African Socio-Economic Outlook

Overview of Bank Group Operations

Financial Profile & Capital Market Activities
High resilience despite shocks in 2014

- Sharp variations across regions

Solid performance despite global slowdown still weighing on world economy

- 25 African countries posting growth rates above 5% in 2014

Drivers of Africa’s growth pulse

- Investment in natural resources and infrastructure
- Expansion in the agricultural sector
- Buoyant service sector
- Domestic demand
Wide disparities in growth

**West Africa: 6.0%**

Solid performance in spite of the onset of Ebola (GDP loss of USD 1.6 billion for the 3 most affected countries) and declining oil prices. *Côte d’Ivoire*, 8.3%, highest growth rate of the region; *Nigeria*, 6.3%, more diversified economy and service sector doubled after GDP rebalancing; *Benin, Mali, Niger, Sierra Leone* and *Togo* with growth rates above 5%

**Central Africa: 5.6%**

Considerable resilience to shocks supported by higher agricultural production, infrastructure investments and mining output in *DRC*, 8.9%, and the expansion of non-oil sector in *Gabon*, 5.1%. *Cameroon, Chad* and *Congo* with growth rates above 5%

**North Africa: 1.7%**

Recovery on course despite complex socio-economic and political conditions:

- **Algeria**: 4%, resurgence of growth
- **Tunisia**: 2.4%, led by a smooth transition
- **Libya**: -19.8%, continued instability
- **Mauritania**: 6.4%, highest in the region

**East Africa: 7.1%**

Strongest region, propelled by *Ethiopia* at 10.3%, *Rwanda* at 7.0%, and *Tanzania* at 7.2%. *Djibouti, Uganda* and *Kenya* also performing well with growth rates above 5%. *South Sudan*: Resumption of oil production driving blistering growth at 30.7%

**Southern Africa: 2.7%**

Sluggish growth in *South Africa*, 1.5%, due to structural bottlenecks, tense industrial relations, and low investor and consumer confidence

Growth rates above 5% in *Botswana, Malawi, Mozambique* and *Namibia*
Africa’s share of global economy likely to increase

Some African countries have rebased their economies to take into account changing structures

- **Nigeria GDP**: Doubled to USD 549 billion, making it the continent’s largest economy.
- **Kenya economy**: Expanded by 25% to USD 55 billion.
- **Tanzania GDP**: 28% higher at USD 41 billion.
- **Uganda GDP**: 13% higher at USD 27 billion.
- **Zambia GDP**: 25% higher at USD 17 billion.

Rebasing ensures structural changes in the economy are taken into account when estimating GDP size. Only 12 African countries currently adhere to the international standard of revising their GDP base every 5 years. Improved coverage of Africa’s economic activities, especially for the informal sector and non-profit institutions. More diversified economies with sectors previously undocumented contributing to enhanced reported growth.

Note: GDP rebasing involves replacing the old base year used for compiling the constant price estimates to a new and more recent base year.
Lower commodity prices, fiscal vulnerabilities

Fiscal tensions in oil-exporting countries leading to reduced fiscal buffers and limited scope for policy response

Inflation high but stable, fiscal and current account vulnerabilities

Current account balances pressured by:
- Strong demand for capital goods due to public and private spending on infrastructure
- Weaker prices and lower external demand, particularly from China, weighing down on export receipts

Measures implemented to align budgetary expenses with the reality of falling oil revenues

Softer commodity prices keeping inflation in check

Inflation rebased to 100 in 2010

* Expected

* March 2015
Diaspora emerges as the leading source of external financing

Middle income countries major beneficiaries of diaspora remittances

FDI towards resource-rich countries, but increasingly into consumer related ventures

ODA, largest source of foreign flows to low income countries trending downwards
Africa expected to remain the second fastest growing continent after Asia

Growing concerns about the quality and inclusiveness of Africa’s growth as income inequality widens and poverty remains widespread

Favorable medium term outlook driven by

- Stronger domestic demand
- Natural resource investments
- Increased infrastructure investments
- Expansion of the agricultural sector
- Improved public financial management
- Moderate public expenditure growth as many countries rein-in government spending and expand fiscal buffers
- Strong private sector consumption

...with some headwinds

- Lower commodity prices
- Tightening financial conditions
- Fiscal vulnerabilities on the basis of optimistic revenues from recurrent expenditures and elections
- Security risks
Africa’s Millenium Development Goals Performance

Areas of most progress

Goals

- Goal 2: Achieve universal primary education
  - Algeria, Egypt, Ghana, Morocco, Rwanda, São Tomé and Príncipe, Tanzania, Zambia

- Goal 3: Promote gender equality and empower women
  - Angola, Botswana, Ethiopia, The Gambia, Ghana, Mauritius, Mozambique, Rwanda, São Tomé and Príncipe, Seychelles, South Africa

- Goal 6: Combat HIV/AIDS, malaria and other diseases
  - Algeria, Botswana, Cabo Verde, Comoros, Côte d’Ivoire, Egypt, Libya, Mauritius, Namibia, Rwanda, São Tomé and Príncipe, South Africa, Sudan, Tunisia, Zimbabwe

Best performers
### Africa’s Millenium Development Goals Performance

**Areas of least progress**

<table>
<thead>
<tr>
<th>Goals</th>
<th>Best performers</th>
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<tbody>
<tr>
<td>Goal 1: Eradicate extreme poverty and hunger</td>
<td>Algeria, Benin, Burkina Faso, Egypt, Ethiopia, Gabon, Ghana, Guinea, Guinea-Bissau, Mali, Morocco, South Africa, Togo, Tunisia, Zimbabwe</td>
</tr>
<tr>
<td>Goal 4: Reduce child mortality</td>
<td>Egypt, Ethiopia, Liberia, Libya, Malawi, Rwanda, Seychelles, Tanzania, Tunisia</td>
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<tr>
<td>Goal 5: Improve maternal health</td>
<td>Egypt, Equatorial Guinea, Eritrea, Ghana, Guinea-Bissau, Libya, Mauritius, Rwanda, São Tomé and Príncipe, South Africa, Swaziland, Tunisia</td>
</tr>
<tr>
<td>Goal 7: Ensure environmental sustainability</td>
<td>Algeria, Botswana, Burkina Faso, Comoros, Egypt, Ethiopia, Gabon, Libya, Mali, Mauritius, Morocco, Namibia, Nigeria, Swaziland</td>
</tr>
<tr>
<td>Goal 8: Global partnership for development</td>
<td>Kenya, Libya, Rwanda, Seychelles, Sudan, Uganda, Zambia</td>
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</table>
A quest for transformation and inclusiveness

An enormous potential

- Nearly 30% of the world’s mineral reserves
- Youngest population over the next 40 years
- 10% of oil and 8% of gas resources
- Some of the highest annual rainfall (Congo basin)
- 95% of hydropower untapped
- Increasingly stable governments
- Rapidly growing middle class
- Enormous clean energy potential

Daunting challenges

- High unemployment especially among youth and women
- Antiquated licensing and regulatory systems
- Over 400 million with less than USD 1.25 per day
- Pace of poverty reduction low vs other regions
- Need for good governance
- High cost of doing business
- Low intra regional trade (12%)
- 620 million people off the electricity grid

A plausible scenario for transformation

- Homegrown companies increasingly tapping into regional markets and supply chains
- Average income 30% higher over the past 10 years
- With better infrastructure and greater trade facilitation, GDP growth would be higher than 7%
- Improved macroeconomic management, infrastructure and governance
- Value chain critical to capitalize on resources and increase value

AfDB at the center of Africa’s transformation
A Ten-Year Strategy to transform the continent

**Inclusive growth**
- Access to economic opportunities across age, gender, ethnicity and geography
- Provision of social safety nets

**Gradual transition to green growth**
- Preserve the environment and natural resources on which economies depend

- Infrastructure development
  - Link remote areas to growth poles through better infrastructure

- Regional integration
  - Create employment opportunities through the development of private sector

- Private sector development
  - Enhance deeper regional integration

- Governance
  - Strengthen governance for a sound use of public resources

- Skills & technology
  - Create wealth by building human capital and skills

- Fragile States
  - Access to economic opportunities across age, gender, ethnicity and geography
  - Provision of social safety nets

- Agriculture & Food Security
  - Preserve the environment and natural resources on which economies depend

- Gender

Measuring success by the lasting changes we bring to the lives of the African people
Operations doubled over the past decade

In USD million

- Total approvals
- AfDB disbursements
- ADF disbursements


- 2005: 3,274
- 2006: 3,896
- 2007: 4,823
- 2008: 5,348
- 2009: 12,590
- 2010: 6,219
- 2011: 8,476
- 2012: 6,103
- 2013: 6,317
- 2014: 6,954

Total approvals increased significantly over the past decade.
Bridging the infrastructure challenge

Between 2005-2014: USD 28 billion in infrastructure approvals

Between 1964-2004: USD 18 billion in infrastructure approvals

Energy

Between 2005-2014: USD 11.0 billion

Transport

Between 2005-2014: USD 11.2 billion

Water & Sanitation

Between 2005-2014: USD 4.2 billion

ICT

Between 2005-2014: USD 1.6 billion

Kankan Kouremale – Bamako transnational road network in Mali with a link to Guinea. Project size: USD 148 million – AfDB financing: USD 35 million

- Reduced travel time, lower accident rates
- Reduced vehicle maintenance costs and prices of goods
- Easier access to health, school and administrative facilities
- Improved education enrollment rate, in particular that of girls
- Economic activities boosted, new businesses and jobs created

The road and its electrical facilities have made a difference in the life of Djenebou Diakité, a fruit vendor near the road intersection. She can now work longer “Up to midnight sometimes, there are customers, thanks to public lighting. And my own expenses have been reduced as I no longer need to bring along my flashlight to use when the sun sets.”
Energy to fuel economic inclusion

- Half of Africa’s infrastructure needs are in electric power
- Majority of countries facing regular power outages at an economic cost of 1% to 2% of GDP per annum

Kenya Last Mile Connectivity Project cost USD 143 million with AfDB financing USD 130 million

- Improve electricity access to over 1 million people
- Improve household education, health and access to information
- Benefit populations in rural areas, low income groups and small businesses

Angola Power Sector Reform Program, USD 935 million

- Improve the power sector regulatory environment
- Expand access to electricity for the local population, particularly rural dwellers (45.2% of population) at an affordable cost

USD 1.9 billion energy projects approved in 2014
- Committed to providing reliable and affordable energy supply

Half of Africa’s infrastructure needs are in electric power and the majority of countries face regular power outages at a significant economic cost. The Kenya Last Mile Connectivity Project, costing USD 143 million with AfDB financing of USD 130 million, aims to improve electricity access to over 1 million people, enhance household education, health and access to information, and benefit rural areas, low-income groups, and small businesses. Similarly, the Angola Power Sector Reform Program, valued at USD 935 million, targets improvements in the power sector regulatory environment, expanding access to electricity for rural dwellers at affordable costs. With USD 1.9 billion worth of energy projects approved in 2014, Africa is committed to providing reliable and affordable energy supply.
**Tapping water for the benefit of all**

<table>
<thead>
<tr>
<th>Urban Water Supply and Sanitation</th>
<th>Rural Water Supply and Sanitation Initiative</th>
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<tbody>
<tr>
<td>USD 2.0 billion for 49 projects for enhanced efficiency, sustainability and access to water</td>
<td>USD 1.9 billion for 49 projects in 33 countries</td>
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<tr>
<td>Providing waste water treatment and reuse</td>
<td>Provided access to water supply for more than 107 million people and access to improved sanitation services for more than 72 million people</td>
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<tr>
<th>African Water Facility</th>
<th>Multi-Donor Water Partnership Program</th>
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<tr>
<td>Project preparation activities will improve sanitation facilities for 3 million people and drinking water resources for 2.4 million people</td>
<td>Promotes effective water management policies and practices</td>
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<tr>
<td>About 2 million people have improved access to water for multiple uses</td>
<td>Operationalizes the Bank’s Integrated Water Resources Management Policy in member countries</td>
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</table>

**Achievements and results in the water sector over the past 10 years**
Information and Communication Technology, an African success story

- Fewer than 20 million fixed phone lines in Africa (2% penetration rate)
- Over 823 million mobile phone subscriptions – more than either the United States or the European Union
- More than 60% of the population now has access to telephone services

Africa has leap-frogged landline development and gone straight to mobile networks

Gateway to financial systems, government services and the wider world

AfDB commitments
- Extending ICT to underserved areas and expanding broadband infrastructure
- Creating an enabling environment for affordable connectivity
- Scaling ICT applications to transform public service delivery and regional integration.

Elections
Mobile phones used to provide practical information about where and how to vote in some elections in Africa

Banking
15 million people in Kenya use mobile phones for payment and money transfers
Support to e-Government, e-Education and e-Health

Expected Outcomes

**e-Education and Adaptive Learning in Mauritius**
- Digitalize classrooms in priority education zones
- Improve learning outcomes in 20% of failing schools in Mauritius
- Benefit approximately 1500 school children and 150 teaching personnel

**e-Government project in Lesotho fostering good governance through ICT**
- Access to government services such as civil registration, customs and procurement services
- Reduced financial costs and transaction times

**e-Health in Zambia**
- Mobile health program for the prevention and treatment of non-communicable diseases (NCDs) such as cardiovascular disease, cancer, chronic respiratory diseases and diabetes
- Financed through the Nigerian Cooperation Trust Fund
- 27% of deaths in Zambia result from NCDs
- Provide training and capacity building for health and social workers
- Educate vulnerable populations about the key risk factors contributing to NCDs
Innovative vehicle for financing game changing infrastructure in Africa to support economic transformation

Aims to create USD 100 billion of project opportunities for global market players

AfDB provided USD 128 million seed capital

USD 500 million of financing commitments secured

25 projects across Africa in the pipeline

AfDB concept creator, designer, anchor investor and promoter

- Business opportunities
- Commercial returns
- Rigor of private sector
- Convening power of AfDB
- Political commitment of African governments
- Target capitalization of USD 1 billion in the short term and USD 3 billion in the medium term

African institutional and private investors and non-African investors

Incorporated in Morocco in 2014
Regional integration for Africa’s full growth potential

Regional integration strategy and policy

- Since 2010, Intra-African trade up 18% to USD 148 billion
- Represents 12% of total exports vs 25% in Southeast Asia, 49% in North America and 65% in the European Union

Achievements over the past decade...
- More than 70 multinational projects financed for USD 3.8 billion
- Spearheading public-private partnership in infrastructure development
- Creating larger and more attractive markets

African Export-Import Bank
- USD 262 million approved in 2014 to cover lines of credit, trade finance and risk participation
- Promotes intra-African and extra-African trade

The Sahel Program
- Approved in 2014 and centered on building climate resilience, regional integration and trade facilitation through infrastructure development and capacity building in Burkina Faso, Chad, Gambia, Mali, Mauritania, Niger, and Senegal
- Addresses fragility and builds the resilience of vulnerable populations against food and nutrition insecurity while promoting regional integration
Fostering the development of regional power pools in Africa

Linking national electricity systems into regional power pools

- Allows countries to increase overall capacity and achieve economies of scale leading to cheaper energy for consumers
- 7 regional power grid interconnection projects financed over the past 10 years amounting to USD 1,179 million involving the construction of 4,485 km of transmission lines
- Our cross border investments have created power connections between Algeria, Morocco and Spain, and between Ethiopia and Djibouti, and across West Africa
- Kenya–Tanzania Power Interconnection USD 309 million Project with USD 145 million financed by the Bank
  - 508 km of transmission lines between Kenya and Tanzania
  - Transfer capacity of up to 2,000 MW in either direction
  - Interconnection with the South African power pool through Zambia
  - Improved access to electricity will reduce the use of firewood for cooking and heating, which represents a significant source of deforestation
  - Relieve women of the arduous daily responsibilities of collecting water and fire wood
  - 400 temporary jobs and 35 permanent jobs to be created in the two countries
  - Improve agricultural storage and processing
Private sector, turning the continent’s ambitions into reality

Over 80% of total production
40% of total investment
75% of economic output
90% of the labor force

Overarching vision of a competitive private sector across Africa that will be an engine of sustainable economic growth and employment

From humble beginnings to strategic partner

Outstanding private sector loan portfolio

In USD million

Over 5,000
4,000
3,000
2,000
1,000
0

From humble beginnings to strategic partner

Over 5,000
4,000
3,000
2,000
1,000
0

In USD million


Outstanding private sector loan portfolio

Over 5,000
4,000
3,000
2,000
1,000
0

In USD million
An honest broker for private sector development

- Funding soft and hard infrastructure, transport, telecom, water and power
- Giving access to power

Policy environment
- Supporting government efforts to strengthen the laws, tax systems and policies that govern business environment

Institutional & regulatory framework
- Help fight corruption, promote financial transparency and develop the informal sector

Financial markets
- Help government plan infrastructure investments, deepen and expand financial markets, strengthen labor markets and build business skills

Enterprise development
- Providing access to capital
- Supporting enterprise capacity & competitiveness
- Promoting value chain & linkage
A palette of instruments to unlock significant funding for development

**Loan Products**
- Non-sovereign guaranteed loans
- Local currency loans
- Syndicated loans: A/B structures

**Guarantees**
- Partial risk guarantees
- Partial credit guarantees

**Equity & Quasi Equity**
- Equity
- Convertible debt
- Subordinated debt
- Mezzanine debt

**Trade Finance**
- Risk participation agreements
- Trade finance lines of credit
- Soft commodity finance facility

**Risk Management Products**
- Interest rate swaps
- Currency swaps
- Commodity/Index swaps
- Interest rate caps & collars

**Technical Assistance**
- Capacity building
- Legal reform support
- Grant funding

Wider use of Public Private Partnership and co-financing

Every AfDB dollar attracts an additional six dollars from investors
Private sector delivering service and providing opportunities

Nigeria: Dangote oil refinery and fertilizer plant

Total cost of USD 9 billion with AfDB financing USD 282 million

Expected outcomes:
- Provide over 32,000 jobs
- Save USD 65 billion in foreign exchange
- Government to receive USD 1.08 billion in revenues from taxes and fees

South Africa’s rail company: Transnet

ZAR 312 billion (USD 28.6 billion) with AfDB financing USD 247 million

Expected outcomes:
- Increase freight capacity
- Create 6,146 jobs
- Generate USD 650 million in government revenue
- Transport and logistics costs reduced by 4% - 7%

As of 31 December 2014

Equity Funds 9%
Commercial Banks 19%
Development Finance Institutions 14%
Trade Finance 11%
Energy 18%
Transport 8%
Telecoms 2%
Mining 9%
Manufacturing 3%
Agribusiness 5%
Others 2%
# Offshoots and home-grown partners

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<tr>
<th>Offshoots and home-grown partners</th>
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<tr>
<td><strong>Africa50</strong></td>
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<td><strong>African Capacity Building Foundation</strong></td>
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<td><strong>AFREXIMBANK</strong></td>
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<td><strong>African Export-Import Bank (Afreximbank)</strong></td>
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<td><strong>AFRICAN GUARANTEE FUND</strong></td>
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<td><strong>Africa Guarantee Fund</strong></td>
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<td><strong>Africa RE</strong></td>
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<td><strong>African Trade Insurance Company (ATI)</strong></td>
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<td><strong>Association of African Development Finance Institutions (AADFI)</strong></td>
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<td><strong>African Legal Support Facility (ALSF)</strong></td>
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<td><strong>Banque Ouest Africaine de Développement (BOAD)</strong></td>
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<td><strong>Shelter Afrique</strong></td>
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<td><strong>Network for Environment and Sustainable Development in Africa (NESDA)</strong></td>
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<td><strong>African Business Round Table (ABR)</strong></td>
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<td><strong>African Management Services Company (AMSCO)</strong></td>
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<tr>
<td><strong>Banque de Développement des Etats de l'Afrique Centrale (BDEAC)</strong></td>
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<tr>
<td><strong>Infrastructure Consortium for Africa</strong></td>
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<td><strong>K-Rep Bank</strong></td>
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<td><strong>PTA Bank</strong></td>
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<td><strong>PTA Reinsurance Company (ZEP RE)</strong></td>
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<td><strong>Federation of African &amp; Arab Consultants (FCAA)</strong></td>
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**Good governance is moving Africa forward**

Public sector and economic management

Strengthen governments’ capacity for transparent and accountable use of public resources and citizens’ ability to hold governments to account

**Guinea:** USD 17 million to implement financial reform, increase tax revenue, support the government in improving economic planning and enhancing transparency in the use of resources

USD 761 million for 24 operations approved in 2014 across 19 countries

Investment and business climate

Strengthen transparency, accountability and tackle procurement-related corruption

**Comoros:** USD 6 million to increase transparency and accountability in the sector through the publication of financial statements, regular auditing, performance measurement contracts and fraud control

Over 100 projects since 2008, resulting in better macroeconomic management, increased tax revenue, more foreign direct investment, and less time required to start a business

Sector governance

Strengthen legal and institutional frameworks to foster private-sector development

**Burkina Faso:** USD 58 million to encourage growth in micro, small, and medium sized enterprises. The project will support the creation of business incubators, credit guarantee schemes and export promotion agencies
African Legal Support Facility producing results

- A public international organization created and hosted by the AfDB

- 58 members, including 51 states and 7 international organizations

- Negotiation of complex commercial transactions

- Capacity building

- Commercial creditor litigation

- 51 projects targeting 25 countries

- 24 new requests for assistance approved in 2014

- Assisted Niger in the negotiation of a new uranium mining concession with Areva subsidiaries which resulted in increased revenues for the country

- Successfully defended DRC against a major vulture fund before the US Ninth Circuit court of appeals, saving over USD 100 million for the country

- Currently facilitating negotiations in at least 15 countries to resolve issues in major natural resource contracts

- Trained over 500 African experts in commercial legal issues
Harness the potential of a billion Africans

Building skills, developing entrepreneurship, and promoting equal opportunities

Human Development Portfolio
USD 1.8 billion for 77 projects covering education, health, poverty reduction, and social protection (Eritrea, Kenya, Tanzania, Uganda)

Social Cohesion and Enhancement Support Program in Côte d’Ivoire (USD 43 million) to improve social inclusion to address damages caused by past conflicts

Expected outputs:
(i) reintegration of about 15,500 ex-combatants
(ii) demarcation of land for about 1,760 village communities to benefit at least 3.5 million people
(iii) free medical care for women victims of gender based violence
About 280 million people, a quarter of the continent’s population, live in countries or in situations characterized by varying forms of environmental, social, political and economic fragility.

Drivers of fragility on the continent:
- Poverty and exclusion
- Urbanization and the growing informal sector
- Youth bulge
- Extractive industries
- Climate disruption and resource conflicts
- Poor governance

Forms of fragility:
- Conflicts
- Institutional failures
- Societal collapse
- Epidemics
- Natural disasters

Capacity building, governance, social services, infrastructure development and private sector.

USD 530 million approved in 2014 for operations in countries facing fragile situations.
Addressing fragility and building resilience

A systematic approach to tackle fragility

- Strengthening state capacity and establishing effective institutions
- Promoting resilient societies through inclusive and equitable access to employment, basic services and shared benefits from natural-resource endowments
- Leadership role in policy dialogue, partnerships and advocacy around issues of fragility

Program to rehabilitate and strengthen resilience of Lake Chad basin ecosystems – USD 103 million project with USD 78 million funded by the Bank

Region affected by insecurity, droughts, refugee and migrant influx, high youth unemployment, dwindling water resources, and ecosystems stressed by climate change

Preserving and developing water resources

Developing ecological services and value chains

Institutional capacity building and program management

Will directly benefit 15.3 million people by improving their incomes, food security and access to basic social infrastructure
AfDB was the first Multilateral Development Bank to respond to the Ebola crisis, and is at the forefront of supporting affected countries.

**Post-Ebola livelihoods restoration project**
- Restore agricultural production systems and livelihoods for farm households
- Reopen health facilities & provide psycho-social support
- Develop skills and technology
- Create a Social Investment Fund to strengthen economic support systems
- Strengthen regional surveillance systems jointly with West African Health Organization and Mano River Union

Additional USD 300 million to support countries’ post-Ebola recovery programs announced in April 2015

Two more operations under preparation

**African Center for Disease Control and Prevention led by the African Union**
- Establish a surveillance and prevention epidemiological center of excellence on the continent
- Establish regional centers
- Enhance early warning systems
- Harmonize national health regulations and interventions

Fragility is a concern for all
Strengthening agriculture and food security

Reducing fragility, increasing rural household incomes & welfare and empowering women in rural areas

**USD 3.74 billion approved over the past 10 years**

- Improving access to markets by constructing rural roads, markets and storage facilities
- Rehabilitation of agricultural water facilities
- Building dams and infrastructure to promote irrigated agriculture
- Smart water management and multi-sectoral measures for sustainable growth and resilience to climate change
- Forest preservation and tree planting to mitigate climate change, improve watersheds, control soil erosion and conserve biodiversity

**AfDB’s commitment**

- Support member countries to develop agricultural value chain infrastructure
- Encourage the development of agribusiness and innovation
- Promote resilience and the sustainable management of natural resources, including managing the environmental impacts of agricultural activities

**Koulikoro Region (Mali) Food and Nutrition Security Enhancement Project (USD 54 million)**

Participatory and sustainable development of agricultural infrastructure to boost food crop production, conservation, marketing and consumption

- Reduce poverty for 178,000 persons
- Increase agricultural output (10,600 tons of rice and 20,300 additional tons of vegetable produce)
- Develop specific gender actions including land tenure

Strong support extended following the 2007-08 food crisis in Africa through short and medium-term assistance to 27 countries
Empowering women to play a greater role in government, society and the economy

Women make up half the population but earn 33% less than men, and hold only 10% of the leadership roles in the society.

Greater investment in women has wider economic effects on the collective interest, as they invest more in health and the education of their children.

Our commitment:
- Strengthen women’s legal and property rights
- Promote women’s economic empowerment through increased access to and control over financial resources and services
- Enhance knowledge management and capacity building on gender equality

Projects and programs of the Bank attuned to gender issues
- Gender mainstreamed into internal structures and processes of the Bank
- ‘50 Million African Women Speak’, a technology platform to boost financial inclusion of women entrepreneurs

Developing a range of interventions to benefit women, including cash transfer programs, early childhood development, and microfinance for women farmers

Supporting the emergence of women scientists as leaders in their communities and role models for a new generation of African girls.
Enhancing Africa’s transition to Green Growth

AfDB’s Climate Change Action Plan 2011-2015

Reducing deforestation and alleviating poverty in the Virunga-Hoyo Region (DRC)

- Improve conservation and management of 1,500 km² of forest
- Contribute to the livelihoods of people through carbon income
- Reduce household charcoal use via efficient stoves
- Raise environmental awareness and reforestation via school tree nurseries

Committed to invest USD 9.3 billion over the 5-year period 2011-2015

Enhancing Africa’s transition to Green Growth

- Approved to increase total power generating capacity to approximately 500 MW
- Thermodynamic solar technology that can store energy for about 5 hours
- Cumulative emission reduction of 700,000 tons of CO²/year
Scaling up climate finance to amplify impact on the continent

Mobilized USD 7 billion for climate finance since 2011 with more than USD 1 billion from climate focused funds

- Rolling out climate-smart projects across most African countries
- Newcomer projects in Benin, Ghana, Lesotho, Madagascar, Malawi, Rwanda, Sierra Leone, Uganda and Zambia
- Facilitating private sector engagement via innovative projects in Ghana, Kenya, Mali, Mozambique and Nigeria
Knowledge generation and management, a key part of our mandate

**African Economic Outlook**

**African Development Report**

**Working Papers**

**Africa Competitiveness Report**

**African Development Review**

Flagship publications for people across Africa and beyond

**Africa Information Highway Initiative**

Detailed data on African economies, including statistics on agriculture, labor and consumer price indices

**e-Institute knowledge portal**

- Leading platform for distance learning and e-Learning in Africa and for generating and sharing knowledge for capacity building
- Contains over 40 training and knowledge products covering inclusive growth, green growth, and value for money in the social sector

**Achievements over the past 10 years**

- Capacity building for government officials resulting in greater project implementation effectiveness
- Development of a network of experts and communities of practice in research and statistical capacity for the provision of timely and reliable data for policy formulation
**Strong support to the most vulnerable through ADF**

**ADF at a glance**

- 40 beneficiary countries
- 27 non-African Donors
- Pledges and contributions from 5 African donors: Angola, Botswana, Egypt, Libya and South Africa

**Close to USD 31 billion delivered through ADF since 2005**

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF-X (2005-2007)</td>
<td>5,730</td>
</tr>
<tr>
<td>ADF-11 (2008-2010)</td>
<td>8,889</td>
</tr>
<tr>
<td>ADF-12 (2011-2013)</td>
<td>8,941</td>
</tr>
<tr>
<td>ADF-13 (2014-2016)</td>
<td>7,430</td>
</tr>
</tbody>
</table>
Developing Africa’s financial sector


Increasing access to the underserved

Broadening and deepening Africa’s financial systems

Financial stability & governance

LAPO Microfinance Bank
- USD 12 million line of credit
- Largest microfinance bank in Nigeria with 327 branches and over 1 million clients, 90% of whom are women

Africa SME Program
- Flagship program designed to enhance financial inclusion and reduce the SME financing gap
- Beneficiaries include AB Microfinance Bank (USD 4.8 million), Advans Cameroon (USD 1.3 million) and Finadev S.A. (USD 1.3 million)

Development Bank of Nigeria PLC
- USD 500 million hybrid investment
- Innovative governance structure and product offerings for the underserved SME sector

Risk Participation Agreements (RPAs)
- RPAs amounting to USD 200 million with two new confirming banks - Afrexim Bank and EcoBank
- Projected to support at least USD 1.2 billion worth of trade, including a substantial share of intra-African trade
African Socio-Economic Outlook

Overview of Bank Group Operations

Financial Profile & Capital Market Activities
A highly rated institution driven to deliver on its mandate

A critical development mandate, a very strong public policy role, a preferred creditor

Prudent governance and management

Solid capital position and adequate earnings

Strong and stable access to funding

Strong and stable support from shareholders

Preferred creditor status

Robust capitalization

Diversified wholesale funding profile

Ample liquidity

Aaa/AAA/AAA

Sound and solid financial risk management policies

Robust capitalization

Diversified wholesale funding profile

Ample liquidity

Preferred creditor status

Strong and stable support from shareholders

Aaa/AAA/AAA

Sound and solid financial risk management policies
Extraordinary support from shareholders

- African Development Fund USD 39 billion subscriptions
- Nigeria Trust Fund providing concessional financing
- Sixth General Increase tripling capital to USD 100 billion
- Turkey, Luxembourg and South Sudan have joined the Bank

Supporting the AfDB mandate

- USD 87 billion callable capital from shareholders
- Africa50 solutions for infrastructure gap
- Africa Growing Together Fund (USD 2 billion) Partnering with China
- Enhanced Private Sector Assistance Initiative for Africa (USD 3 billion) Partnering with Japan
Managed credit risks to maximize development impact

Clearly defined prudential and operational limits aligned with evolving business strategy, risk appetite and risk bearing capacity

Portfolio risk profile

<table>
<thead>
<tr>
<th>Year</th>
<th>Sovereign WARR</th>
<th>Non-sovereign WARR</th>
<th>Combined WARR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2.6</td>
<td>3.7</td>
<td>2.9</td>
</tr>
<tr>
<td>2006</td>
<td>2.9</td>
<td>3.7</td>
<td>2.9</td>
</tr>
<tr>
<td>2007</td>
<td>2.9</td>
<td>3.7</td>
<td>2.9</td>
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<tr>
<td>2008</td>
<td>2.9</td>
<td>3.7</td>
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<tr>
<td>2009</td>
<td>2.9</td>
<td>3.7</td>
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<tr>
<td>2010</td>
<td>2.9</td>
<td>3.7</td>
<td>2.9</td>
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<tr>
<td>2011</td>
<td>2.9</td>
<td>3.7</td>
<td>2.9</td>
</tr>
<tr>
<td>2012</td>
<td>2.9</td>
<td>3.7</td>
<td>2.9</td>
</tr>
<tr>
<td>2013</td>
<td>2.9</td>
<td>3.7</td>
<td>2.9</td>
</tr>
<tr>
<td>2014</td>
<td>2.9</td>
<td>3.7</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Current weighted average risk rating (WARR) better than our target range of low risk of 3.0 (BB+ to BB) to moderate risk of 4.0 (B+ to B-)

Increased lending to historically underexposed countries

Improved average portfolio risk rating

Solid portfolio quality

Favorable social political development for our major borrowers

A growing portfolio
Robust capitalization

Risk capital utilization ratio stable in 2014 helped by improved diversification and increased risk bearing capacity

Risk capital utilization rate = Σ [Exposure] * [Risk capital charge])/Total risk capital

Available risk capital (39%)
Risk capital utilized (61%)

* Total risk capital after adjustments for valuations of equity investments and borrowing

Available risk capital:
- Total risk capital: 8,673*
- Total used risk capital: 5,307
- Diversification benefit: -232
- Operational risk: 77
- Total risk capital: 8,673*
- Total used risk capital: 5,307

Risk capital:
- Paid-in capital + Reserves + Adjustments

Sufficient capital to support additional lending operations
Reinforcing the foundations of our financial strength

Risk-bearing capacity increased by 39% since 2005

Additional paid-in capital of USD 2.24 billion expected from 2015 to 2026

![Bar chart showing paid-in capital and reserves from 2005 to 2014 in USD million.](chart.png)

- Paid-in Capital
- Reserves

- 2005: Paid-in Capital = 6,257, Reserves = 6,699
- 2006: Paid-in Capital = 6,699, Reserves = 7,440
- 2007: Paid-in Capital = 7,178, Reserves = 7,178
- 2008: Paid-in Capital = 7,432, Reserves = 7,432
- 2009: Paid-in Capital = 7,424, Reserves = 7,424
- 2010: Paid-in Capital = 7,494, Reserves = 7,494
- 2011: Paid-in Capital = 8,207, Reserves = 8,207
- 2012: Paid-in Capital = 8,818, Reserves = 8,818
- 2013: Paid-in Capital = 8,673, Reserves = 8,673
- 2014: Paid-in Capital = 8,673, Reserves = 8,673
Protecting investors with conservative policy-based prudential ratios

Leverage and gearing track comfortably within limits

Usable Capital

= ∑ (Paid-in capital, Reserves, Callable capital of non-borrowing countries rated A- and above)

Gearing

= Loans (including undisbursed) + Equity investments and Guarantees / (Unimpaired subscribed capital + Surplus + Reserves)

GCI-VI negotiated as key levels approached 90%
USD 3.2 billion of allocable income since 2005

- USD 1.12 billion allocated to reserves
- USD 217 million allocated to the surplus account
- USD 1.88 billion allocated to development initiatives

Addressing key continent wide development initiatives...

- African Development Fund: to support the needs of low income countries
- Middle Income Country Trust Fund: to support project preparation and capacity building in middle income countries
- Special Relief Fund: to provide humanitarian aid
Special relief for humanitarian causes

**1973:** Provide humanitarian assistance to regional member countries affected by natural disasters

Over **USD 126 million** disbursed since inception

**Examples of commitments in 2014**

- Displaced persons in Katanga (DRC)
- Flood victims in Malanville/Karimama (Benin)
- Assistance to the conflict affected vulnerable population in South Sudan
- Assistance to refugees in Cameroon
- Assistance to Chibok Girls School in Nigeria
- Emergency assistance to control Ebola in DRC
- Emergency aid to control the plague in Madagascar
- Assistance to the victims of drought in Somalia
Serving Africa’s growing needs

Relevant and responsive to the needs of its members

Profile of beneficiaries of the new AfDB credit policy

- Sustainable debt profiles
- Sound macroeconomic position
- Available headroom for non-concessional borrowing

Stringent criteria to determine eligibility

Profile of African Eurobond issuers

- Low/moderate risk of debt distress
- Stable macroeconomic environment
- High economic growth

Amendment to the credit policy targeted at projects maximizing development impact

- Transport Sector Support Project in Rwanda to improve mobility and living conditions (USD 73 million)
- Markets and Agricultural Trade Improvement Project in Uganda to redevelop local markets (USD 83 million)
Financial and risk management policies

Conservative principles underlying our asset and liability management

**Interest rate risk**
- Minimized by matching interest rate characteristics of assets and liabilities
- Stabilize net interest margin

**Foreign exchange rate risk**
- Liabilities in any currency matched with assets in the same currency
- Currency composition of net assets aligned with the UA

**Counterparty credit risk**
- Minimum credit ratings established for investments
- Minimum ratings for derivative counterparties

**Liquidity risk**
- Ability to meet cash flow requirements for 1-year without access to additional resources

Financial and risk management framework consistent with a triple-A business profile
Very strong liquidity position

Ability to meet our debt service is the backbone of our creditworthiness

Conservative liquidity policy is a key strength underpinning our triple-A rating
Targeting high-quality assets

Conservative investment policy for liquidity

Still able to outperform benchmarks...

... despite low interest rate environment

Total treasury assets (USD 10.6 billion)

<table>
<thead>
<tr>
<th>Portfolio Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value portfolio</td>
<td>USD 5.4 billion</td>
</tr>
<tr>
<td>Amortized cost portfolio</td>
<td>USD 5.2 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>54%</td>
</tr>
<tr>
<td>EUR</td>
<td>31%</td>
</tr>
<tr>
<td>GBP</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

*ABS/MBS = Asset/Mortgage Backed Securities
Growing borrowing program in line with our planned operations on the continent

Established access to the capital markets as a reputable & diverse wholesale borrower
Comprehensive market access

Breadth of access across markets and currencies over the past 10 years
Global benchmark books more than 200% oversubscribed within 4 hours

Flagship benchmark funding program of the Bank

- Aaa/AAA/AAA
- Safe haven status
- Quality of execution and bond performance
- Noble mission
- Strong fundamentals

6 African central banks invested in AfDB bonds in 2014
Cementing our footprint in Australasia

Australian dollars, the second currency of funding for the third year running

... with A$3.7 billion currently outstanding in the kangaroo market

Building AfDB’s A$ benchmark curve since 2011...

A$1,000 million due 2022
A$500 million due 2016
A$500 million due 2018
A$650 million due 2024
A$75 million due 2026
A$300 million due 2019
A$250 million due 2019
A$300 million due 2020
A$300 million due 2025
A$100 million due 2018
A$650 million due 2024
A$75 million due 2026
A$300 million due 2020
A$300 million due 2025
A$100 million due 2018
A$650 million due 2024
A$75 million due 2026

Diversifying the Bank’s funding sources into New Zealand after a 6-year absence

NZD 100 million Kauri bond due August 2019

A$ investor distribution in 2014

Rest of World 11%
Domestic 34%
Offshore Asia (incl. Japan) 55%
Accessing Africa’s foremost bond markets

- Landmark NGN 12.95 billion 7-year domestic bond in Nigeria
- First-ever debt program from a supranational issuer

Authorization to issue in the domestic market
Authorization to freely exchange bond proceeds in any other currency
Withholding tax exemption

Waivers requested for bond issuance in domestic markets
Tax exemption on income and gains to bondholders

Confirmation that the bonds will be accorded an asset-risk weighting of 0%
AfDB bonds are 0% risk weighted under Basel II

Eligibility of the bonds for repo transactions with central banks
AfDB repo eligible in Australia, New Zealand, EU, UK, & US

Eligibility of the bonds for bank liquidity ratio requirements
AfDB bonds are level 1 assets under Basel III

Issuer in Uganda amounting to UGX 25 billion since 2012
ZAR 650 million 3-year Eurobond in 2014

AfDB and Bloomberg launched the AFMI Bloomberg African Bond Index (ABABI) – 2015
- Transparent and credible benchmark indices to provide investors with a tool with which to measure and track the performance of Africa’s bond markets
- Composite index comprised of the Bloomberg South Africa, Egypt, Nigeria and Kenya local currency sovereign indices
AfDB Green bond program launched in 2013

- To finance eligible climate change mitigation and adaptation
- USD 1.2 billion issued under the program since 2013
- Dedicated green bond website and newsletter
- Harmonized impact reporting with other MDBs

AfDB Socially Responsible bonds since 2010. Proceeds used on a best-efforts basis towards lending in the relevant areas of interest

- USD 200 million infrastructure bond
- BRL 271 million food security uridashi bond

- Clean energy
- Education
- Education support
- Food security
- Gender
- Green
- Infrastructure
- Powering Africa
- Social
- Water
Solid Environmental, Social, and Governance standing

“A clear impression of an institution that is well aware of the challenges posed by climate change as well as other environmental and social concerns that may be associated with investments projects. In particular we are pleased with the consciousness shown towards the external impacts of projects both across space and time”

CICERO, 1st September 2013

“On a relative benchmarking with other supranationals and development banks, the bank continues to demonstrate robust benefits and programs to attract and retain talent. Additionally, the bank has a well-defined system in place to manage credit and reputational risks arising from these impacts.”

MSCI ESG Research, 5th December 2014
Strong field presence to be close to the client

Covering 95% of the Bank’s portfolio from the field

Back in 2005

- Field presence in 17 countries, with 13 field offices, 4 national program offices
- 96 staff at post

Now in 2015

- Field presence in 38 countries, with 2 regional resource centers, 29 field offices and 7 customized liaison offices
- 577 staff at post managing 51% of operations and supervising 52% of projects

Decentralization is improving the Bank’s visibility and franchise value.
 Returned to Headquarters

- Collaboration from the Tunisian and Ivorian governments made for a smooth return.
- Relocation exercise has deepened the Bank’s own practical knowledge of resilience and of business continuity.
- By September 2014 the President of the Bank and Management were able to officially resume business in Abidjan.
August 4th 1963, Khartoum, 23 newly independent African states established the AfDB

1st President 1964
Mamoun Beheiry (Sudan)
- Inaugural meeting of Board of Governors in Lagos, Nigeria in 1964
- Headquarters open in Abidjan, Cote D'Ivoire
- Operational activities begin in July 1966 with 10 people
- In 1967, first loan to finance the construction of a road in Kenya
- Initial authorized capital of USD 387 million
- Bank loans and grants reach USD 8 million in 1968

2nd President 1970
Abdelwahab Labidi (Tunisia)
- ADF created in 1972 by 13 state participants
- Nigerian Trust Fund established in 1975
- 1st General Capital Increase to USD 620 million
- Bank loans and grants reach USD 136 million in 1974
- 45 members countries

3rd President 1976
Kwame Donkor Fordwor (Ghana)
- Non-regional countries admitted to the Bank
- 2nd General Capital Increase to USD 1.2 billion
- Bank loans and grants reach USD 520 million in 1979
- 48 members countries
AfDB leaders 1980 - 2005

4th President 1980
Willa D. Mung’Omba (Zambia)
- AfDB is rated AAA by Moody’s and AA by S&P in 1984
- 3rd General Capital Increase to USD 3.7 billion
- Bank loans and grants reach USD 879 million in 1984
- 74 members countries

5th President 1985
Babacar N’diaye (Senegal)
- AfDB rated AAA by Fitch in 1992
- 4th General Capital Increase to USD 25.1 billion
- Bank loans and grants reach USD 1.4 billion in 1994
- 77 members countries

6th President 1995
Omar Kabbaj (Morocco)
- New vision of economic growth with equity and poverty reduction as goals
- AfDB regains its AAA rating by S&P in 2003
- Temporary relocation of the Bank to Tunis
- 5th General Capital Increase to USD 33.9 billion
- Decentralization is launched
- Bank loans and grants reach USD 2.7 billion in 2004
AfDB 2005 - 2015

Focus on reducing the infrastructure gap

Expanding private sector operations

Decentralization

African Legal Support Facility

USD 3 billion Enhanced Private Sector Assistance for Africa

Strong response to the 2007 food crisis

Response to the 2008 global financial and economic crisis

Tripling of the Bank’s capital to USD 100 billion

Climate Change Action Plan

Extractive Industries Transparency Initiative

Integrated Safeguards System

USD 2 billion Africa Growing Together Fund

3 new countries joining the Bank

Africa50

Return of the Bank to Headquarters

Amendment of the credit policy

Response to the Ebola Virus Disease

Loans and grants reaching USD 6.5 billion in 2014

Strategic foresight in navigating extraordinary economic & political challenges

7th President 2005
Donald Kaberuka (Rwanda)
African Development Bank Group
An institution that Africa and Africans can bank on

- Supporting regional integration in the continent
- Promoting enterprise development in the private sector
- Bridging the infrastructure gap
- Good governance for sustainable development
- Implementing the gender agenda
- Inclusiveness
- Adressing fragility
- Green growth
- Forefront of global and regional coordination efforts on the climate change
- Voice of Africa

Good governance for sustainable development as a centerpiece.
Appendix
AfDB Income Statement (UA million)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational Income and Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from Loans</td>
<td>342.13</td>
<td>335.01</td>
<td>351.16</td>
<td>314.92</td>
<td>293.36</td>
</tr>
<tr>
<td>Income from Investments and related derivatives</td>
<td>132.41</td>
<td>131.24</td>
<td>199.35</td>
<td>168.85</td>
<td>219.22</td>
</tr>
<tr>
<td>Income from Other Securities</td>
<td>3.85</td>
<td>3.95</td>
<td>4.83</td>
<td>5.41</td>
<td>6.74</td>
</tr>
<tr>
<td><strong>Total income from Loans and Investments</strong></td>
<td>478.39</td>
<td>470.20</td>
<td>555.34</td>
<td>489.18</td>
<td>519.32</td>
</tr>
<tr>
<td>Interest and amortized issuance costs</td>
<td>(375.96)</td>
<td>(302.99)</td>
<td>(356.41)</td>
<td>(316.82)</td>
<td>(303.04)</td>
</tr>
<tr>
<td>Net interest on borrowing-related derivatives</td>
<td>221.21</td>
<td>111.85</td>
<td>139.16</td>
<td>112.16</td>
<td>126.27</td>
</tr>
<tr>
<td>Unrealized losses on borrowings, related derivatives and others</td>
<td>(29.83)</td>
<td>34.11</td>
<td>(10.17)</td>
<td>(3.04)</td>
<td>(40.94)</td>
</tr>
<tr>
<td><strong>Provision for Impairment on Loan Principal and Charges Receivable</strong></td>
<td>(18.02)</td>
<td>(41.14)</td>
<td>(29.69)</td>
<td>(17.68)</td>
<td>(26.76)</td>
</tr>
<tr>
<td>Provision for Impairment on Equity Investments</td>
<td>0.75</td>
<td>0.76</td>
<td>(0.05)</td>
<td>(0.15)</td>
<td>(0.90)</td>
</tr>
<tr>
<td>Provision for Impairment on Investments</td>
<td>-</td>
<td>9.19</td>
<td>0.29</td>
<td>6.39</td>
<td>18.58</td>
</tr>
<tr>
<td>Translation Gains/(Losses)</td>
<td>(4.07)</td>
<td>13.33</td>
<td>(2.27)</td>
<td>(27.95)</td>
<td>4.87</td>
</tr>
<tr>
<td>Other Income</td>
<td>3.39</td>
<td>3.02</td>
<td>15.29</td>
<td>4.46</td>
<td>(1.72)</td>
</tr>
<tr>
<td><strong>Net Operational Income</strong></td>
<td>282.20</td>
<td>302.98</td>
<td>309.79</td>
<td>246.55</td>
<td>295.66</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>(123.16)</td>
<td>(110.97)</td>
<td>(107.55)</td>
<td>(79.50)</td>
<td>(75.00)</td>
</tr>
<tr>
<td>Depreciation – Property, Equipment and Intangible Assets</td>
<td>(7.61)</td>
<td>(6.70)</td>
<td>(4.59)</td>
<td>(4.47)</td>
<td>(4.59)</td>
</tr>
<tr>
<td>Sundry (Expenses)/Income</td>
<td>0.26</td>
<td>(4.98)</td>
<td>(1.94)</td>
<td>1.93</td>
<td>(2.41)</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>(130.50)</td>
<td>(122.65)</td>
<td>(114.07)</td>
<td>(82.04)</td>
<td>(82.00)</td>
</tr>
<tr>
<td><strong>Income before Distributions Approved by the Board of Governors</strong></td>
<td>151.69</td>
<td>180.33</td>
<td>195.71</td>
<td>164.51</td>
<td>213.66</td>
</tr>
<tr>
<td>Distributions of Income Approved by the Board of Governors</td>
<td>(120.00)</td>
<td>(107.50)</td>
<td>(110.00)</td>
<td>(113.00)</td>
<td>(146.37)</td>
</tr>
<tr>
<td><strong>Net Income for the Year</strong></td>
<td>31.69</td>
<td>72.83</td>
<td>85.71</td>
<td>51.51</td>
<td>67.29</td>
</tr>
</tbody>
</table>

AfDB Balance Sheet Highlights (UA million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from Banks</td>
<td>406.71</td>
<td>954.13</td>
<td>881.45</td>
<td>344.16</td>
<td>395.72</td>
</tr>
<tr>
<td>Demand Obligations</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
</tr>
<tr>
<td>Treasury Investments</td>
<td>7,341.62</td>
<td>6,058.45</td>
<td>6,487.51</td>
<td>7,590.47</td>
<td>7,433.53</td>
</tr>
<tr>
<td>Derivative Assets</td>
<td>1,143.68</td>
<td>985.96</td>
<td>1,558.33</td>
<td>1,696.68</td>
<td>1,421.48</td>
</tr>
<tr>
<td>Non-Negotiable Instruments on Account of Capital</td>
<td>0.74</td>
<td>1.20</td>
<td>1.97</td>
<td>3.04</td>
<td>4.62</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>640.16</td>
<td>843.86</td>
<td>762.67</td>
<td>914.85</td>
<td>1,341.62</td>
</tr>
<tr>
<td>Outstanding Loans</td>
<td>12,496.52</td>
<td>11,440.70</td>
<td>10,885.80</td>
<td>9,373.52</td>
<td>8,293.01</td>
</tr>
<tr>
<td>Hedged Loans – Fair Value Adjustment</td>
<td>112.70</td>
<td>32.49</td>
<td>86.85</td>
<td>49.87</td>
<td>–</td>
</tr>
<tr>
<td>Equity Participations</td>
<td>596.82</td>
<td>525.01</td>
<td>438.56</td>
<td>309.76</td>
<td>272.24</td>
</tr>
<tr>
<td>Other Securities</td>
<td>94.11</td>
<td>82.90</td>
<td>76.54</td>
<td>79.99</td>
<td>79.75</td>
</tr>
<tr>
<td>Other Assets</td>
<td>79.46</td>
<td>41.22</td>
<td>31.06</td>
<td>13.34</td>
<td>12.69</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>22,950.83</td>
<td>20,996.72</td>
<td>21,214.55</td>
<td>20,261.45</td>
<td>19,144.29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Liabilities, Capital and Reserves</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>1,211.81</td>
<td>1,246.11</td>
<td>2,083.07</td>
<td>1,974.68</td>
<td>2,015.04</td>
</tr>
<tr>
<td>Derivative Liabilities</td>
<td>853.74</td>
<td>971.85</td>
<td>512.60</td>
<td>502.29</td>
<td>328.30</td>
</tr>
<tr>
<td>Borrowings</td>
<td>14,375.95</td>
<td>12,947.44</td>
<td>13,278.80</td>
<td>12,902.96</td>
<td>11,980.56</td>
</tr>
<tr>
<td>Capital Subscriptions Paid</td>
<td>3,438.23</td>
<td>3,147.08</td>
<td>2,839.48</td>
<td>2,505.97</td>
<td>2,355.68</td>
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<tr>
<td>Reserves</td>
<td>2,815.32</td>
<td>2,856.88</td>
<td>2,667.44</td>
<td>2,536.18</td>
<td>2,627.28</td>
</tr>
<tr>
<td><strong>Total Liabilities, Capital and Reserves</strong></td>
<td>22,950.83</td>
<td>20,996.72</td>
<td>21,214.55</td>
<td>20,261.45</td>
<td>19,144.29</td>
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</tbody>
</table>