



Transforming Africa's Trade

Support to the Private Sector

15th Annual Private Sector Conference (CASP)

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12 March 2018

African Export-Import Bank
Banque Africaine d'Import-Export

Transforming Africa's Trade

Who we are

**A pan-African multilateral trade
finance institution created in 1993
under the auspices of the African
Development Bank**

Vision

To be the trade finance bank
for Africa

Mission

To stimulate a consistent expansion and diversification of African trade so as to rapidly increase Africa’s share of global trade; and in doing so, to operate as a first-class, profit-oriented, socially responsible financial institution and a “Centre of Excellence in African Trade Matters.”

Shareholding structure

The Bank currently has four classes of shareholders:

- Class “A” Comprising of African governments, the African Development Bank (AfDB) as well as African continental, regional and sub-regional financial institutions and economic organisations
- Class “B” Made up of African national financial institutions and African private investors
- Class “C” Comprising of international financial institutions, economic organisations, non-African financial institutions and non-African private sector firms
- Class “D” Open to subscription by any investor, African or non-African

African presence

- The Bank is headquartered in Cairo, Egypt and has three regional offices in Abuja, Nigeria; Harare, Zimbabwe and Abidjan, Côte d'Ivoire. A fourth regional office in East Africa is soon to open, with plans to follow this with a central African location.
- There are 49 participating member countries spread across the continent. South Africa and Eritrea are the most recent having joined the Bank in November.



Our Mandate

The mandate of the Bank is to finance and promote Intra- and Extra-African Trade using three broad services:

- Credit (trade & project financing)
- Risk Bearing (guarantees & credit insurance)
- Trade Information & Advisory Services

Key instruments of intervention

| | |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line of Credit | Export and import line of credit, pre- and post-export financing, letters of credit confirmation and correspondent banking services |
| Syndications | Participation and arrangement of syndicated loans with a maturity of up to seven years |
| Note Purchase | Purchase of promissory notes or similar instruments providing financing to corporates; recourse to issuer and acceptor |
| Direct Financing | Direct lending to entities with a balance sheet of at least US\$ 2m and annual revenue of more than US\$ 10m. Pre- and post-export financing up to a max 80% value |
| Future Flow Pre-Financing | Future-flow debt offerings that rely upon receivables not generated from export of physical goods e.g. credit cards, royalties and migrant remittances |
| Asset-Backed Lending | African content promotion in Africa's oil, gas and other mining sectors, maritime transport, railways and airline industries |
| Project Related Financing | Limited recourse financing in support of export projects (e.g. mining, manufacturing & related projects), and infrastructure projects (e.g. power, ports and telecom) |
| Receivables Purchase/ Discounting | Purchase of specific receivables of goods and services sold to foreign or domestic buyers |

Key instruments of intervention (continued)

| | |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Afreximbank Guarantee | Guarantee of credit exposure to African borrowers against certain risk events. |
| Export Development Programme (EDP) | Under this programme, the Bank combines credit, risk bearing, twinning, market access as well as advisory services geared towards creating non-commodity export products for sale to a broad range of export markets. |
| Construction and Tourism-Linked Relay Financing Facility (ConTour) | Supporting the development of tourism infrastructure by financing the construction of premium hotels across the continent |
| Health and Medical Tourism Financing Product (CONMED) | Working to improve health care and medical tourism in Africa by financing the construction of first class health and medical facilities |
| Trade Finance | Letters of credit, pre and post-shipment financing |
| ECA Loans facilitation | The Bank selectively works with other ECAs to promote the acquisition of essential goods, especially capital goods by African institutions. |

Afreximbank is the leader in the provision of development finance in Africa. Its footprint in Africa includes:

1. Promoting access to trade and project finance

The Bank has consistently financed trade and projects which have positively impacted the continent. Cumulatively, gross financing in favour of corporates (both public and private sectors) since inception of the Bank, exceeds US\$50bn.

2. Countercyclical Trade Liquidity Facility

Through its Countercyclical Trade Liquidity Facility (COTRALF), Afreximbank has provided about US\$8bn to central banks and commercial banks

3. Driving local participation in extractive industries

The Bank has facilitated the active involvement of Africans in natural resource supply chains across the continent via its African content support programme

4. Support for the development of trade facilitating infrastructure

The Bank has financed the expansion of Port Autonome, Côte d'Ivoire, as well as energy infrastructure in Egypt, Ghana, Zambia, Angola, Rwanda and Nigeria. Project finance instruments have also been deployed within the telecommunications, health, medical tourism and transport sectors

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5. Support for industrialisation and export diversification

The Bank is presently supporting African countries in their efforts to diversify their economies away from a dependence on mono-export. Through our intervention:

- Côte d'Ivoire has become a leading processor of cocoa in the world
- Cape Verde is expanding services exports through the Bank's construction and tourism – linked relay facility (ConTour)
- Gabon has been integrated into the global oil palm value chain

6. Support for the tourism industry

ConTour has supported the emergence of world class hotels in several countries including the Seychelles, Cape Verde, Côte d'Ivoire, Mali, Ghana, Nigeria, Zimbabwe, Gabon and Sierra Leone, with additional requests amounting to over US\$ 1bn.

7. Creating capacity for SME Finance

The Bank has responded to the emergence of factoring companies and progress towards the adoption of factoring laws in Africa, by offering training workshops, seminars and advocacy programmes to SMEs.

Impact 2021: Africa transformed

The fifth strategic plan was launched in December 2016 and will focus on four broad areas:

Intra-African Trade

Industrialisation &
Export
Development

Trade Finance
Leadership

Financial
Soundness &
Performance

Strategic objectives 2017–2021

Developmental

- Promote Intra-Africa Trade
- Facilitate industrialisation and export development in Africa
- Strengthen African trade finance leadership
- Improve Stakeholder satisfaction

Financial

- Improve financial soundness and performance

Business process

- Improve business development
- Improve stakeholder engagement
- Improve operating efficiency
- Strengthen enterprise risk management

Organisational capacity

- Improve organisational structure and capacity

Development objectives: Transforming African trade



Intra-African Trade

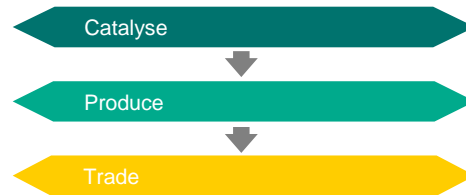
- Aggressively promote and finance intra-African trade
- Coordinate key players in intra-African trade
 - Farmers
 - Processors
 - Manufacturers
 - Traders
 - Financiers
 - Logistics providers
 - Policy makers

Industrialisation & Export Development

- **Catalyse:** promote "soft" and "hard" infrastructure developments
- **Produce:** finance and support activities that improve efficiency and quality in production of goods and services
- **Trade:** facilitate trading through financing and supporting to institutions that provide market access

Trade Finance Leadership

- Strategic focus on financial and non-financial areas of intervention in the trade and trade finance market
- Expand existing trade finance products as well as introducing new innovative products and initiatives
- Fill the voids in trade services created by reduced activities of international banks in Africa resulting from high compliance costs and economic uncertainty



Corporate strategic objective

Afreximbank aims to achieve the following corporate objectives and targets under Impact 2021

Achieve
US\$ 3.5bn
capitalisation
by **2021**

Develop industrial parks and special economic zones in **>5** selected African countries by **2021**



Expand intra-African trade financing by growing the intra-African trade portfolio to **US\$ 4bn** by **2021**

Increase financing of manufactured exports and services by **10%** annually

Key facts and figures

Financial snapshot (in US\$ m)

| | FY 2014 | FY 2015 | FY 2016 |
|-------------------------------|---------|---------|---------|
| Total Assets | 5,189 | 7,134 | 11,726 |
| Total Loans | 4,389 | 6,168 | 10,148 |
| Total Liabilities | 4,270 | 5,866 | 10,100 |
| Capital Adequacy Ratio | 21% | 26% | 23% |

Rating



Rating

**Baa1 / P-2
(stable)**



**BBB- / F3
(negative)**



**BBB+ / A2
(Stable)**

Strategic partnerships

AAIFI /
Allied Africa

- Alliance formed by the Bank in May 2009
- Enhance cooperation of African financial institutions
- Share information, resources and finances



- Trade Finance Programme with AfDB implemented in April 2009
- Focus on refinancing or liquidity facilities
- Trade Finance Fund for existing portfolios
- AfDB approved a US\$ 450m trade finance package in favour of Afreximbank in March 2017



- US\$ 100m trade and project financing facility signed in May 2009
- US\$ 20m for short-term trade finance
- US\$ 80m for medium-term project finance



- Collaboration with ICCO began in 2011 in support of the AFRICOIN project
- Aim to increase cocoa sector productivity, production, processing and consumption



- Memorandum of Cooperation in 2011
- Promotion of trade and investment between Africa and Latin America



- Two-year Memorandum of Cooperation
- Strengthening of capacity development in Africa in relation to trade



ETI

- Memorandum of Understanding in February 2017
- Create a US\$ 500m Trade Finance programme
- Jointly promote Intra-Africa Trade flows



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