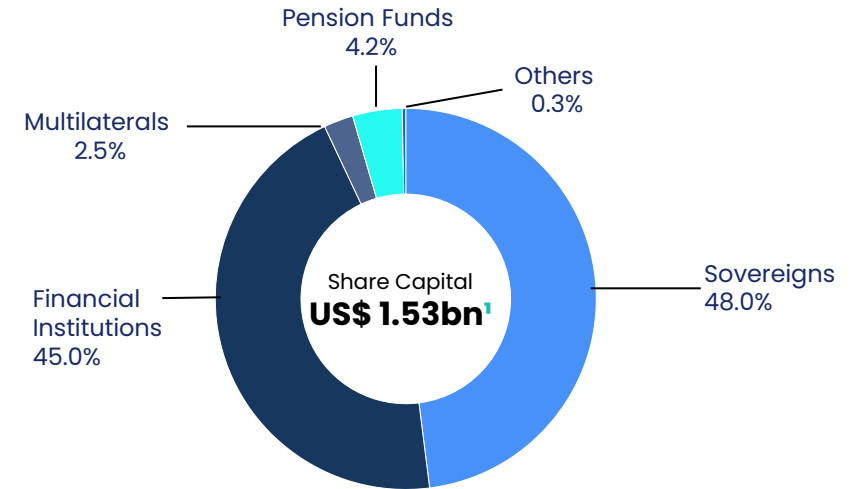
Source: Company information

Note 1: Paid in capital as at FY 2023

Note 2: Member states as 31<sup>st</sup> March, 2024

Note 3: Cumulative Disbursement as at FY 2023

## Ownership Structure



# 43

African member states<sup>2</sup>

# 3

Multilateral members

# 36

Investment countries

# >US\$13.2bn<sup>3</sup>

Cumulative disbursement







# Our geographical and strategic positioning is key to participating across African project lifecycles.

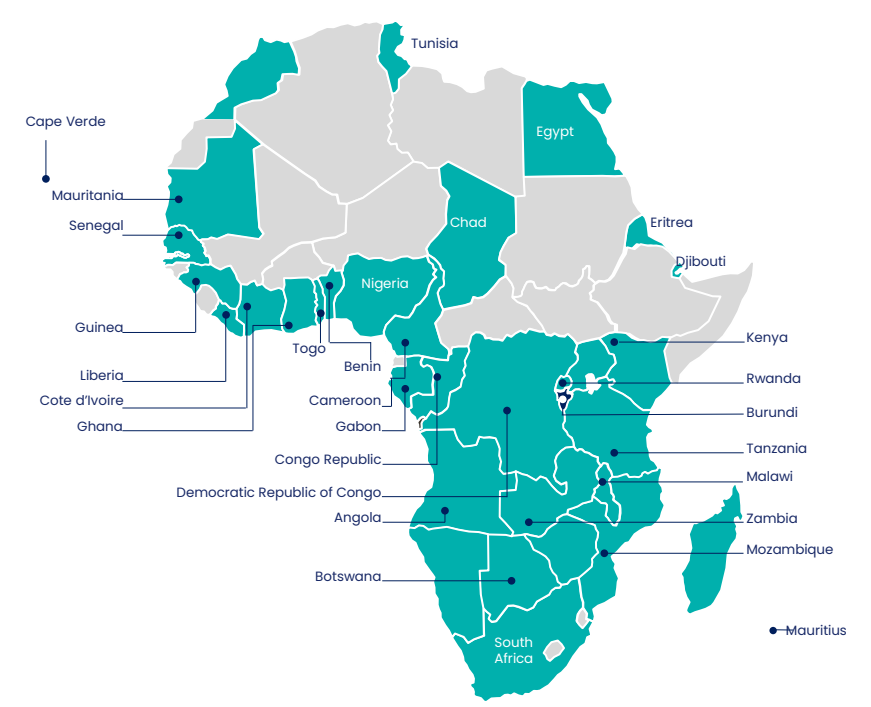
Our advisory capabilities, on ground presence and ability to invest across the capital structure, are key competitive advantages

AFC invests across the value chain of five key priority sectors.

Our products are complemented with advisory capabilities in project development and management, capital raisings and restructuring.

An expansive investment footprint in 36 countries

	Products	Key clients
 <b>Power</b>	Project Development Policy and Technical Restructuring Capital Raising	Government and Agencies State-owned Enterprises Local Corporates International Entrants Project Developers Concessionaires
 <b>Transport</b>	Parallel Loans Partnership Loans and underwriting	Developmental Financial Institutions Commercial Banks Institutional Investors Sovereign Wealth Funds Insurance Companies
 <b>Heavy Industries</b>	Project Finance Syndication Trade Finance Mezzanine/Structured Debt Refinancing Project Bond Issuance	International Developers Major Local Corporates Concessionaires International Entrants Development Consortia Local Entrepreneurs
 <b>Natural Resources</b>	Greenfield Equity Buy-Out Capital Expansion Finance Project Development	Private Equity Funds International Developers Infrastructure Funds Pension Funds Major Local Corporates Government and Agencies
 <b>Telecoms &amp; Technology</b>	Fixed Income Money Markets Treasury Client Solutions Funded and Unfunded Risk Participations Bi-lateral Trade Lines Pre-export and Commodity Trade Finance, Guarantees and Reimbursement Undertakings	Pension Funds Central Banks International Investors Investment Banks Development Finance Institutions
 <b>Treasury &amp; Trade Finance</b>		



An expansive investment footprint in **36** Investment Countries



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The Corporation navigated a challenging operating environment to deliver a robust 2023 performance:



These challenges however reinforced the criticality of the Corporation's mandate and Africa's important role as a potential solution to global issues

- ▲ Africa is Instrumental to the Global Energy Transition.  
**The world's biggest store of minerals and metals**  
Africa's share of global reserves: 30% bauxite; 60% of manganese; 75% of phosphates; 85% platinum; 80% chrome; 60% cobalt; 30% titanium.
- ▲ Africa is the Continent with the fastest-growing population.  
**The largest workforce additions globally by 2035.**  
By 2035, Africa's working-age population (15-64) will exceed the rest of the world's combined population.
- ▲ The lack of infrastructure means significant opportunities to build it.  
An estimated two-thirds of the required infrastructure for Africa's sustainable development is yet to be built.
- ▲ Significant economic growth potential.  
Technology & industrial development and closing the infrastructure gap will put Africa on a higher growth path.





# Business Highlights



## Strong financial performance despite market volatility

- The corporation continued to record healthy topline and bottom-line growth in 2023 despite the challenging global macroeconomic and financial conditions.
- Notable performance metrics include:
  - **15.3%** growth in Total Comprehensive income (from US\$285.9 million to **US\$329.7 million**)
  - **17.3%** growth in Total Assets from US\$10.5 billion to **US\$12.3billion**
  - Return on Equity of **11%**
  - Cost-to-Income Ratio of **19.6%**, 3.1 percentage point improvement from 22.7% in 2022
- Despite the market volatility through 2023, AFC was able to maintain access to global capital markets, reinforcing investor confidence in its robust credit risk profile and well-established market presence. This bolstered the diversification of its borrowing portfolio comprising:
  - **US\$100 million** loan from China Export and Import Bank (CEXIM) followed by an additional **US\$300 million** loan facility
  - **US\$625 million** syndicated loan involving new lenders from the Middle East and Asia
  - **US\$50 million** loan facility from OPEC Fund for International Development
  - **US\$400 million** Line of Credit (“LOC”) with African Development Bank (“AfDB”)
  - **EUR50 million** loan facility from Cassa Depositi E Prestiti (“CDP”)

## Broadened shareholder base and country membership

- The Corporation also secured an equity investment from Turk Eximbank, on behalf of the Republic of Türkiye, marking its first non-African sovereign shareholder.
- In 2023, it welcomed Burundi and São Tomé & Príncipe as its newest member countries, expanding its sovereign community to 42 African nations.
- The Corporation, in 2023, finalized a partnership with The Saudi Fund for Development (SFD) to collaborate on funding infrastructure projects in Africa.



# Investment Highlights



## Secured Lead Developer Role on Lobito II Corridor Project

AFC has partnered with key global and regional entities—the US, the (EU), the African Development Bank (AfDB), and the governments of Angola, the Democratic Republic of Congo, and Zambia to develop the Lobito II Corridor project.



## Egyptian Government Samurai Issuance

AFC worked with the Egyptian Government on the issuance of their Samurai Bond, demonstrating our commitment to innovative financial solutions that support our Member States' access to international capital markets, and contribute to their infrastructure development and economic resilience.



## Landmark GCF Commitment to AFC Capital Partners' Maiden Fund

Through its fund management subsidiary AFC Capital Partners, AFC secured a significant commitment of US\$240 million from the Green Climate Fund to its maiden fund, the Infrastructure Climate Resilient Fund (ICRF), marking a significant step toward developing sustainable, climate-resilient infrastructure in Africa.



## Expansion of the Arise IIP Platform

Through its investee, Arise IIP, AFC continued its industrial zone expansion launching Special Economic Zone in Sierra Leone, a significant step towards the country's economic diversification and growth.



## Commissioning of the 60MW Djibouti Wind Farm

AFC commissioned the transformative 60MW Djibouti Wind Farm project which will help Djibouti avert a significant share of its annual CO2 emissions.



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# Performance Highlights (FY 2023)

## Growth and profitability

Increased Profit by

**15%**

**US\$329.7m**

(FY 2022: US\$285.9m)

Operating income up

**24%**

**US\$497.4m**

(FY 2022: US\$400.4m)

Total comprehensive income up

**15%**

**US\$326.9m**

(FY 2022: US\$285.3m)

Cost-to-income ratio

**19.6%**

(FY 2022: 22.7%)

## Balance sheet and capital adequacy

Increased total assets by

**17%**

**US\$12.3bn**

(FY 2022: US\$10.5bn)

Net interest Margin

**4.5%**

(FY 2022: 4.1%)

Total equity up

**27%**

**US\$3.4bn**

(FY 2022: US\$2.7bn)

Capital adequacy ratio

**34.5%**

(FY 2022: 34.3%)

## Liquidity and Returns

Liquidity coverage ratio

**161%**

(FY 2022: 202%)

Return on average equity

**11.0%**

(FY 2022: 12.1%)

Return on average asset

**2.9%**

(FY 2022: 3.0%)

Earnings per share

**(3%)**

**US¢23.61**

(FY 2022: US¢24.37)

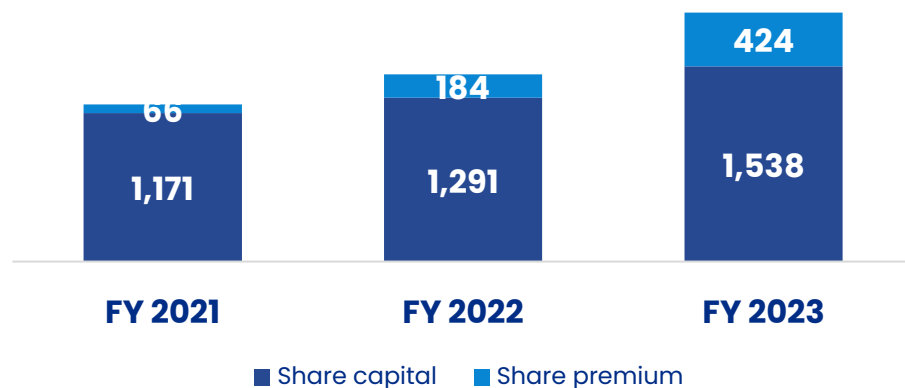


# A solid capital base supported a strong capital adequacy framework

## Stable capital structure

- AFC's authorised capital is US\$2 billion as at FY 2023.
- As part of our strategy to strengthen our capital base, callable capital was introduced into the capital structure.
- At December 31, 2023, the outstanding callable capital amounted to US\$39 million (2022: US\$23 million). The callable capital was credit enhanced using insurance cover from investment grade rated insurance companies.
- During the year, the sum of US\$339.7 million was invested by shareholders under the on-going rights issue program approved by the Board in 2022.

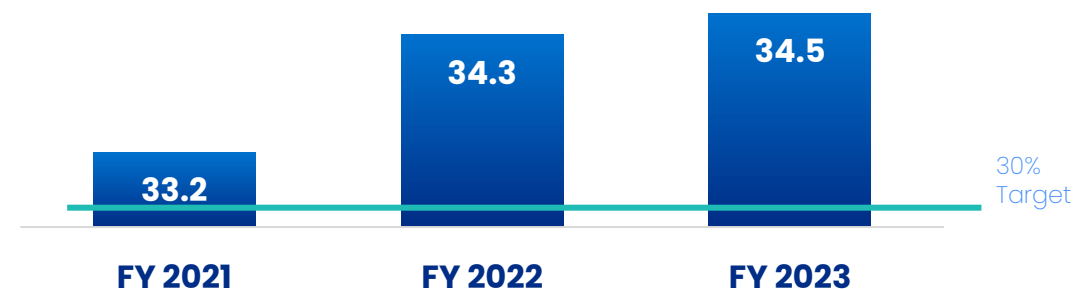
Total Capital (US\$ mn)



## Strong capital base

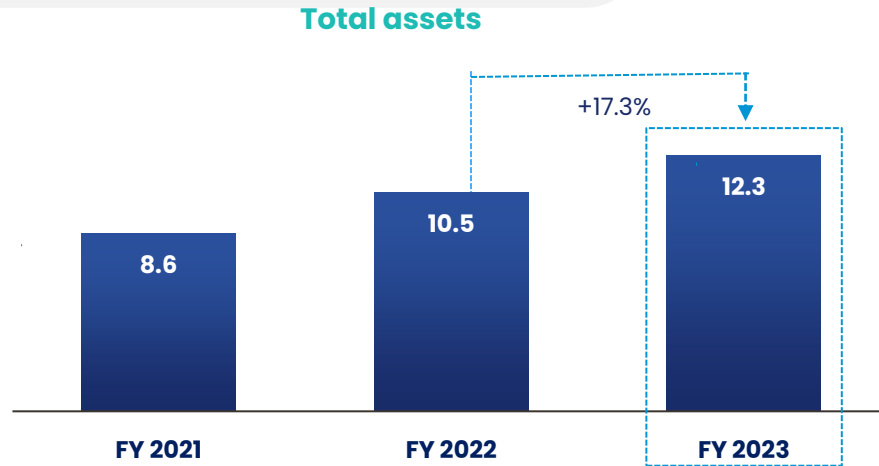
- Capital adequacy is monitored regularly by the Corporation's management, derived from guidelines by the Basel Committee
- The Corporation's capital adequacy framework requires the business to maintain a minimum of 30%.
- In 2023, the Corporation raised additional Tier 1 capital of US\$486.8 million during the year from new and existing shareholders..
- The Corporation is driven by its strategy to enhance its capital base by diversifying its pool of equity investors. The Corporation successfully onboarded its first non-regional shareholder (TurkExim) last year and plans to continue this are underway.

Capital adequacy ratio – Basel II ratio

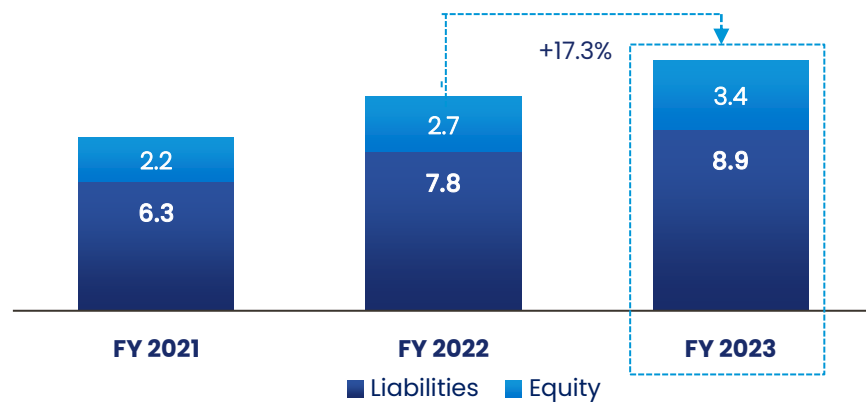


# Financial Highlights

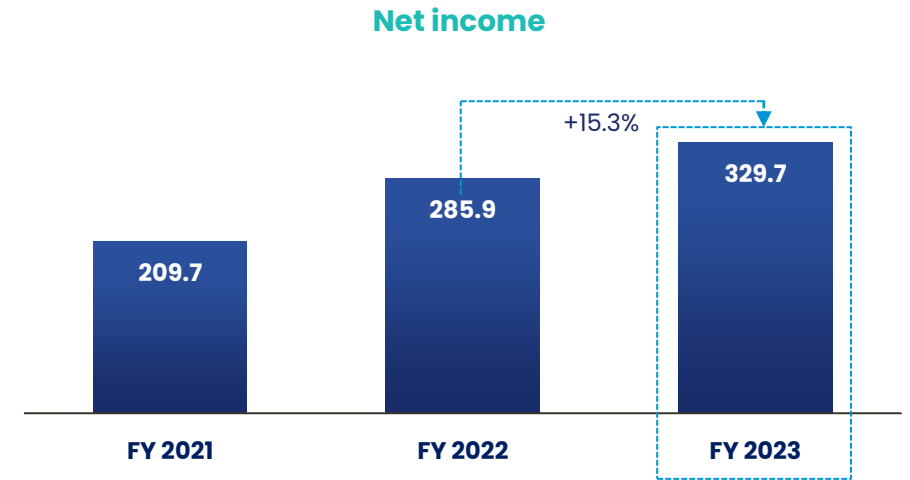
## Balance Sheet overview, US\$ bn



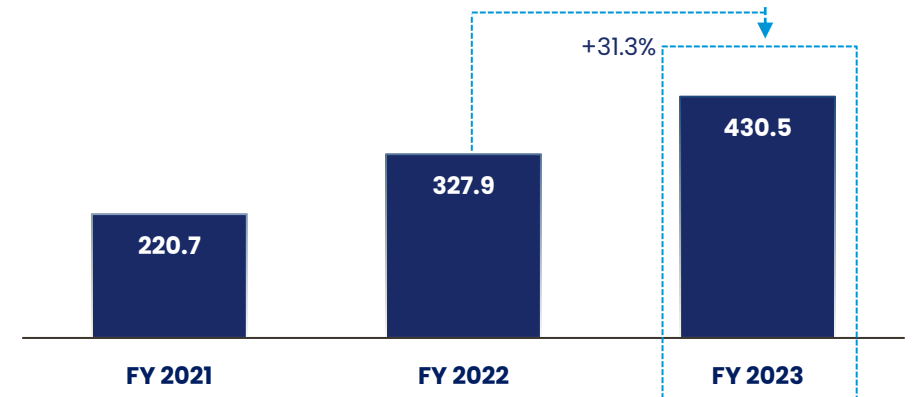
### Total liabilities and equities



## Income Statement overview, US\$ mn

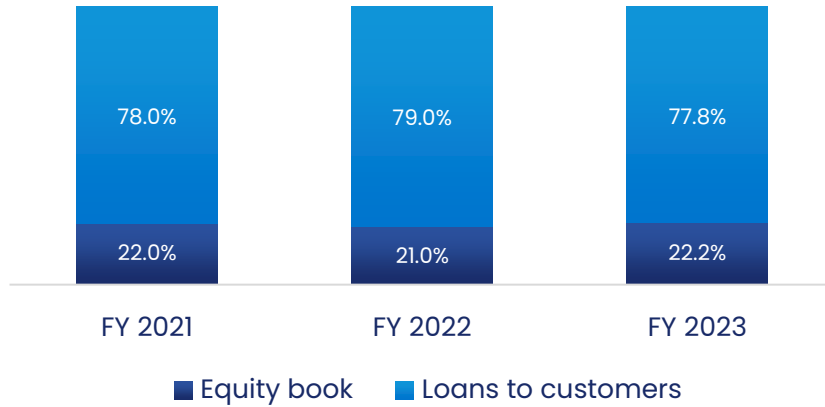


### Net interest Income

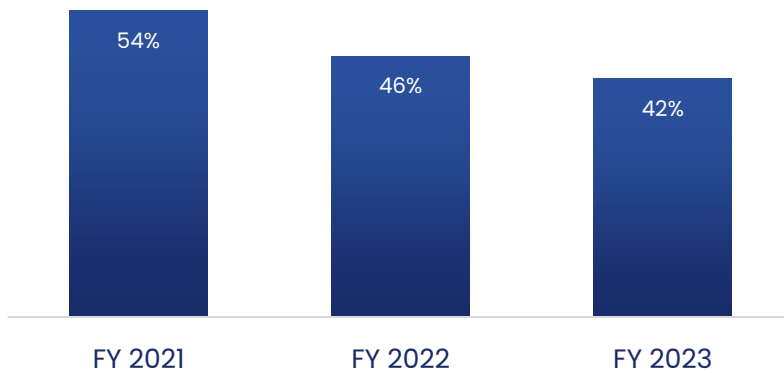


# Geography & Sector

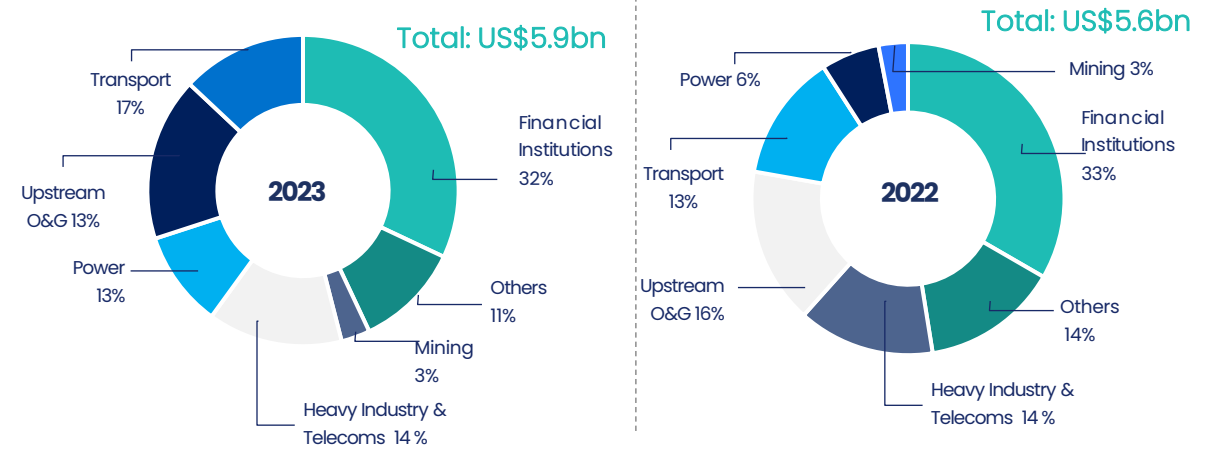
## Infrastructure Asset Composition



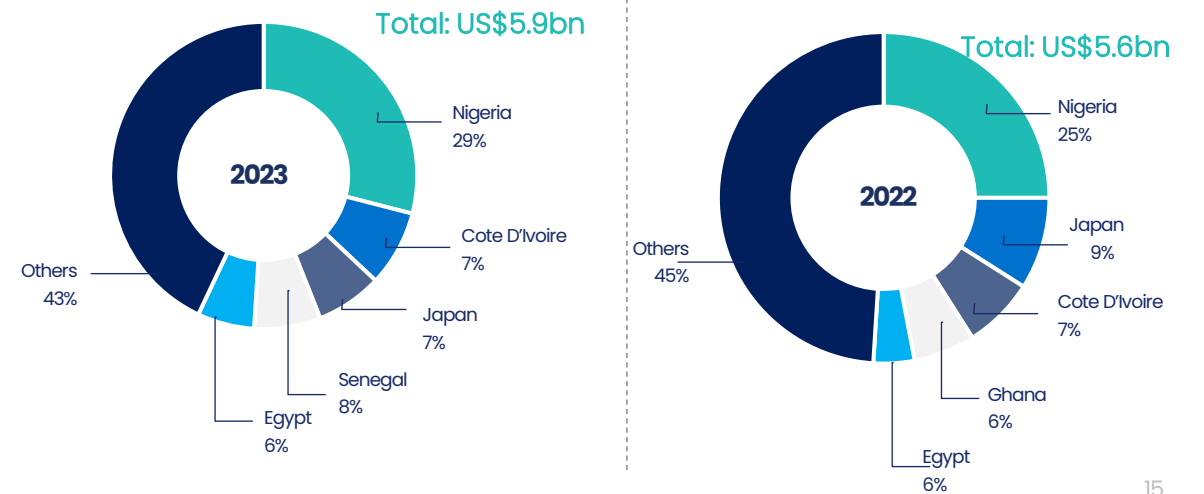
## Top 10 Loans to Non-bank Customers<sup>1</sup>



## Loans by Sector



## Loans by Country



Note: <sup>1</sup>Top 10 Loans to Loans and advances to other customers divided by Loans and advances to other customers  
 Note: Charts not adding up to 100% reflect rounding adjustments

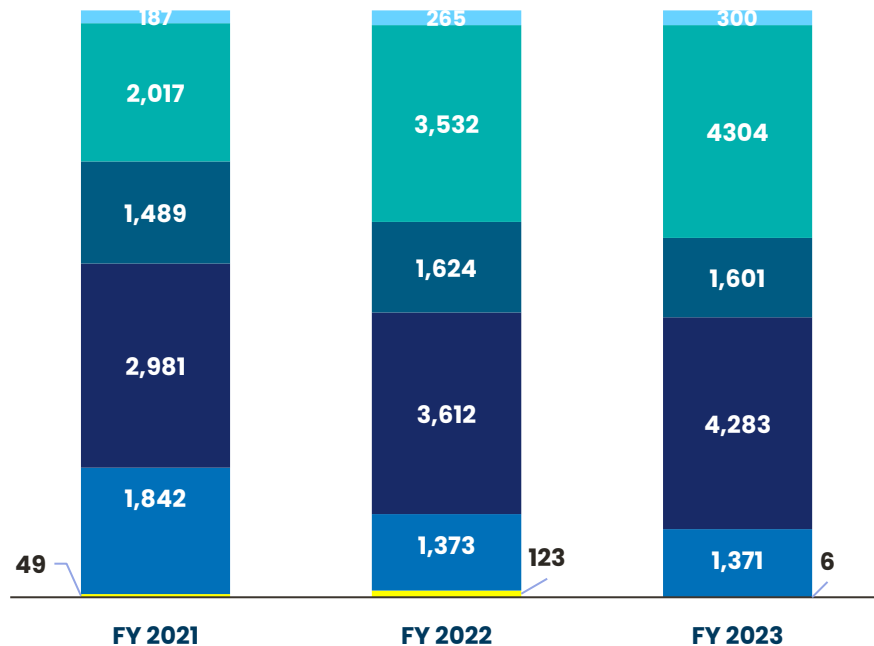
# Strong asset profile

Our growth in core infrastructure assets is reflected in growth in loans and advances to customers. This is equally supported by a strong liquid investment portfolio

## Asset composition

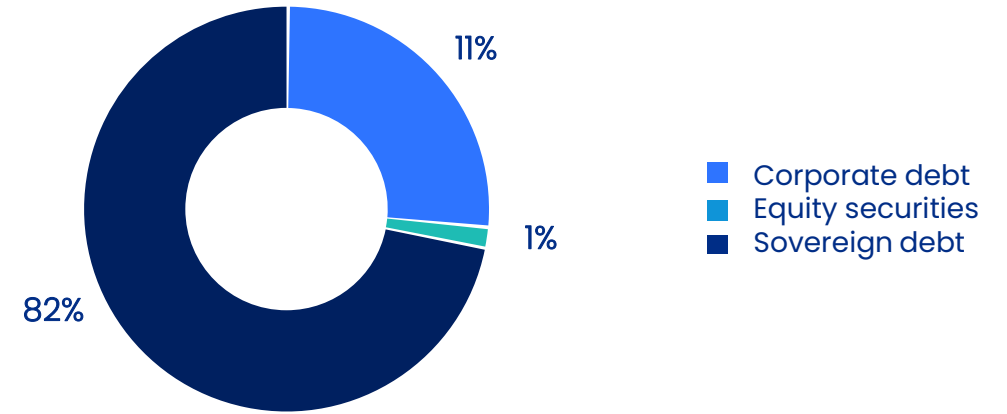
(US\$ mn)

- Cash & balances with banks
- Loans & advances to banks
- Loans & advances to customers
- Financial assets at fair value through P&L
- Investment securities
- Other assets



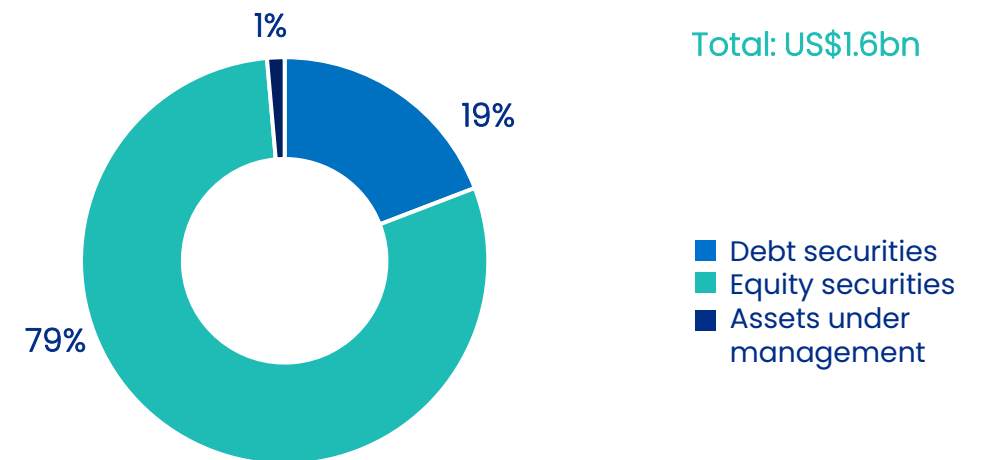
## Investment securities (FY 2023)

Total: US\$4.3bn



## Financial assets through P&L (FY 2023)

Total: US\$1.6bn

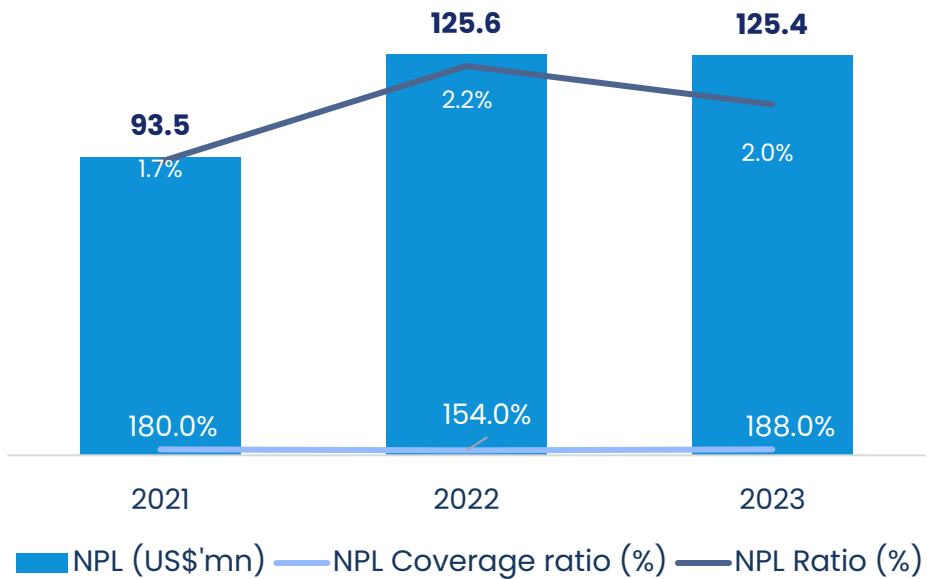


Source: Company Information

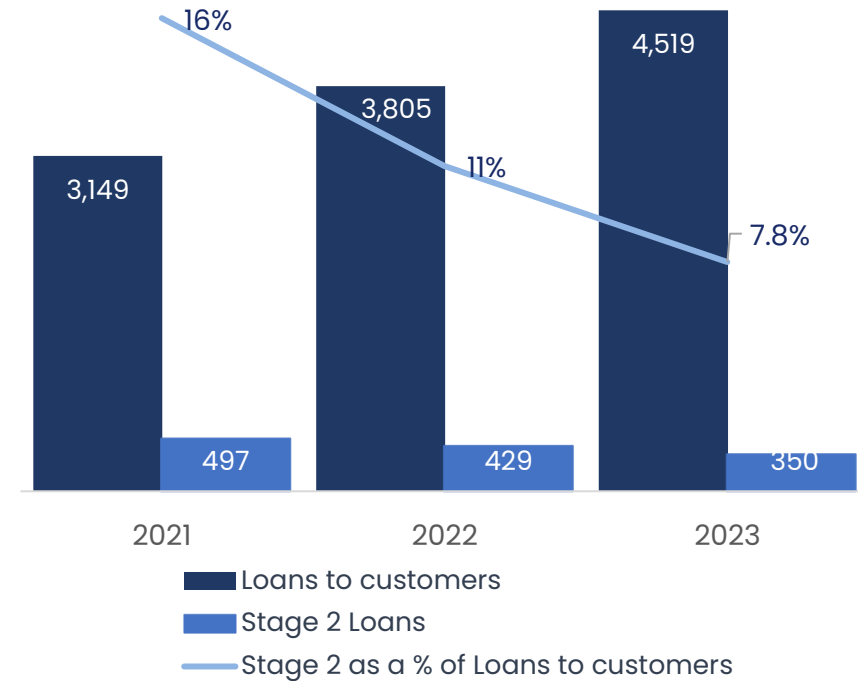


# Asset Quality

## Non-Performing Loan Analysis



## Stage 2 Loan Analysis



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

Source: Company Information

Note: NPL percentage calculated as NPL divided by gross loans

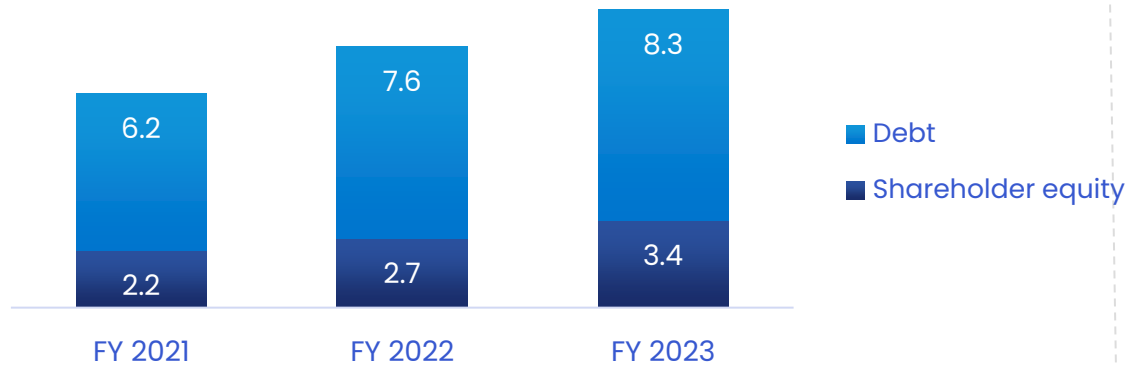
Note: NPL coverage calculated as loss allowance divided by loss allowances for loans and advances to other customers

Note: Stage 2 loans refers to loans with a significant increase in credit risk since initial recognition. Stage 3 loans refers to credit impaired loans

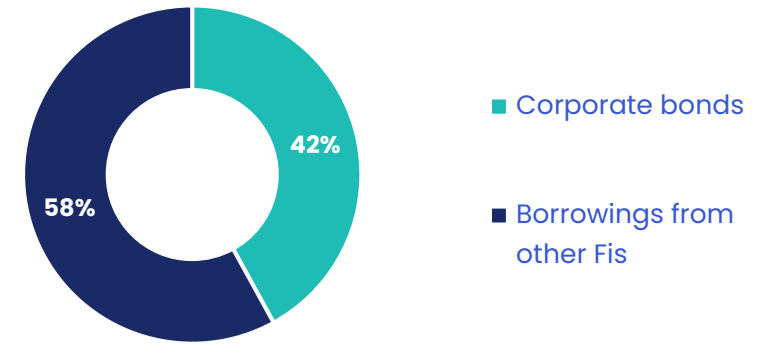


# AFC has maintained a strong capital base by diversifying its capital structure strategically

## Capital Structure (US\$ bn)



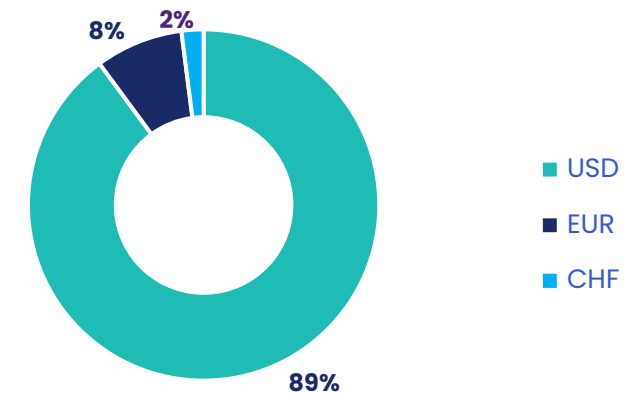
## Borrowing Structure (FY 2023)



## Debt maturity profile (US\$ bn)



## Borrowing by Currency (FY 2023)



# Q&A



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# Audited Balance Sheet and Income Statement

	US\$'mn	2021	2022	2023	YoY Δ	CAGR
Balance Sheet	Loans and advances to banks	1,842	1,373	1,371	(0.1%)	(13.7%)
	Loans and advances to customers	2,981	3,612	4,283	18.6%	19.9%
	Financial assets at fair value through P&L	1,489	1,624	1,601	(1.4%)	3.7%
	Investment securities	1,608	2,921	3,783	29.5%	53.4%
	Other assets	71	73	31	(57.5%)	(33.9%)
	Total assets	8,565	10,528	12,345	17.3%	20.1%
	Borrowings	6,186	7,568	8,324	10.0%	16.0%
Shareholders' equity	2,239	2,699	3,421	26.8%	23.6%	
Income Statement	Interest income	384	535	781	46.0%	42.6%
	Interest expense	(164)	(207)	(350)	69.1%	46.1%
	Net interest income	221	328	431	31.4%	39.7%
	Dividend income	4	8	15	87.5%	93.6%
	Fee and commission income	54	82	71	(13.4%)	14.7%
	Operating income	259	400	497	24.3%	38.5%
	Net gains on financial instruments at fair value through P&L	63	33	2	(93.9%)	(82.2%)
	Impairment charge on financial assets	(39)	(51)	(65)	27.5%	29.1%
	Operating expenses	(74)	(98)	(102)	4.1%	17.4%
	Profit for the year	210	286	330	15.4%	25.4%
Total comprehensive income	188	285	327	14.7%	31.9%	





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