



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT

AFRICAN DEVELOPMENT BANK GROUP

Making a difference

INVESTOR PRESENTATION

September 2025

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AFRICAN DEVELOPMENT BANK GROUP
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OVERVIEW OF THE BANK GROUP



Africa's premier development financial institution

AfDB Group: 3 legally and financially separate institutions, with a common goal...



African Development Bank ("AfDB")

- Established in 1964
- 81 member countries
- Authorized capital: USD 330 billion*
- Resources raised from capital markets
- 0% risk-weighting under Basel II
- Level 1 under Basel III



African Development Fund ("ADF")

- Concessional financing, established in 1972
- Financed by 29 state participants (including Angola) and 5 regional donors (Algeria, Botswana, Egypt, Morocco and South Africa)
- Subscription: approximately USD 50 billion
- Focus on low-income countries
- Replenished every 3 years



Nigeria Trust Fund ("NTF")

- Established in 1976 by Nigeria
- Targeted at the Bank's needier countries
- Maturing in 2028
- Total resources: USD 242 million

Governance and Oversight

Board of Governors

- Highest decision-making body
- Composed of Ministers of Finance and Ministers of Cooperation of the member countries

Board of Directors

- 20 Executive Directors elected by the Board of Governors, resident in Abidjan
- Oversees the general operations

Decisions by both Boards require two-thirds majority or 70%, should any member request so

...of combating poverty and improving lives on the continent

*(as of 30 June 2025)

60 years of partnership for the development of Africa

Africa

Nigeria	8.962%	Namibia	0.338%
Egypt	6.212%	Malawi	0.309%
Algeria	5.159%	South Sudan	0.306%
South Africa	4.981%	Burundi	0.216%
Morocco	4.643%	Niger	0.208%
Cote d'Ivoire	3.821%	Benin	0.208%
Ghana	2.161%	Liberia	0.186%
Libya	2.130%	Mali	0.174%
Zimbabwe	1.715%	Togo	0.164%
Dem.Rep.Congo	1.611%	Rwanda	0.135%
Ethiopia	1.535%	Gambia	0.124%
Tunisia	1.427%	Eswatini	0.111%
Kenya	1.265%	Sierra Leone	0.106%
Zambia	1.170%	Sudan	0.094%
Angola	1.033%	Lesotho	0.090%
Senegal	0.964%	Eq.Guinea	0.064%
Cameroon	0.963%	Sao Tome & P.	0.062%
Tanzania	0.825%	Chad	0.059%
Botswana	0.761%	Cabo Verde	0.056%
Madagascar	0.647%	Mauritania	0.053%
Mauritius	0.637%	Cent.Afr.Rep	0.034%
Mozambique	0.578%	Eritrea	0.031%
Gabon	0.440%	Somalia	0.029%
Burkina Faso	0.407%	Seychelles	0.022%
Uganda	0.387%	Djibouti	0.008%
Guinea	0.381%	Comoros	0.007%
Congo	0.357%	Guinea Bissau	0.007%

Europe

Germany	3.997%
France	3.600%
Italy	2.327%
U.K.	1.787%
Sweden	1.507%
Switzerland	1.406%
Norway	1.130%
Denmark	1.123%
Spain	1.016%
Netherlands	0.846%
Ireland	0.788%
Belgium	0.615%
Finland	0.469%
Austria	0.428%
Portugal	0.231%
Luxembourg	0.199%

Middle East

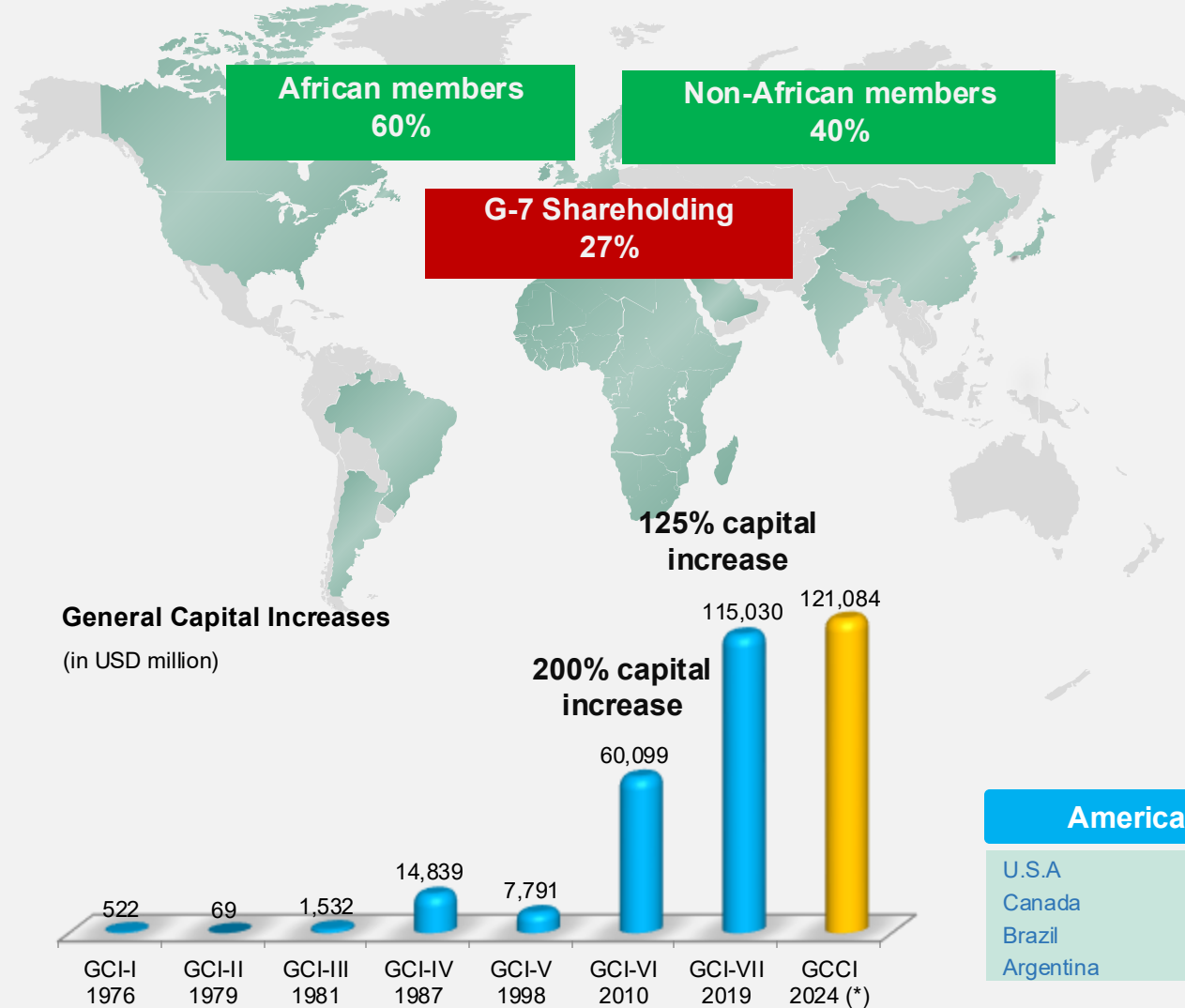
Kuwait	0.428%
Turkey	0.380%
Saudi Arabia	0.186%

Americas

U.S.A	6.352%
Canada	3.691%
Brazil	0.143%
Argentina	0.076%

Asia

Japan	5.279%
China	1.236%
Korea	0.461%
India	0.276%



Notes: Data for each country represents its shareholding within the Bank.

(*) General Callable Capital Increase approved by the Board of Governors in May 2024 to preserve the Bank's lending capacity and meet Fitch's Rating Agency requirements.

(as of 30 June 2025)

A responsive and effective partner

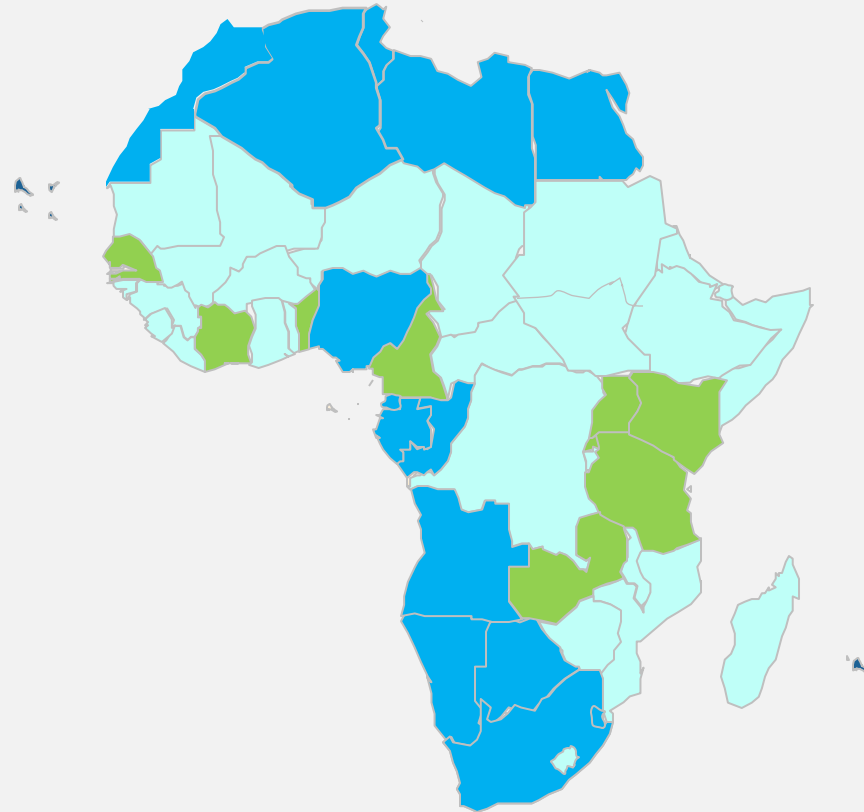
AfDB Sovereign Operations

17 middle-income countries eligible to receive AfDB funding

Criteria:

- GNI per capita
- Country's creditworthiness

Providing selective access to Bank resources for countries with sound macroeconomic position and sustainable debt profile



Access to both AfDB and ADF financing

9 countries eligible

6 Blend countries: Cameroon, Cote d'Ivoire, Kenya, Senegal, Tanzania and Zambia

3 ADF countries with access to AfDB resources through the revised 2014 credit policy: Benin, Rwanda and Uganda

ADF Concessional Financing

28 low-income countries eligible to receive loans and grants from ADF only

Private Sector Operations

Viable enterprises and multinational projects with an additionality and development outcome

- Direct loans
- Lines of credits
- Equity participation
- Guarantees

Additionality and development outcome assessment – Indicators

- GDP growth (%)
- GDP per capita (constant 2010 \$)*
- Mo Ibrahim Index of African Governance**
- Tax and non-tax fiscal revenues
- Gender Inequality Index
- Production efficiency
- Resilience to water shocks
- Number of refugees and internally displaced people

Enclave Finance

Self-sustaining, export-oriented projects, located in ADF countries

*Dollar GDP figures converted from domestic currencies using 2010 as a base year. Data reported in constant 2010 prices show data for 1990, 2000 and all other years in 2010 prices

**A statistical assessment of the performance of governance in every African country

A responsive and effective partner

The High 5s, at the heart of Africa's development agenda

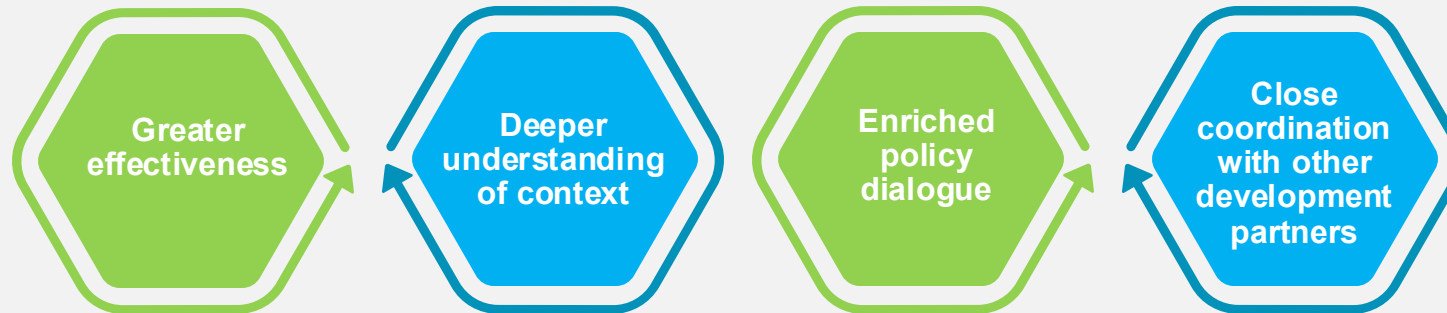
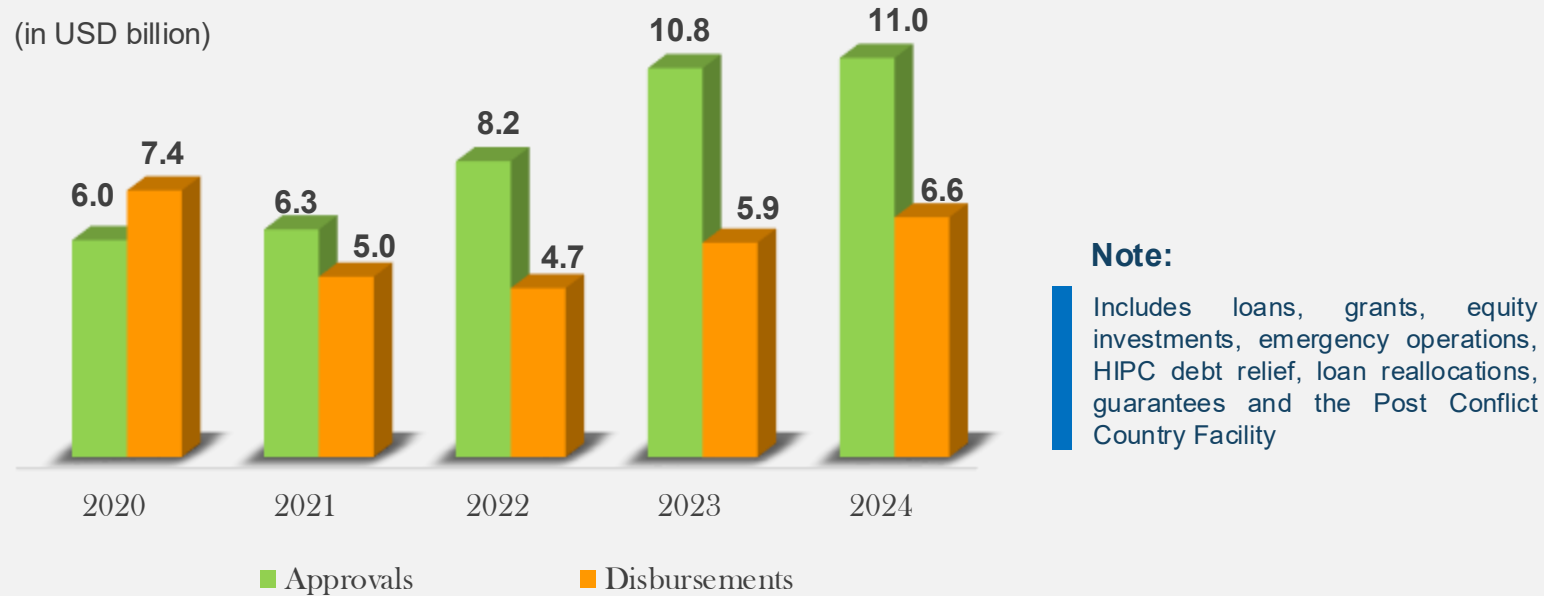


The High 5s will help Africa achieve close to 90% of the SDGs and are intrinsically linked to the African Union's Agenda 2063

Delivering on the Bank's Ten-Year Strategy to accelerate inclusive green growth and drive prosperous and resilient economies

Group operations - investing in Africa's future

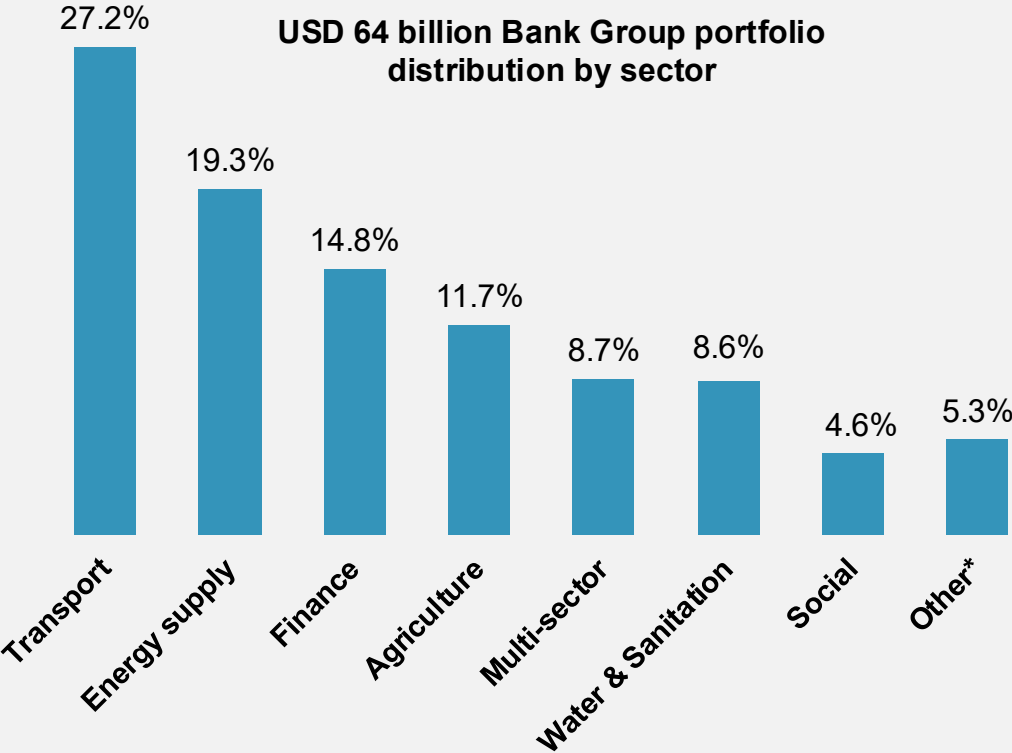
Bank Group approvals and disbursements



With the right investments and policies, the SDGs can be achieved in Africa

Delivering more to achieve the Africa we want

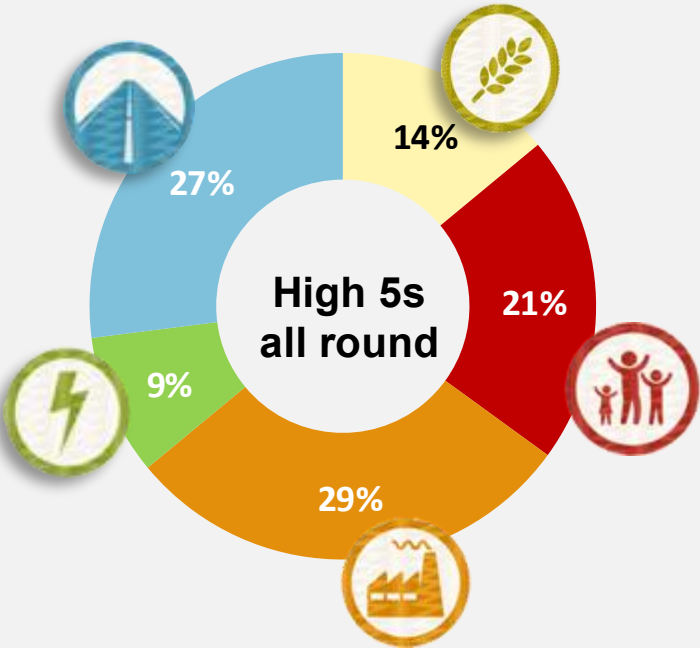
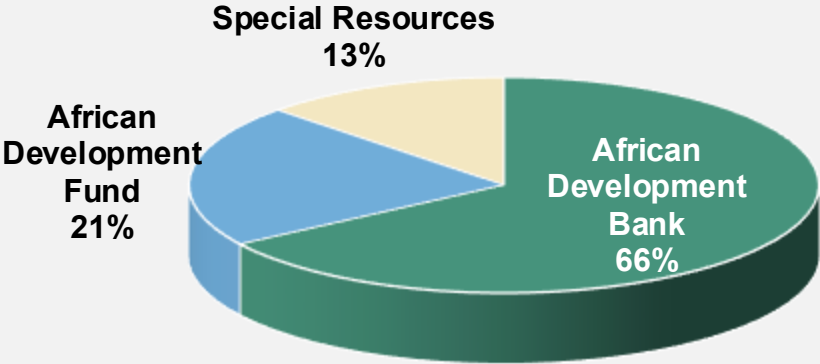
Africa's largest financier of transport infrastructure



(As of 31 December 2024)

* Industry, Communications, Environment and Urban Development

Delivering across the organization - 2024 approvals



Energy for all, fueling inclusive growth



Energy is a human imperative

Reliable, affordable and green energy to achieve universal energy access needed for the continent

Immense power deficit across the continent

Energy use in Africa is the world's lowest

- 58% of households have access to electricity in 2022 vs 54% in 2018
- Nearly 1 billion people without access to clean cooking
- 20 countries in the world with lowest electrification are in Africa
- Annual energy consumption per capita was 200 kWh in Africa in 2022 vs 12,700 kWh in the US and 6,500 kWh in Europe

Electricity demand projected to triple by 2030

- 600 million people lack access to electricity
- Power outages costing 0.2-4% GDP annually
- 90% of primary schools lack electricity
- Hampers hospitals and emergency services

A considerable push toward cleaner, low-carbon energy

Africa holds more than 60% of world's solar potential

Abundant renewable energy potential

- 10 TW solar
 - 350 GW hydroelectric
 - 110 GW wind
 - 15 GW geothermal
- vs 46 GW currently installed

USD 70 billion investments in infrastructure needed annually to develop renewables

Need for innovative technologies and financing instruments

Connecting electricity grids for enhanced access



The Bank's investment priorities

- Accelerating African countries' access to universal, reliable, and affordable modern energy, which includes electricity and clean cooking solutions, services for their populations and productive sectors.
- Developing socially, economically, and environmentally sustainable energy sectors.
- Entrenching a low-carbon development pathway, thereby enhancing green growth while enhancing energy security.
- Strengthening the sustainability of power sectors and utilities and enhancing energy efficiency
- Building robust intra- and inter-regional power systems that will underpin the development of an interconnected continental power grid, linking existing power pools, and facilitating the establishment of an African Single Electricity Market.

Development impact from projects completed in 2024

- **450,000 people** with new electricity connections
- **2,300 km** of cross-border and national transmission lines
- **1,000 MW** of new power capacity installed

Strengthening the national electricity grid to improve access

Egypt - Suez 1.1 GW Wind Farm Project

Project cost: USD 1.1 billion / ADB loan: USD 170 million

Year of Approval: 2024

The project involves the design, construction, operation, and maintenance of a greenfield 1.1 GW wind farm and its associated medium/high voltage step-up power substation in Egypt. Once constructed, the project will boost the deployment of renewable energy in Egypt as the largest wind IPP in the country.

Expected development outcomes:

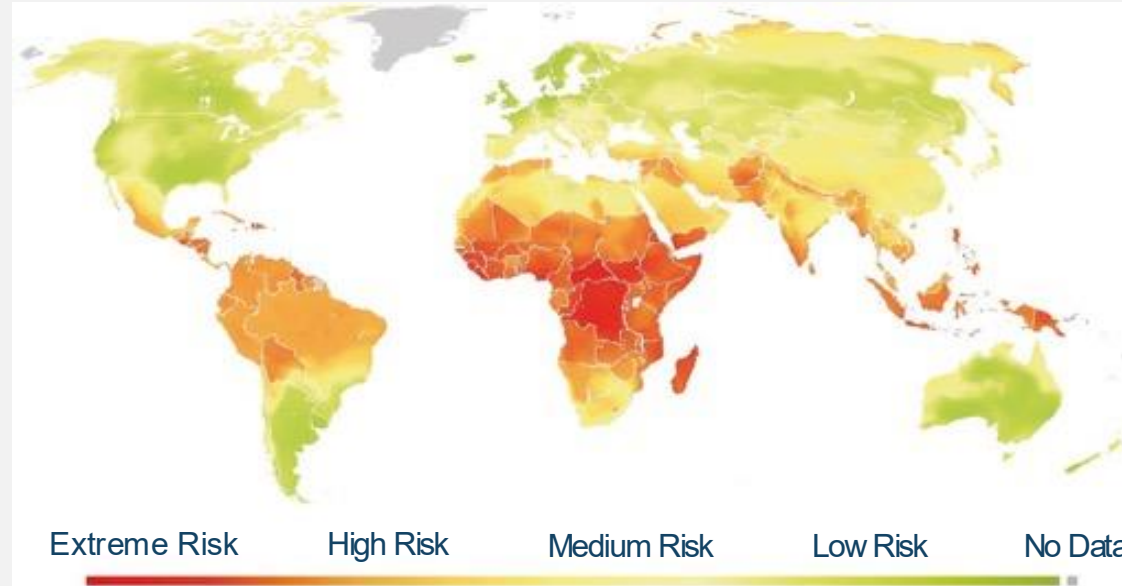
- 1.1 GW power capacity installed
- 4,111 GWh renewable energy generated annually
- 1,71 million tons of CO₂ emission reduction annually
- Over 1,000,000 households to gain access to clean, reliable, and affordable energy.
- 1,740 jobs created

Fast-tracking Africa's climate change agenda

Africa needs approximately USD 2.8 trillion in climate financing to fulfill national commitments for climate actions under the Paris Agreement by 2030

Climate risks impacting the poorest and most vulnerable communities

- Rising sea levels, droughts, floods
- Impeding agricultural productivity and food security
- Threatening water and energy security
- Exacerbating poverty
- Impacting sovereign credit ratings



Source: Climate Change Vulnerability Index 2017 - Verisk Maplecroft

9 out of 10 world's most vulnerable countries are in Africa

Africa accounts for less than 4% of world's GHG emissions

Less than 3% of global climate finance flows to Africa

Protecting the continent from extreme climate

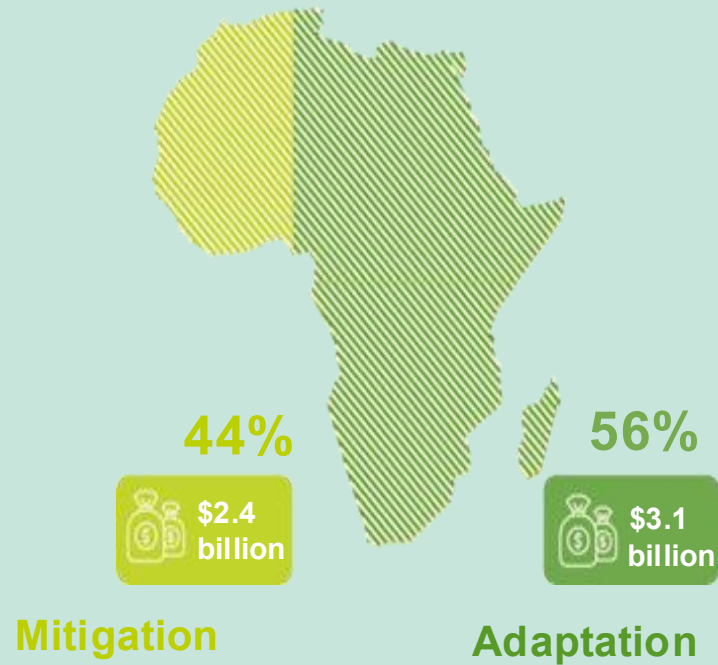
- Improving capacity to predict and issue effective early warning alerts
- Fostering innovation to manage emerging climate threats
- Strengthening governance, effective policies and institutions
- Mobilizing global climate finance

Building climate resilience by planning for growth and development

Financing climate-smart development

Climate change mainstreamed in 98% of Bank operations in 2024

In 2024
USD 5.5 billion = 49% of all AfDB
of climate finance approvals



Africa needs approximately USD 2.8 trillion to implement the Nationally Determined Contributions (NDCs)

African Adaptation Acceleration Program (AAP)

- Partnership with Global Center for Adaptation (GCA)
- USD 25 billion commitment to support adaptation in Africa by 2025
- Significant progress, with a cumulative total of USD 19.5 billion mobilized
- AfDB hosting GCA's Africa office

Africa NDC Hub - a partnership platform to provide technical assistance and deliver NDC targets

- 54 African countries ratified the Paris Agreement; 49 countries updated their NDCs; and 9 countries submitted Long-Term Low-Carbon and Climate Resilience Strategy (LTS)
- LTS on-going support in Gabon, Liberia, Lesotho, Botswana, Mozambique and Uganda
- Support NDC implementation in Burkina Faso, Ethiopia and Zambia



- The ADF Climate Action Window (CAW) aims to mobilize USD 4-13 billion to scale up climate action in 37 low-income African countries.
- **USD 442 million** with **80 adaptation projects** in the pipeline in 2024.

Africa offers tremendous greenfield investment opportunities to support climate action

Harnessing the sun to power the Sahel region



Desert-to-Power Initiative - Transforming economic, social and climate related fragility of the Sahel into resilience

New approach

- Innovative blended finance package
- Cooperation with financial and specialized institutions, developers and political initiatives
- Encouraging new technologies

Partnering with



Co-financing with

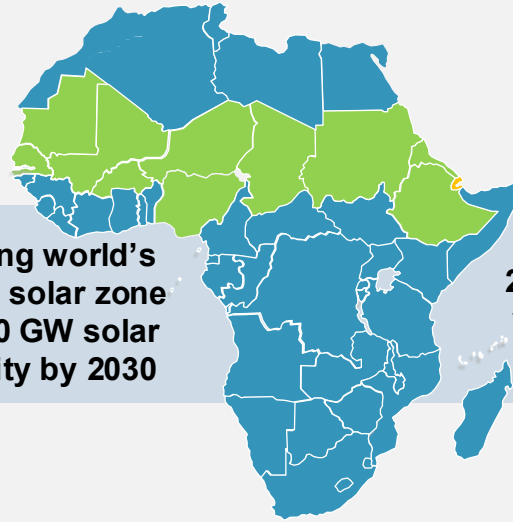


Key resource mobilization vehicle



Creating world's largest solar zone with 10 GW solar capacity by 2030

250 million people will get access to electricity



Chad - Gassi and Lamadji Solar PV Desert to Power

Project cost: EUR 41.1 million / ADF loan: EUR 13.5 million
Year of approval: 2024

The project entails the design, construction and operation of two 15 MWp solar PV plants close to the Lamadji and Gassi substations with a total capacity of 30 MWp. The 2 power plants will generate 61 GWh of clean and reliable electricity while reducing 49,000 tons of CO₂ emissions annually.

Desert-to-Power projects approved in 2024-2025

Eritrea	12 MW Mini Grid Project - Tesseney Kerekebet and Barentu
Chad	Gassi and Lamadji Solar PV DtP
Burkina Faso	Dedougou 18 MW Solar PV

Improve regional energy interconnection

Attract private sector in renewable energy

Slow migration and address fragility

Reduce poverty and improve food security

Develop agriculture and other economic activities

Increase gender inclusion and employment

Africa, the renewable energy powerhouse that will provide green solutions to combat climate change

Transforming agriculture, the greatest potential for Africa



Africa's challenges are a matter of global concern

Demographic

- 20% of Africa's population is undernourished
- 11% GDP loss in Africa is caused by malnutrition
- 34% of children under 5 are stunted
- 28 million people became food insecure between 2020 and 2022

Economic

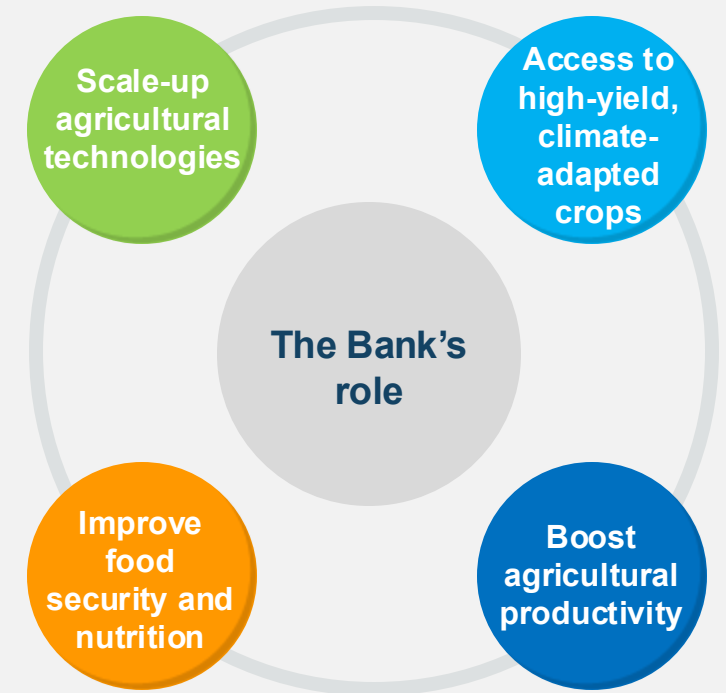
- Over USD 100 billion made in revenue each year from chocolate...
- ...of which Africa just receives 2%
- 60% of the world's arable land not yet put into production is in Africa
- USD 75 billion in agricultural trade deficit annually

Environmental

95% of African agriculture is rainfed and therefore vulnerable to drought

Weather shocks costing 2% contraction in GDP

Our over-arching goals



Development impact from projects completed in 2024

- **27 million people** benefitting from improved food security
- **480,000 farmers** using improved inputs, including micro-irrigation, fertilizer, and climate-resilient seeds
- **2,900 agri-businesses** supported

Transforming agriculture, the wealth of Africa, is central to growth, poverty eradication and food security

Climbing up agricultural value chains



Transform African agriculture into a globally competitive, inclusive, business-oriented sector
Approvals in 2024: USD 2.5 billion



Tanzania - Building a Better Tomorrow: Youth Agribusiness Initiative

Project cost: USD 241 million / ADB loan: USD 130 million
Year of Approval: 2024

The project development objective is to improve job creation, and food and nutrition security for youths in Tanzania. The specific objective of the project is to create business opportunities and decent employment for young women and men along priority agricultural value chains.

Expected development outcomes:

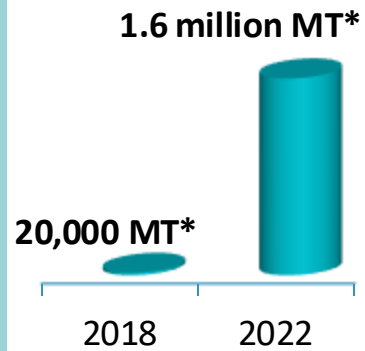
- 6,000 youth agribusiness enterprises established
- 11,000 youth with enhanced entrepreneurship and agribusiness skills, adopting use of improved climate smart inputs and given access to finance
- 150,000 jobs created
- 38,000 additional hectares of irrigation lands developed
- 700 km of in-farm road networks constructed

Wheat success story in Ethiopia

Transitioning from wheat importer to wheat exporter

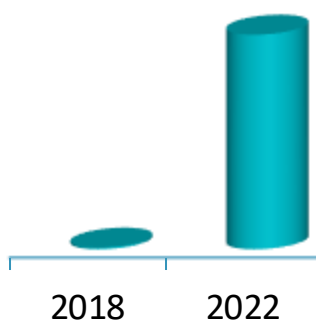
Ethiopia became wheat self-sufficient in 2022...

790% increase in irrigated wheat production

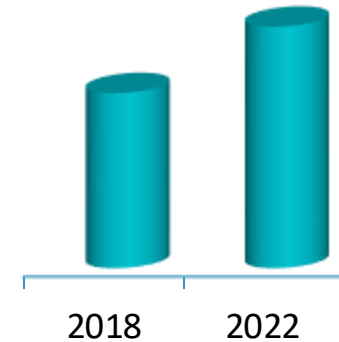


*MT= Metric Tons

1300% increase in irrigated wheat land

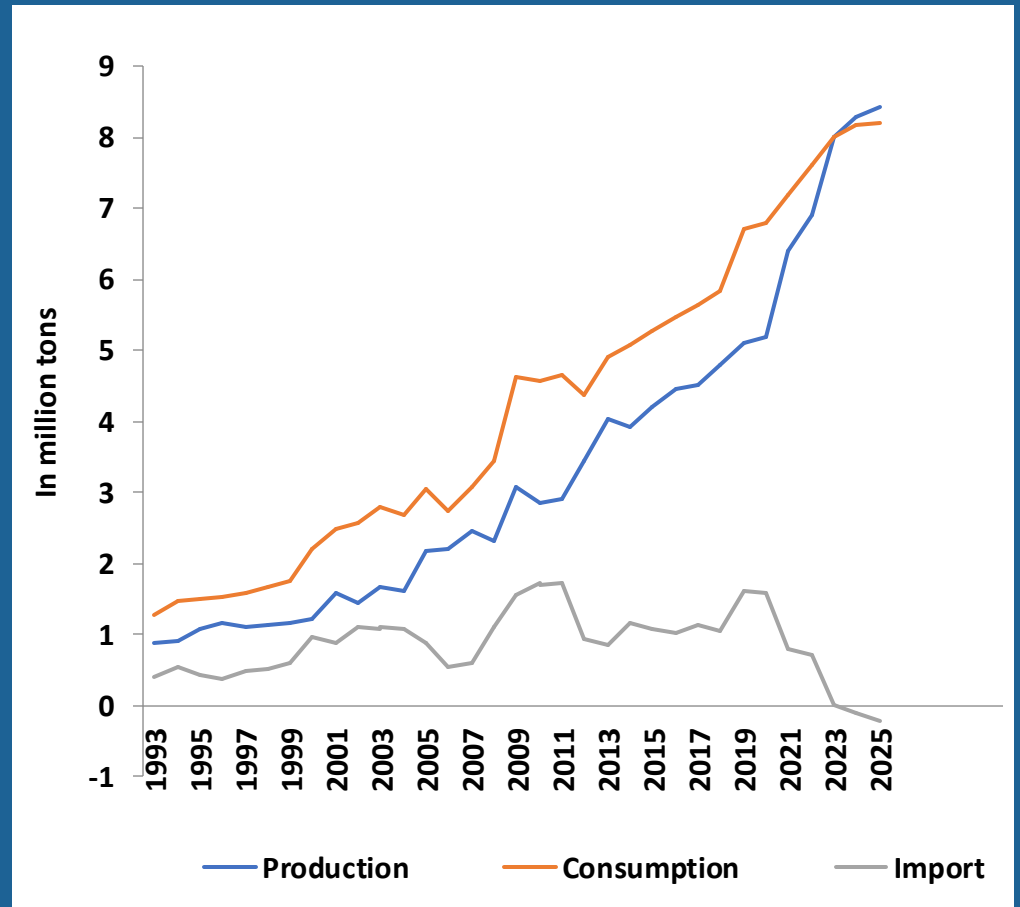


38% increase in wheat productivity



The Bank's Technologies for African Agricultural Transformation (TAAT) program distribution of over 100,000 tons of certified seeds significantly expanded the cultivated wheat area under irrigated lowland conditions from under 5,000 hectares in 2018 to over 650,000 hectares in 2022, contributing to Ethiopia's success.

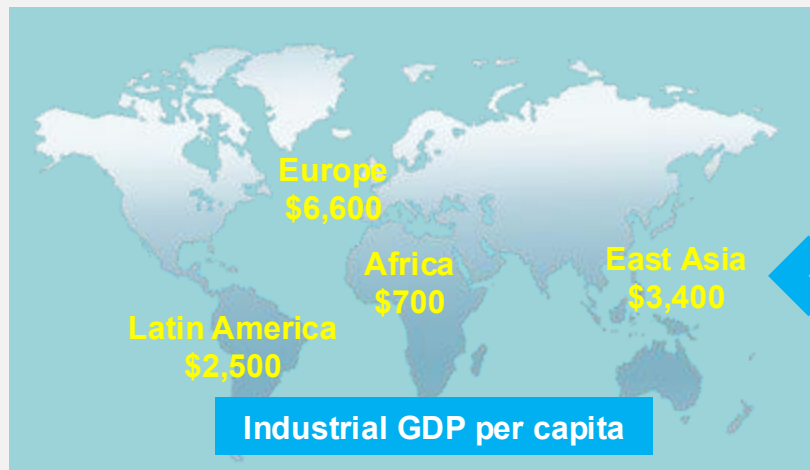
... And started exporting wheat from 2023



Africa's manufacturing sector, an engine of job creation



Strengthening regional ties and targeted policies can spur further industrial growth

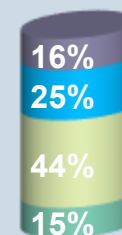


Improve global competitiveness

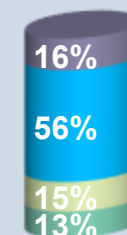
*As of 2019

Exporting raw commodities and importing manufactured goods

59% of exports are commodities



56% of imports are manufactured goods



EXPORTS IMPORTS

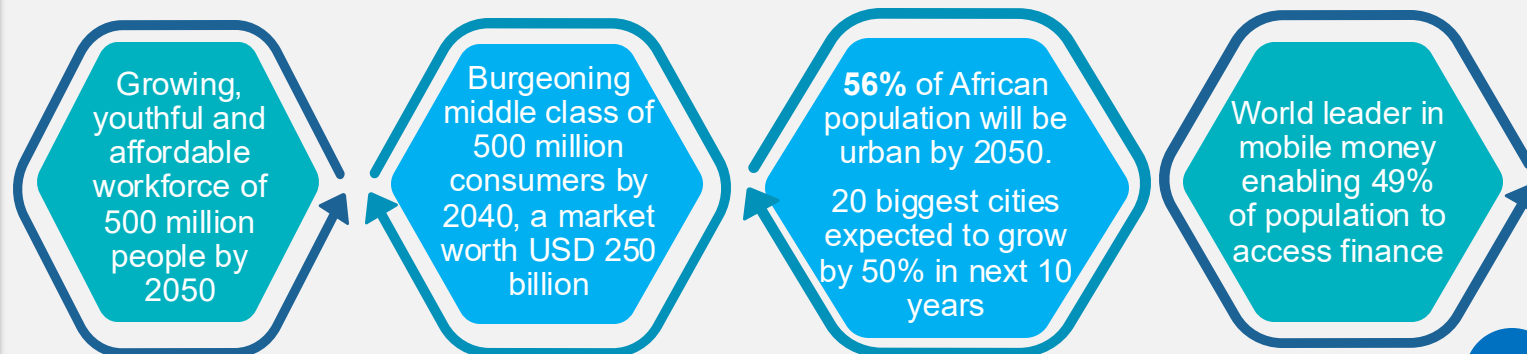
■ Agriculture Products ■ Fuels and Mining Products ■ Manufactured Goods ■ Others

Although manufacturing doubled over past decade, 2/3rd is produced in Algeria, South Africa, Nigeria and Egypt

The Bank's priority sectors and goals

- Develop agro-processing in special processing zones
- Support extractive resources beneficiation
- Support Africa's net zero transition
- Focus on connectivity infrastructure, digital and data services
- Support pharmaceuticals and vaccine manufacturing sector
- Develop the textile sector

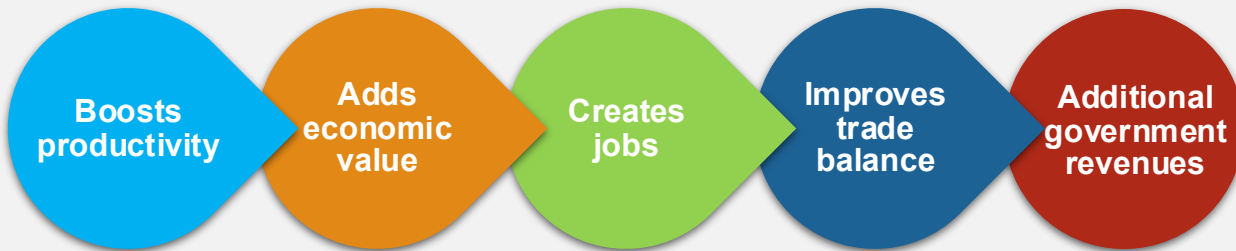
Africa's global competitiveness is improving



Promoting transformation to keep wealth within Africa

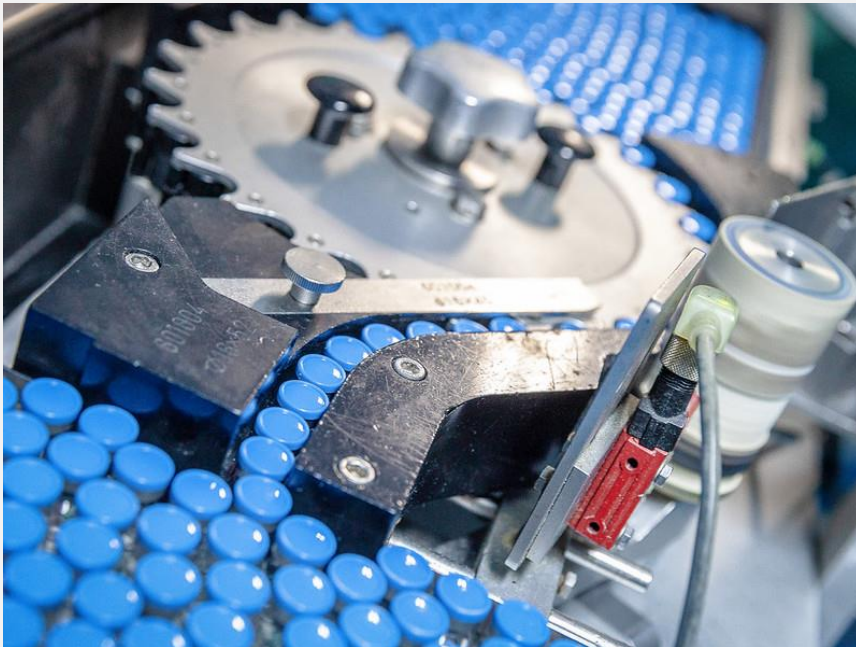


Processing locally to advance economic diversification



Development impact from projects completed in 2024

- **21 million people** with improved access to IT services
- **1200 enterprises** supported with access to finance (of which 600 are women-owned)



SENEGAL - Institut Pasteur in Dakar (IPD) - VAXSEN Project

Project cost : USD 253 million / ADB loan: USD 15 million

Year of approval: 2024

The project is part of the Bank's overall strategy and complements the objectives of the African Pharmaceutical Technologies Foundation, which are to strengthen the capacities of the African pharmaceutical sector, improve access to technologies and develop a sustainable and innovative pharmaceutical industry in Africa. It aims to contribute to Africa's medical and vaccine production capacity, reduce dependence on imports and strengthen preparedness and resilience to future pandemics.

Expected development outcomes:

- 300 million doses of vaccines capacity production
- 383 direct jobs created
- 1 vaccine plant constructed and equipped

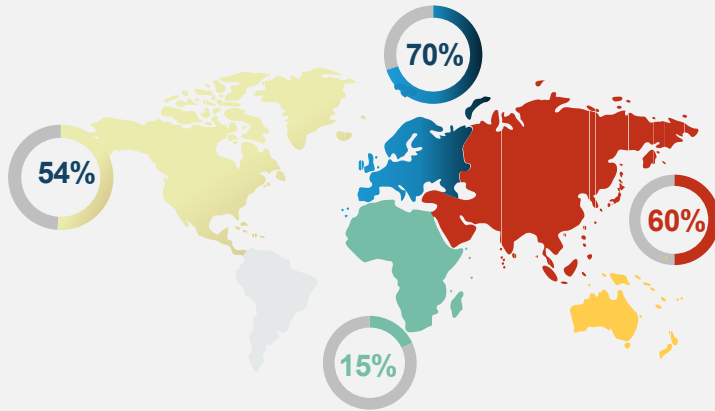
Shifting labor and capital resources to high productivity economic activities

Connecting the continent to unlock and accelerate development



Ushering in a new era for intra-Africa trade and economic cooperation

Low intra-Africa trade*



*As of 2019

Impediments to intra-regional trade

- Poor infrastructure
- Non-tariff barriers
- High cross-border trade cost
- Low visa openness

Bank's vision and strategy

Scale up
Infrastructure
connectivity

Promote Cross-
Border Trade
and investment

Deepen
Financial
integration

Regional integration through the High 5s

Energy markets
and
transmission
lines

Grid regulatory
and technical
harmonization

Labor markets
creation

Soft
infrastructure
establishment

Education,
training and
certification

Physical
infrastructure
connectivity

Agribusiness
integration

Trans-border
water resource
management



Greater political will for integration



Africa Continental Free Trade
Area (ACFTA), a milestone

World's largest free trade area

- Signed by 54 countries (30 ratifications)
- Promotion of freer, expanded trade and reduction of other non-tariff obstacles

ACFTA expected outcome by 2035

- 90% of intra-Africa trade
- USD 450 billion increase in trade
- 7% increase in average income
- 30 million people lifted out of poverty

Crossing borders to drive competitiveness



Eswatini - Road Infrastructure Improvement Programme Phase I

Project cost: USD 176 million / ADB loan: USD 141 million

Year of approval: 2024

The project aims to improve domestic and regional connectivity and mobility in urban and rural areas through investing in safe, efficient and cost-effective road infrastructure. It is expected to open opportunities for economic activities, access to social economic services and jobs, ultimately contributing to poverty alleviation and economic development.

Expected development outcomes:

- 100,000 people with improved access to paved road
- 106 km of climate-resilient roads constructed
- 50% average reduction in transports cost
- 150 jobs created
- 5% increased in trade volumes between Eswatini and South Africa and Mozambique

Development impact from projects completed in 2024

- **3.6 million people** gained access to better transport services
- **1,000 km** of cross-border national roads constructed or rehabilitated



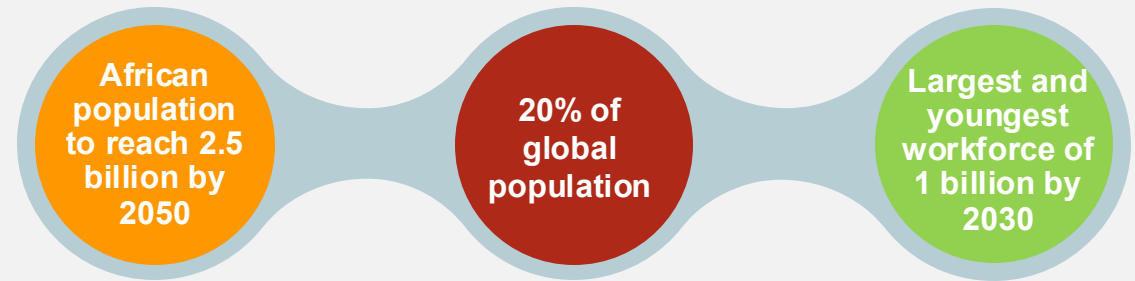
Opening opportunities for trade and travel and encouraging greater foreign investments

Converting human potential into opportunities



Africa today	...By 2030
 40% of Africans live below the poverty line*	 10 poorest countries in the world will be African
 72% of non-agricultural work in the informal sector	 83% of world's poor will be in Africa
 1/3 rd of youth unemployed	 100 million youth without jobs
 10 million entering labor market yearly	 Only 50% of new labor entrants will find jobs

Successfully absorbing Africa's workforce holds the key to creating Africa's demographic dividend



Our strategy

- Creating jobs and opportunities for the youth to reduce pressure for irregular migration
- Skilling-up youth in science and technology to take advantage of the 4th industrial revolution (4IR)
- Improving access to water and sanitation
- Strengthening health systems



69% of the population have access to safe drinking water

33% of the population have access to basic sanitation services

*on less than \$2 per day

The youth are Africa's greatest assets

Equipping Africa to meet tomorrow's challenges



BENIN - Programme for Achieving Drinking Water Security To Build Resilience in Rural Areas (PROSER MR)

Project cost: EUR 119 million / ADB loan: EUR 76 million

Year of approval: 2024

The program will contribute to the sustainable improvement of access to affordable, quality drinking water in rural areas. More specifically, the program aims to: (i) supply drinking water ; (ii) ensure the sustainability of tapped water supply; (iii) build the capacities of public drinking water supply stakeholders; and (iv) establish and operationalize Benin's Water Infrastructure Company. The program will benefit rural communities in 10 of Benin's 11 departments.

Expected development outcomes:

- 965,000 inhabitants will be served through network densification and household connections
- 2,420 direct jobs created for young people
- 1,940 standpipes installed and connected to a drinking water supply system

Development impact from projects completed in 2024

- **13 million people** with access to better health services, nearly 6 million are women
- **3.5 million people** with new or improved access to water
- **350,000 people** with new or improved access to sanitation
- **220,000 direct jobs** supported



Preparing for the future



Accelerating the empowerment of women

Women in Africa Today

USD 42 billion
financing gap
for women

20% women have
access to formal
long-term financing

30% of SMEs
owned by
women

15% of
agriculture
landowners are
women

15% of young
women are
unemployed



AFAWA aims to unlock USD 5 billion by 2026 to support women SMEs

AFAWA portfolio performance

- USD 2.5 billion approved since the establishment of AFAWA
- USD 1.2 billion disbursed to women-led SMEs
- Partnerships with 185 financial institutions in 40 countries
- 18,200 women accessing finance
- 24,000 women trained

Women Entrepreneurship Enablers Program

- Enhanced capacity for 10 women business development firms and associations
- 16,000 women impacted from 26 countries

Bank Group Gender Strategy 2021– 2025



Empowering women through access to finance and markets

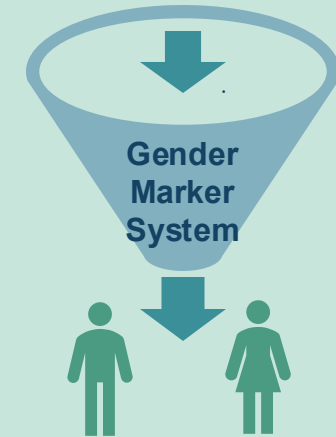


Accelerating employability and job creation for women through skills enhancement



Increasing women's access to social services through infrastructure

Systematizing gender mainstreaming in Bank operations



100% sovereign operations categorized and 88% have a gender equality outcome in 2024



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT

FINANCIAL PROFILE OF AFRICAN DEVELOPMENT BANK



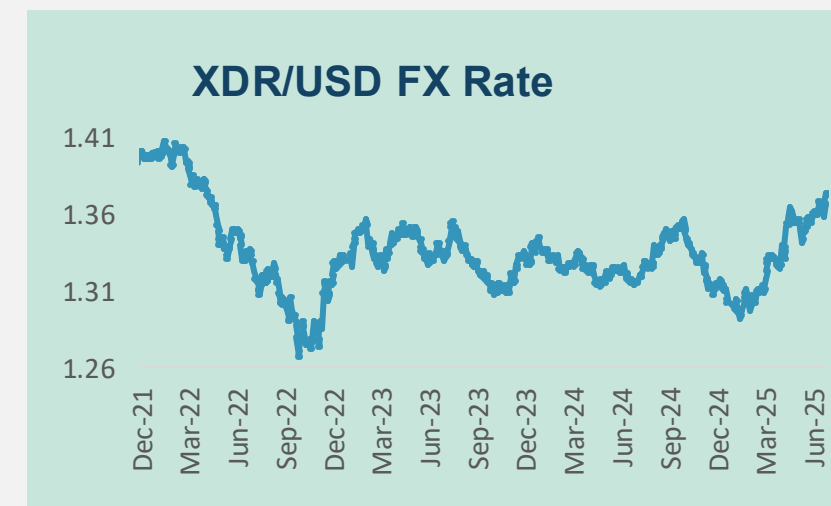
Summary financial information

(in USD million)	2021	2022	2023	2024	June 2025
Assets	50,840	50,866	52,955	55,391	65,764
Loans	28,135	27,542	29,545	30,896	33,635
Investments	13,707	15,588	16,613	18,742	24,938
Cash	4,623	3,767	1,856	1,121	1,336
Borrowings	35,151	32,278	33,242	34,434	43,649
Equity	12,185	13,152	14,509	15,958	17,217
Paid-in Capital *	7,774	8,267	9,123	9,633	10,507
Hybrid Capital	-	-	-	750	750
Reserves	4,410	4,885	5,386	5,589	5,935
Income before distributions	135	318	545	462	145
Subscribed Capital	207,801	197,987	198,719	213,232	228,001

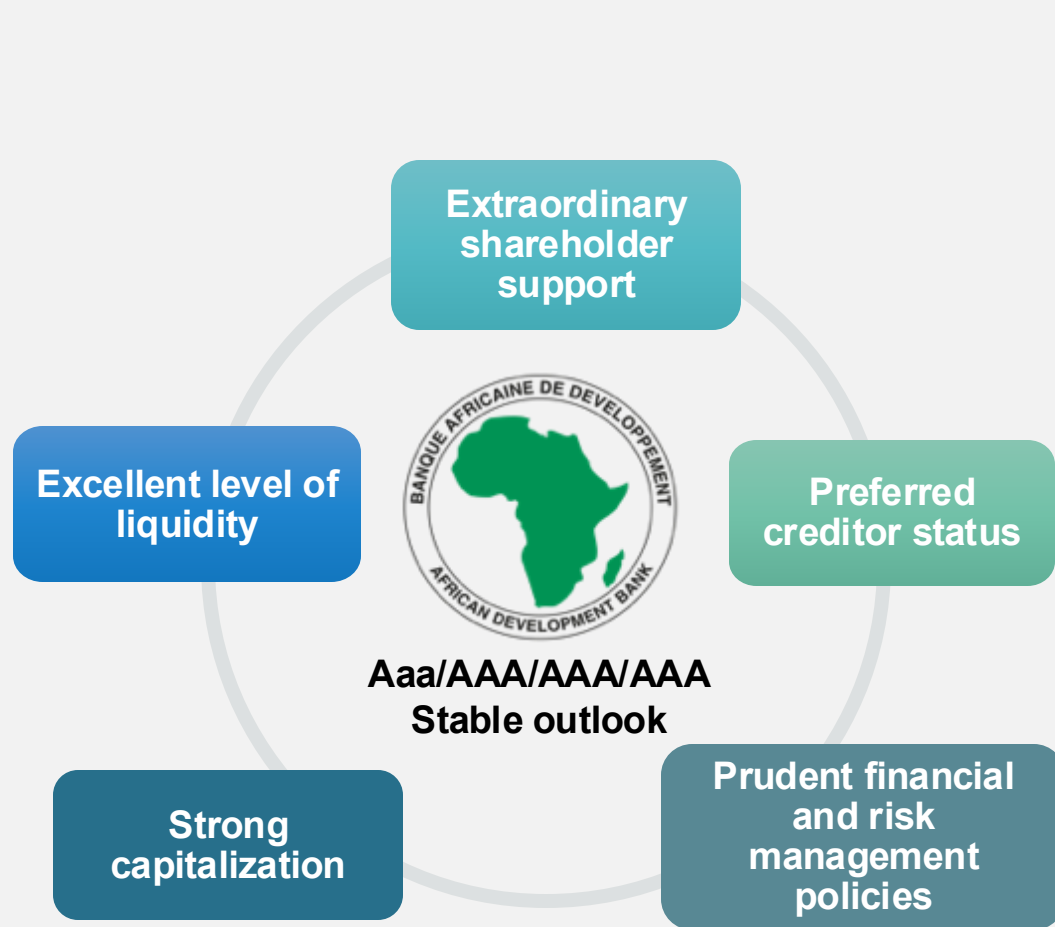
* Net of Cumulative Exchange Adjustment on Subscriptions

Note: Reporting currency is Special Drawing Rights (SDR) of the IMF. Data converted to USD at period-end exchange rates

SDRUSD: 1.39958 (2021); 1.33084 (2022); 1.34167 (2023); 1.30413 (2024); 1.37400 (June 2025)



The Bank's AAA, a driving force for development



S&P Global Ratings

"The stable outlook indicates that we expect AfDB to expand lending in both the sovereign and non-sovereign portfolios. We anticipate that it will benefit from preferred creditor treatment and will maintain strong funding and liquidity profiles."
August 2024

MOODY'S

"AfDB benefits from a "Very High" strength of shareholder support score, reflected in continued capital increases, and demonstrated support from non-regional shareholders outside of regular capital increases."
November 2024

FitchRatings

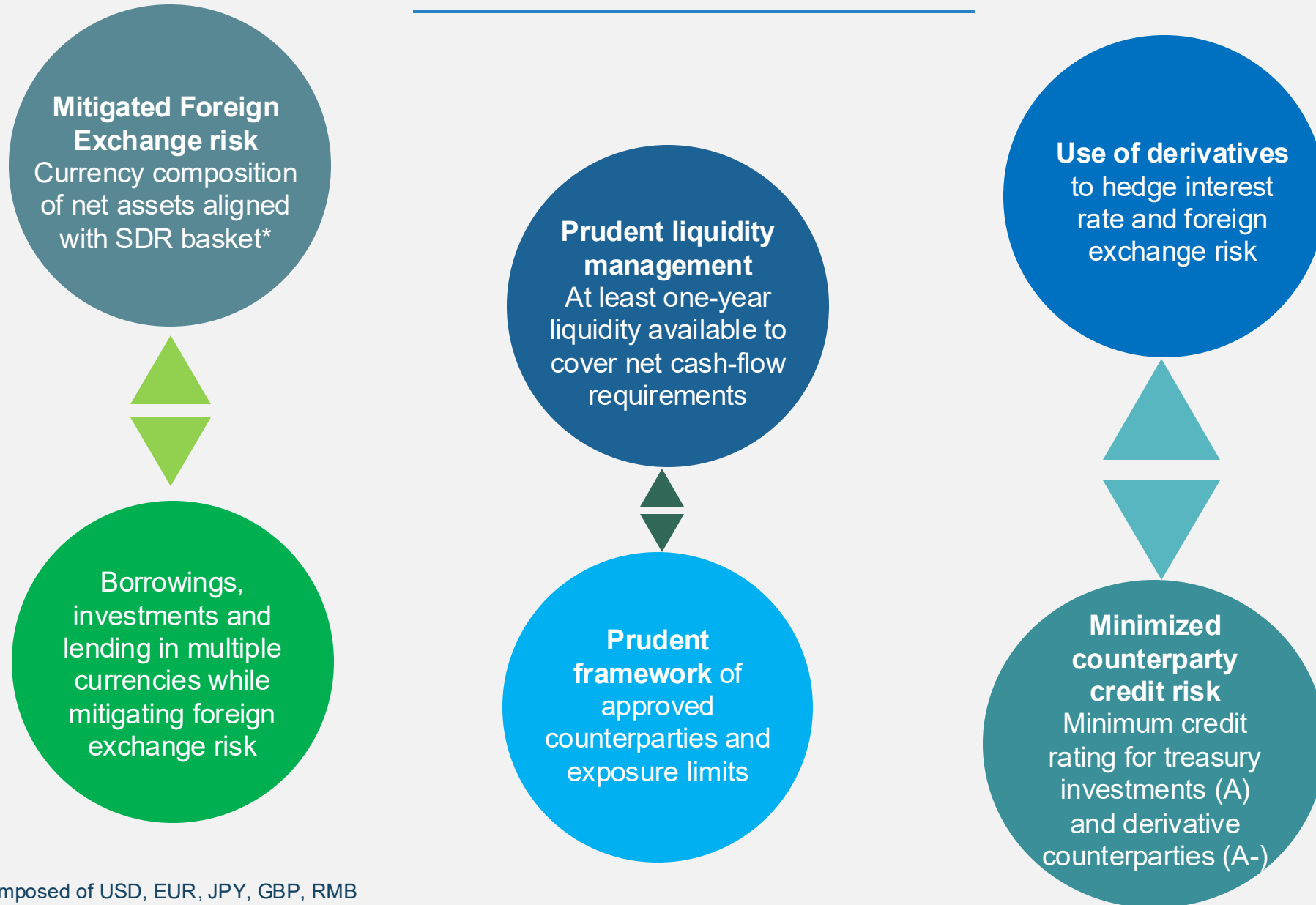
AfDB's liquidity buffer is 'excellent', AfDB adheres to internal liquidity policy rules that require it to hold sufficient liquid resources to meet its obligations for at least one year even in stressed conditions and without recourse to capital markets."
July 2025



Japan Credit Rating Agency, Ltd.

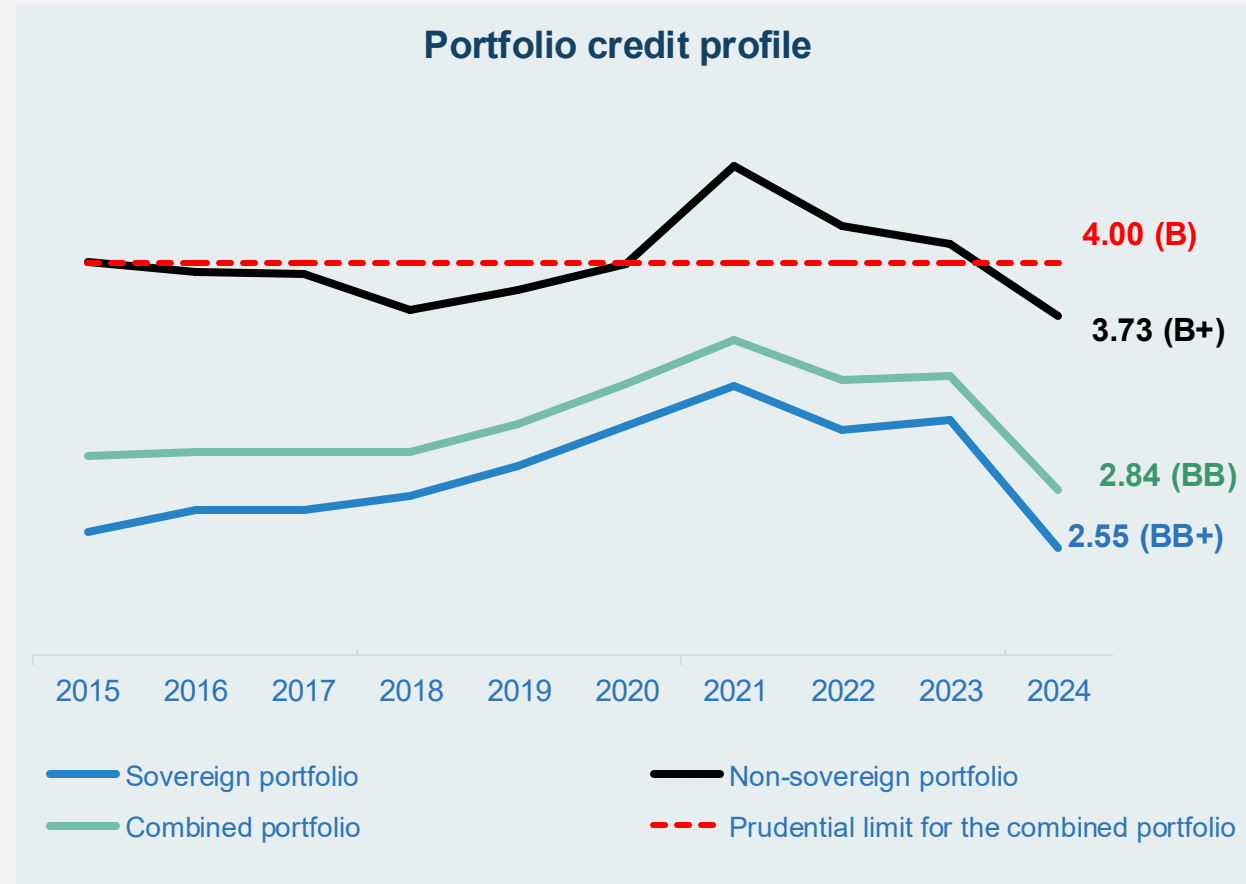
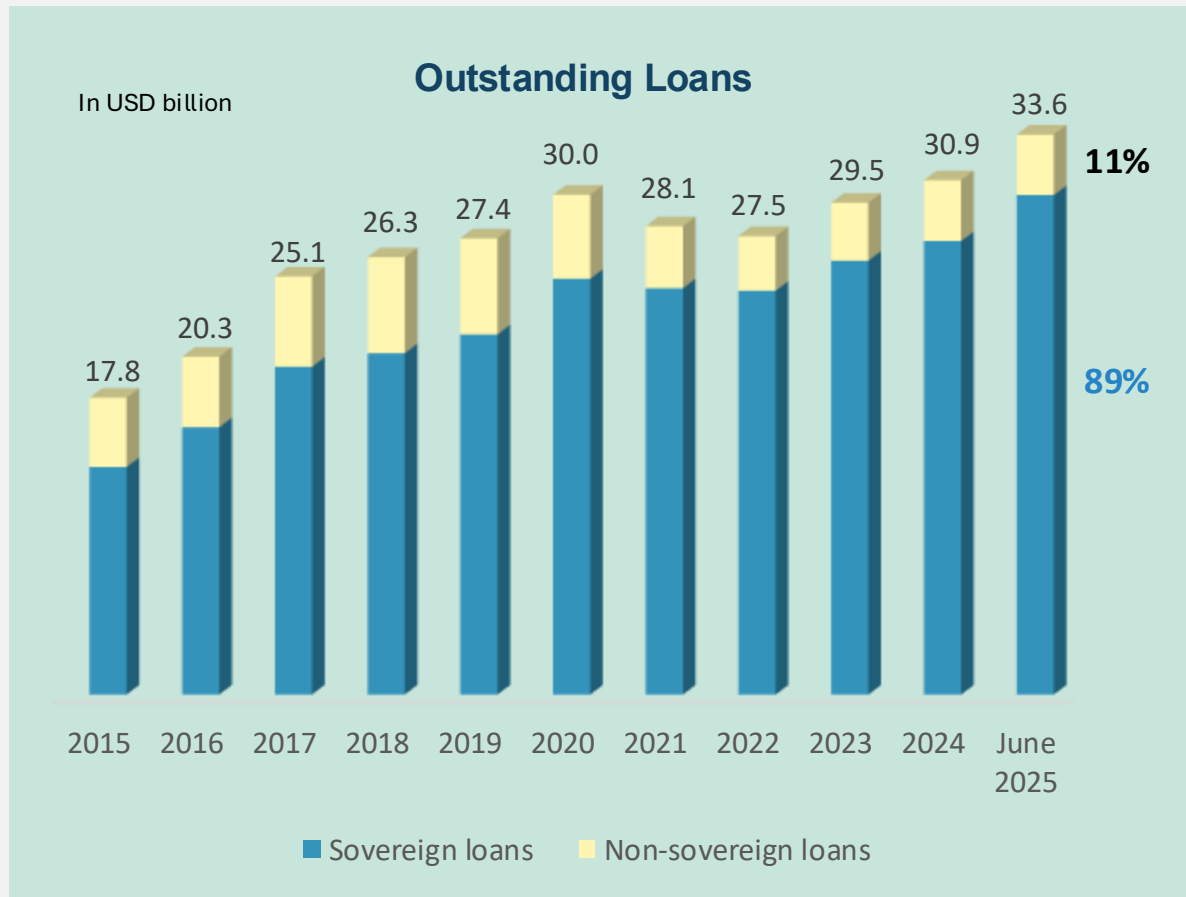
"The Bank retains a solid financial base, supported by its strong capitalization and ample liquidity."
October 2024

Prudent risk management policies consistent with our rating



* Composed of USD, EUR, JPY, GBP, RMB

Lending to bolster Africa's transformation

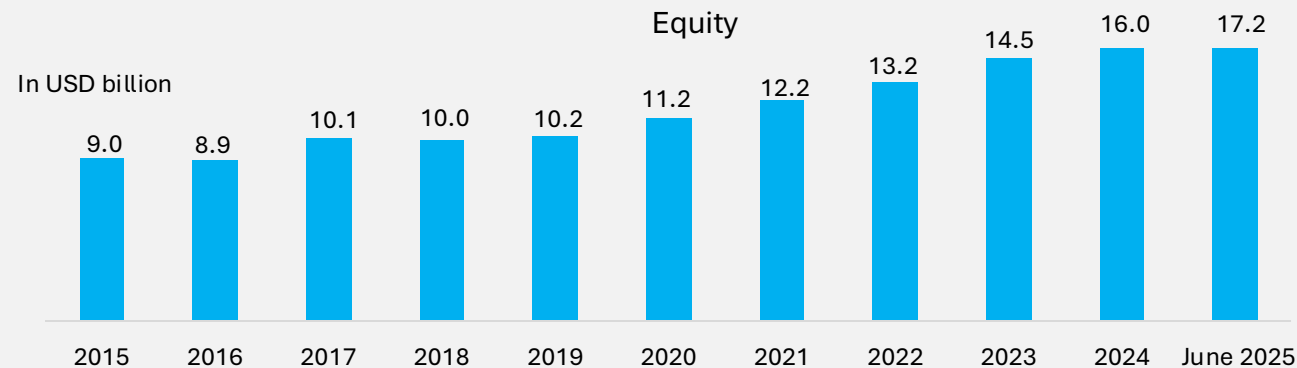
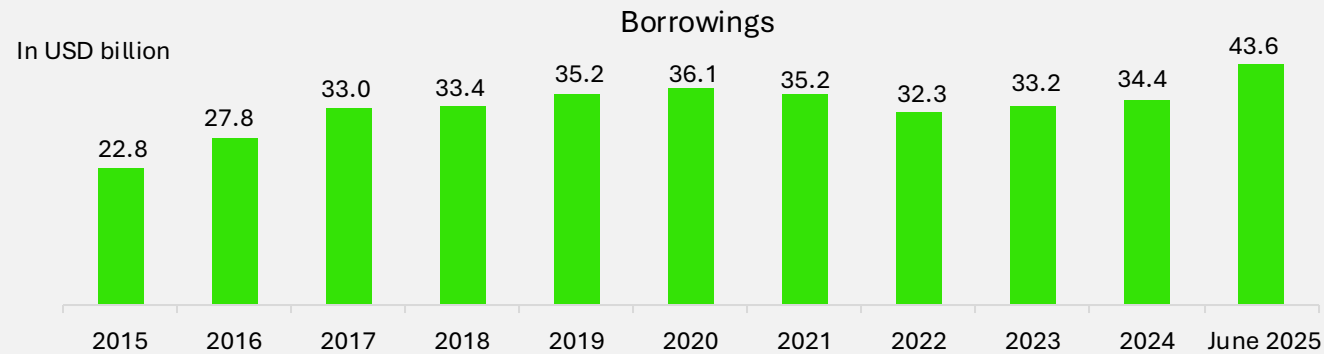
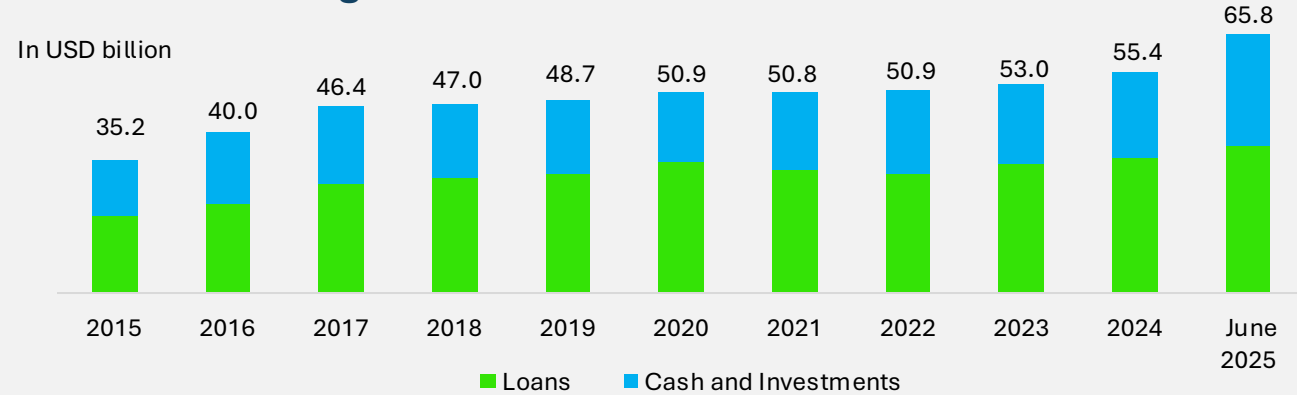


Weighted Average Risk Rating (WARR) within the Bank's target range of 3 (BB) and 4 (B)

Extending lending while maintaining and sustaining risk profile in line with Bank's risk appetite

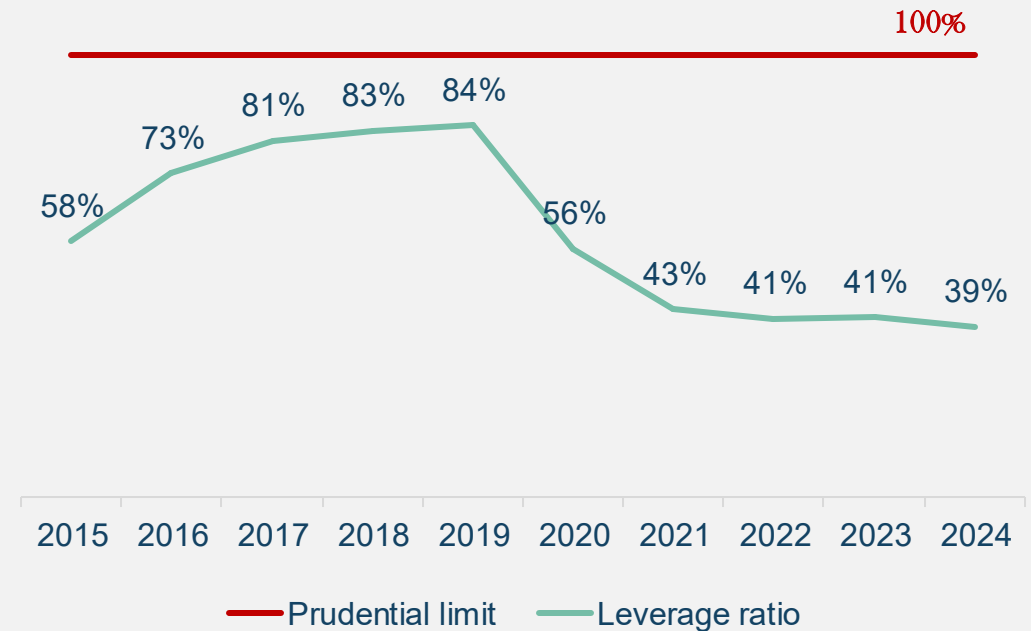
Leveraging capital to fund the Bank's development mandate

Putting the balance sheet to work for Africa



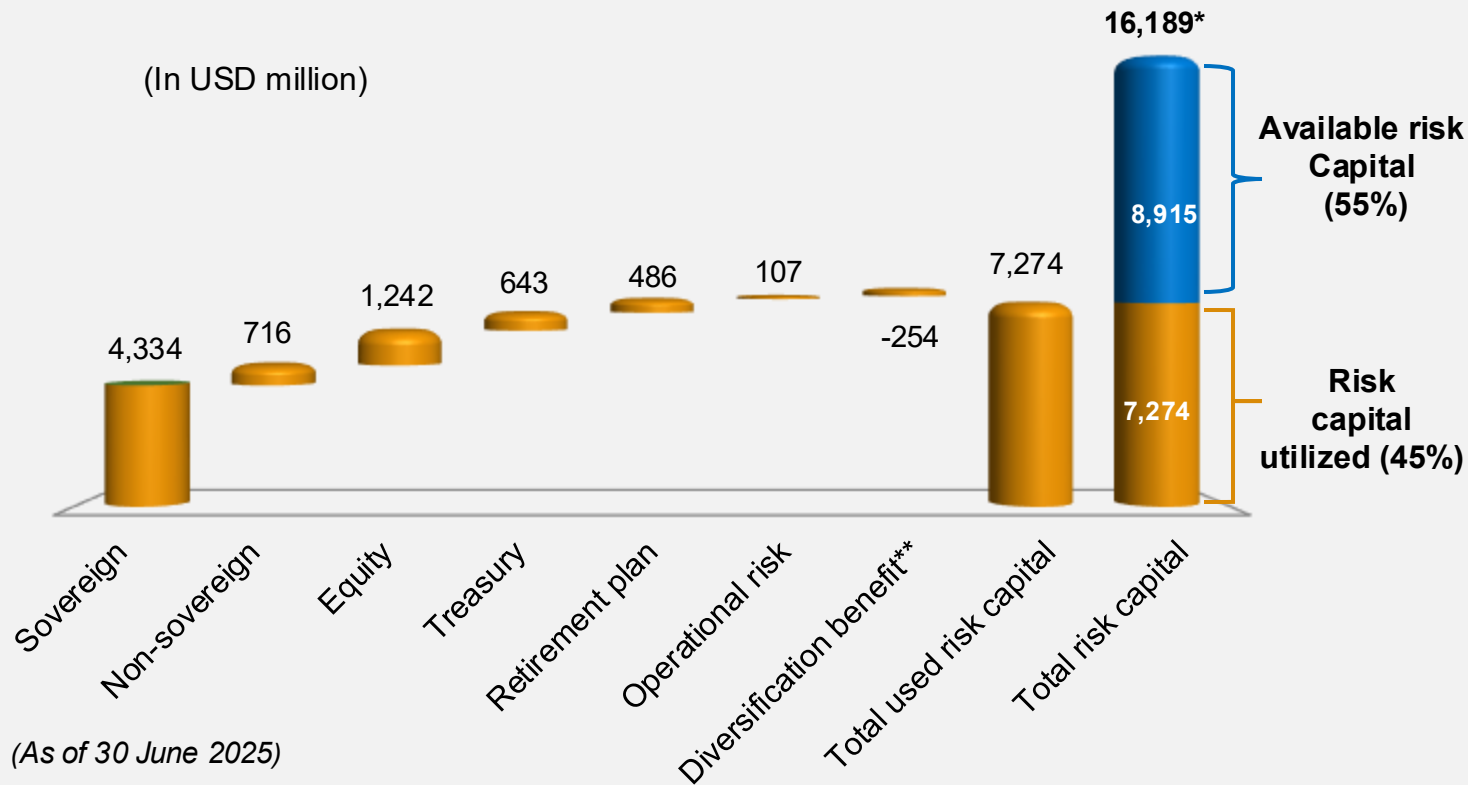
Leverage = Debt/Usable Capital

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



Using capital to efficiently deliver on the continent

Bank's Risk Capital Utilization driven by various exposures and exposure amounts



Risk capital = Paid-in capital
+ Reserves + Adjustments

Risk capital utilization rate =
 $\frac{\sum [\text{Exposure}] * [\text{Risk capital charge}]}{\text{Total risk capital}}$

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

** Diversification benefit stems from correlation between risks

Innovations in redeploying capital for the High 5s

Optimizing the Bank's balance sheet to further its impact

- 4th Exposure Exchange Agreement for USD 3.2 billion signed in April 2025, positively impacting prudential ratios and unlocking additional lending capacity for Regional Member Countries
- UK Foreign Commonwealth and Development Office (FCDO) USD 1 billion guarantee to support the Just Energy Transition in South Africa – *first loan to onboard by end-2025*
- USD 2 billion multi-issuer CLO synthetic securitization on private sector portfolio alongside Development Bank of Southern Africa – *planned issuance 1Q2026*

Partial Credit Guarantees (PCGs) expanding access to finance for Sovereigns

- EUR 200 million PCG provided by ADF to support Republic of Togo's access to 20-year commercial facility crowding-in pension fund resources
- EUR 400 million PCG to mobilize a 15-year sustainable loan of EUR 570 million facility for the Republic of Cote d'Ivoire comprising a EUR and XOF tranche in line with the country's Sustainable Financing Framework
- USD 800 million PCG to raise USD 2.2 billion from a pool of diverse investors to support Lot 6 of Tanzania's Standard Gauge Railway

MOBILIZING FINANCING TO MEET CLIENTS NEEDS

Securing resources for large scale transformational projects as mandated Lead Arranger

- USD 750 million mobilized through arranger mandates in 2024
- Secured 3 new mandates to mobilize financing in the transport, energy and industries sectors:
 - Aysha Wind Power project: USD 130 million
 - Bishoftu International Airport: circa USD 5 billion
 - Clean Air Project Cote d'Ivoire: EUR 400 million
- Ongoing mobilization mandates amounting to over USD 9 billion

Distributing insurer capacity at loan origination

- Insurance participation for a state-owned entity in the transport sector at deal origination for USD 30 million led by insurance brokers
- Transaction supported by 2 commercial insurers to enable the Bank to approve needed financing amount despite internal country lending limits
- Pipeline is valued at USD 200 million for 2025



GLOBAL BANKING & MARKETS AWARDS AFRICA 2025

Sovereign Syndicated Loan Deal of the Year



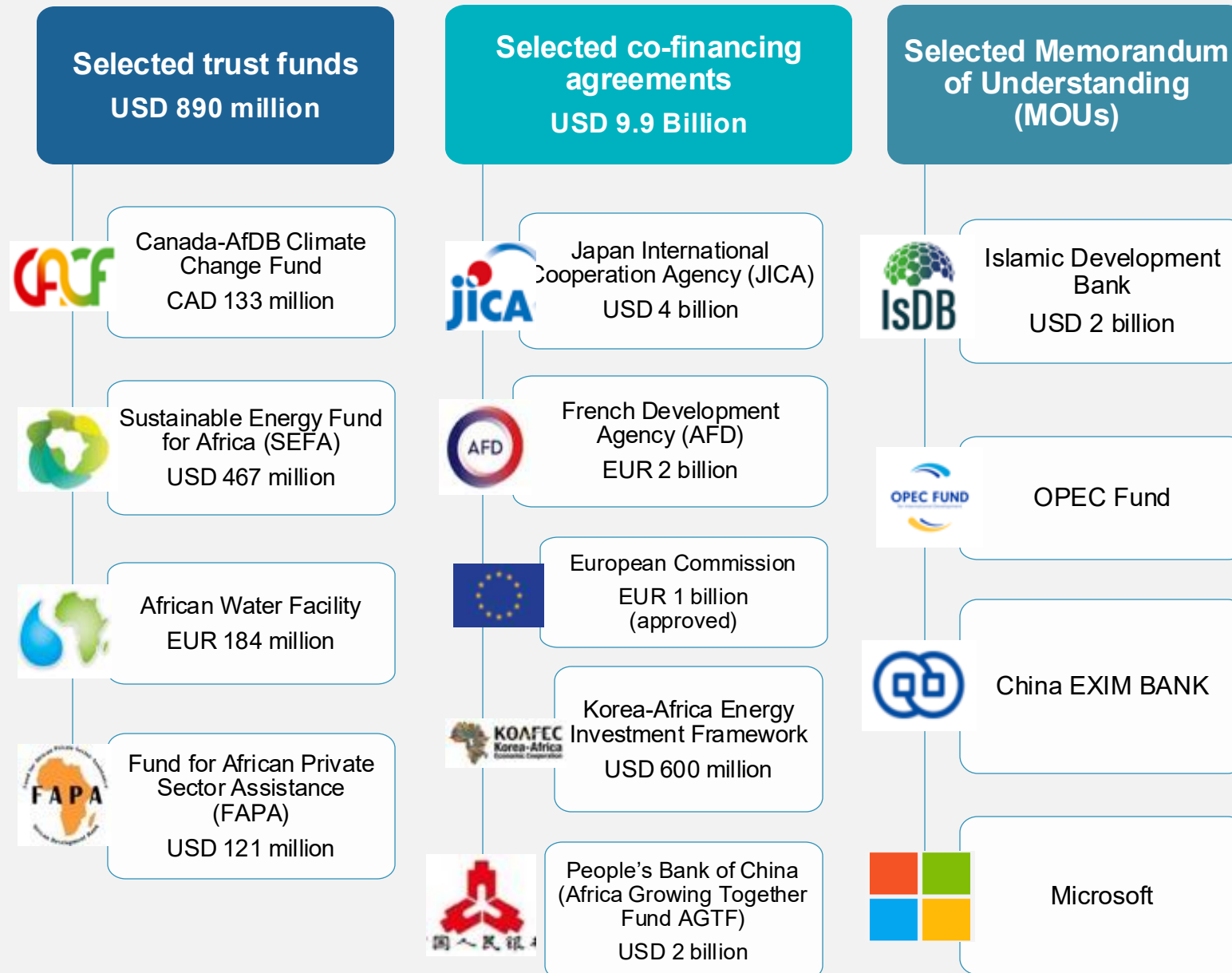
Senegal's **EUR 500 million** sustainable term loan facility mobilized through a EUR 400 million guarantee



ESG Loan Deal of the Year

Rwanda's **EUR 200 million** guaranteed ESG loan

Mobilizing funds from partners to leverage our intervention



Teaming up for greater impact

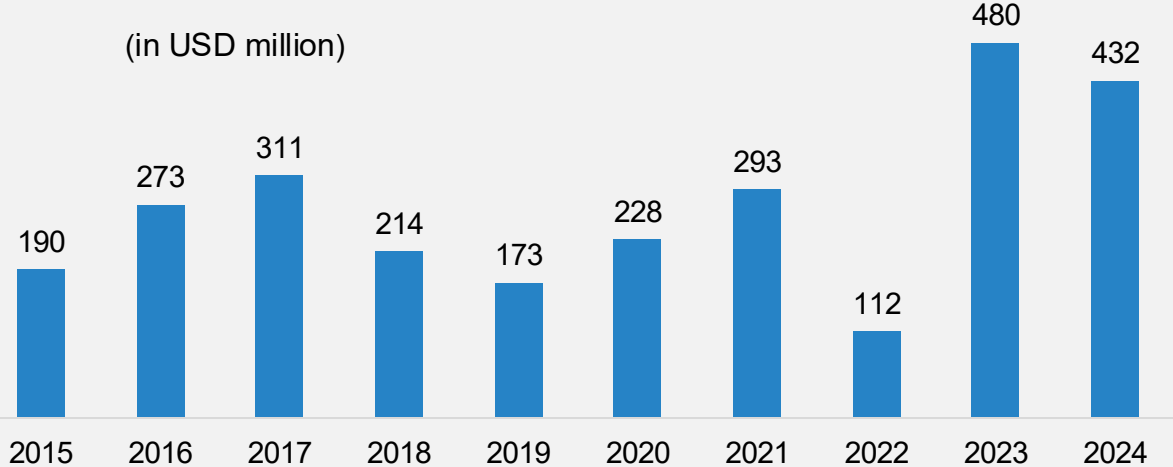
Partners

- Bilateral and multilateral development agencies
- MDBs
- UN agencies
- Philanthropic organizations and foundations
- Private sector

A solid institution with a strong financial performance

Allocable income

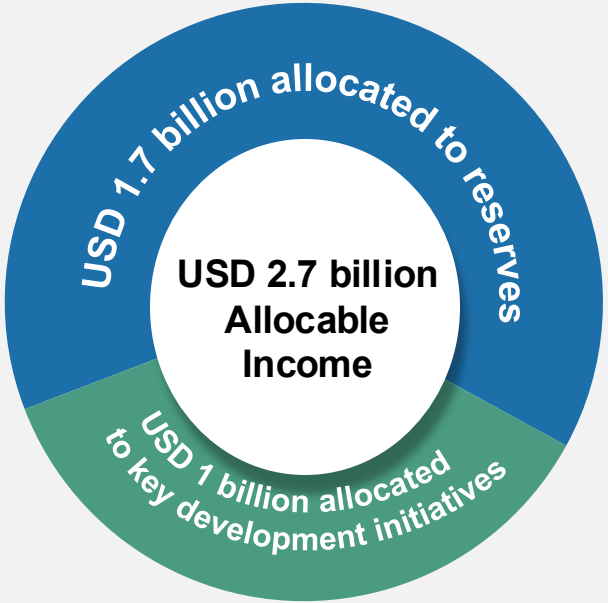
(in USD million)



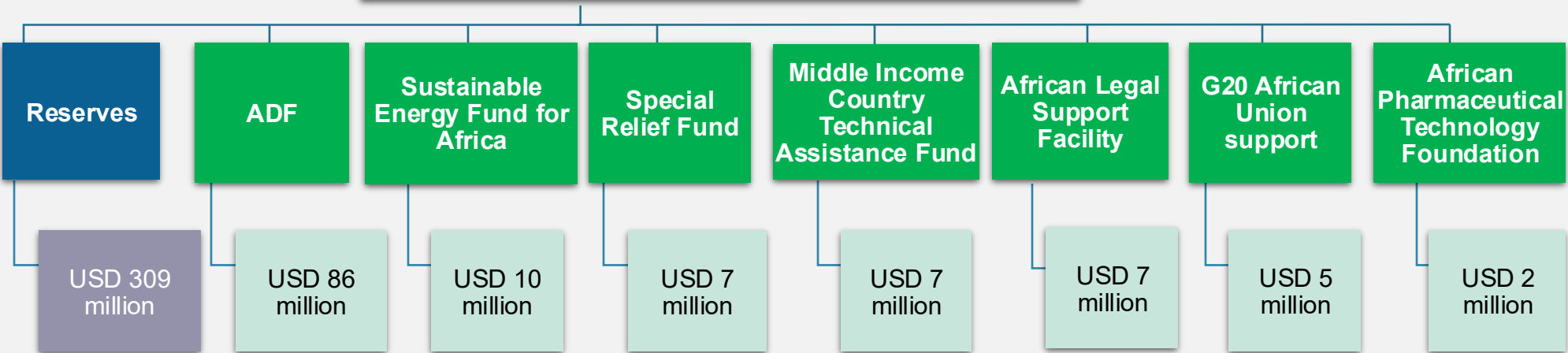
Allocable Income

Used for making distributions out of the Bank's net income. Reserves have first claim on allocable income

Income distributions from 2015-2024



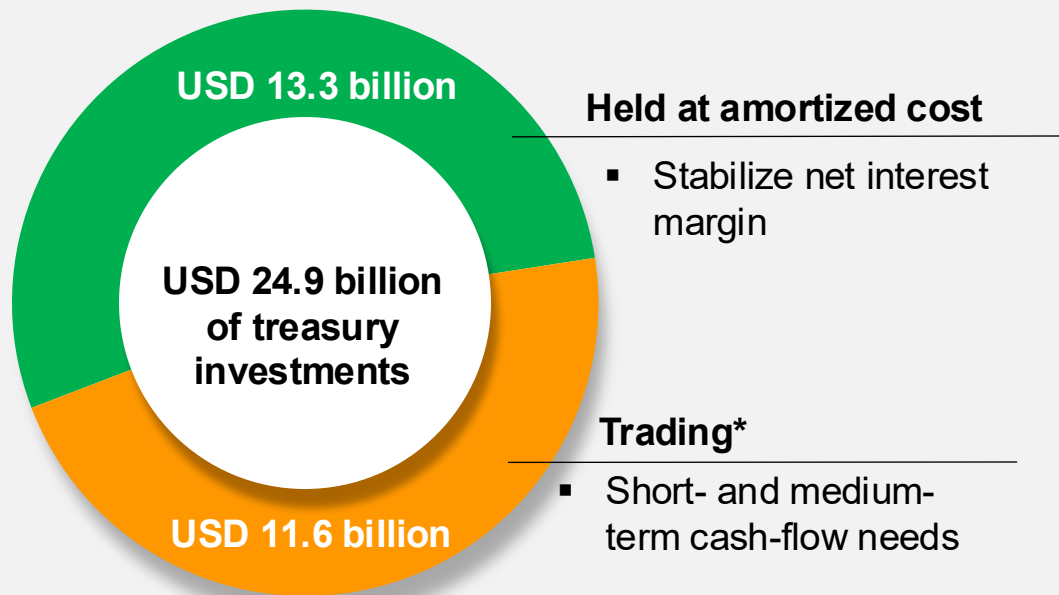
2024 net income allocation



Bank's liquidity invested in high quality assets

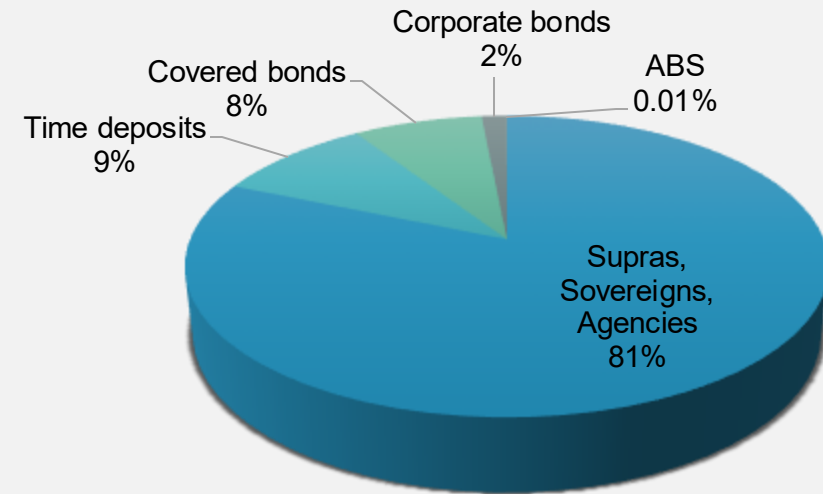


At least 12-months liquidity available to cover net cash-flow requirements

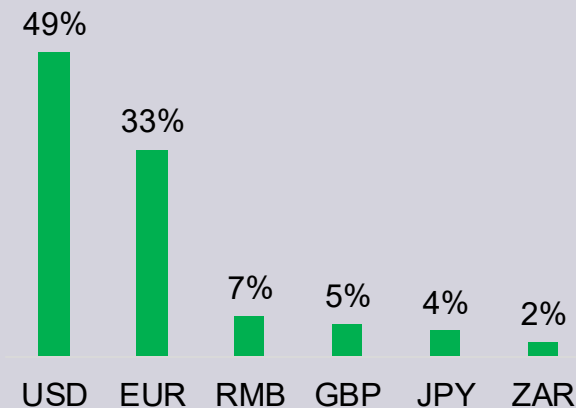


*Excluding cash and derivatives

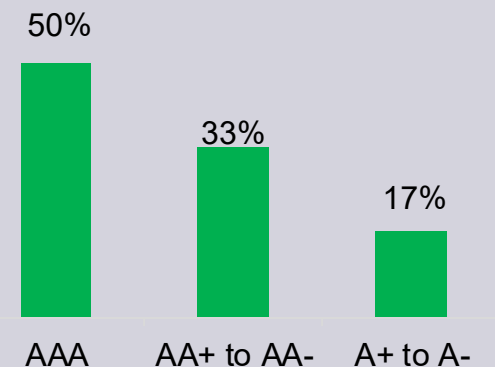
Conservative portfolio to meet investment objectives



Multi-currency portfolio



Very high-quality portfolio





AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT

CAPITAL MARKETS ACTIVITIES



Leveraging our AAA rating to meet Africa's needs

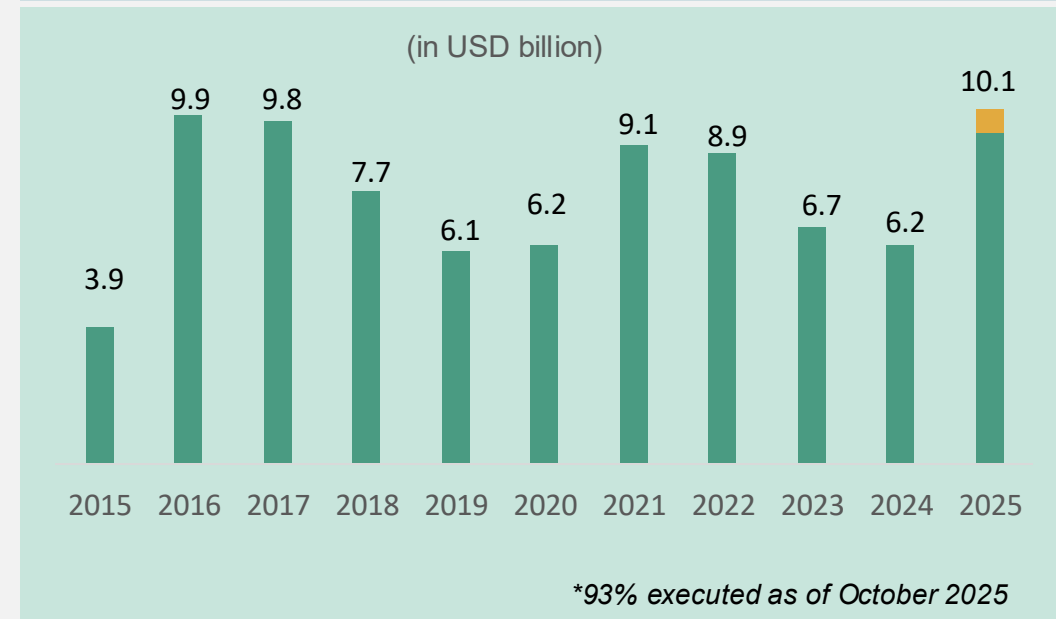
A diversified funding profile in 27 markets across the world



USD 43.6 billion
outstanding
borrowings

(As of 30 June 2025)

Approved borrowing program



Maintaining a
strong track record
in issuing liquid
global benchmarks

Deepening and
widening our
investor base
globally

Catering to the
needs of ESG
investors

Supporting the
development of
African capital
markets

Attracting competitive funding levels for the benefit of the continent

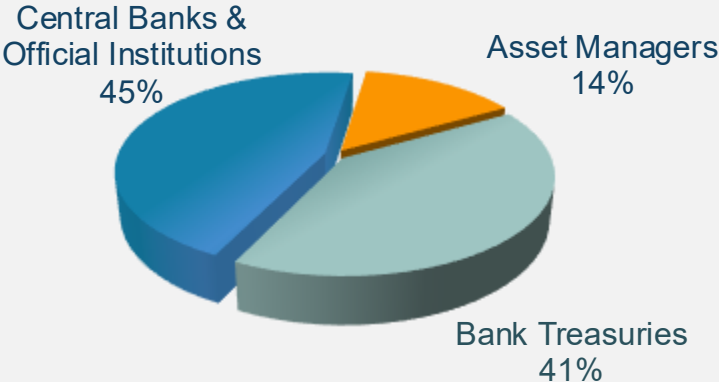
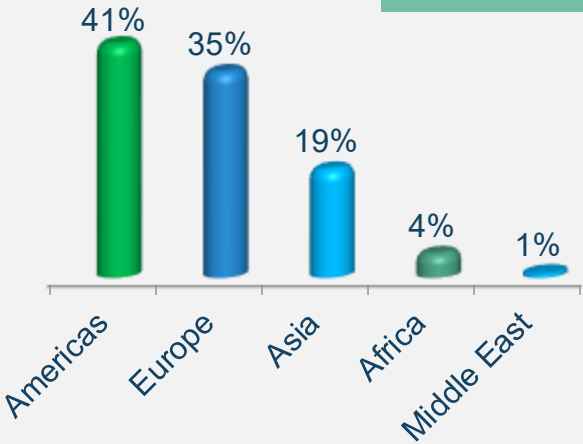
USD Global Benchmarks, a cornerstone of the Bank's funding strategy

January 2024	September 2024	March 2025	June 2025	June 2025
				
USD 2 billion 4.125% 3-year Social Benchmark due Feb 2027 UST +10.3bps MS +31bps	USD 2 billion 3.500% 5-year Social Benchmark due Sept 2029 UST +11.3bps MS +41bps	USD 2 billion 4.000% 5-year Global Benchmark due Mar 2030 UST +14.3bps MS +43bps	USD 2 billion 3.875% 3-year Global Benchmark due June 2028 UST +6.55bps MS +33bps	USD 1 billion 4.500% 10-year Global Benchmark due June 2035 UST +11.7bps MS +64bps
			Inaugural Dual Tranche 3y/10y	

First 10y
USD
Benchmark
issued by
the Bank

...deepening and widening the Bank's investor base

USD 20 billion+ combined orderbook with 407 orders and 23 new investors



- Strong fundamentals and AAA rating
- High quality order books
- High quality of execution
- Good secondary market performance
- Strong developmental mandate

Euro issuance: expanding our footprint

May 2024



EUR 500 million
2.875% 4-year
Green Benchmark
due March 2028
Bund + 39.5bps
OAT + 9.7bps
Midswaps + 2bps

Inaugural Green
Bond in EUR

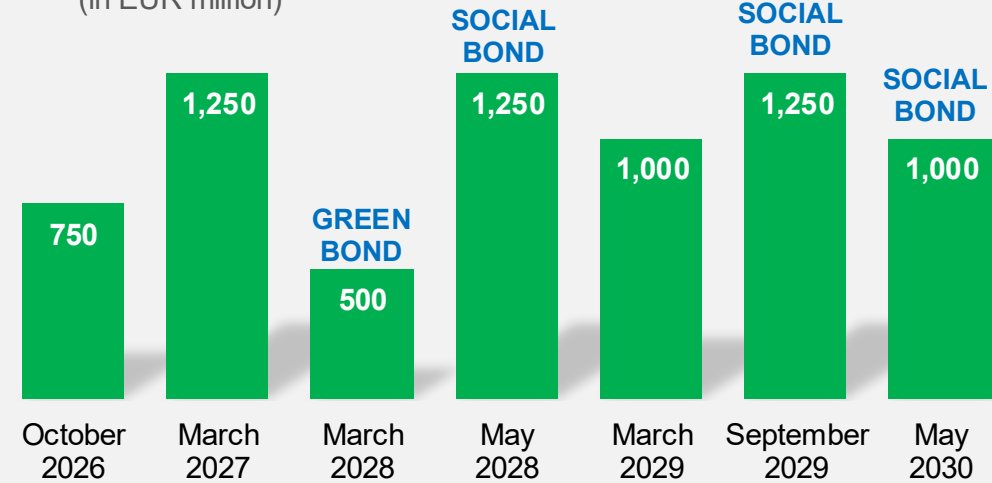
May 2025



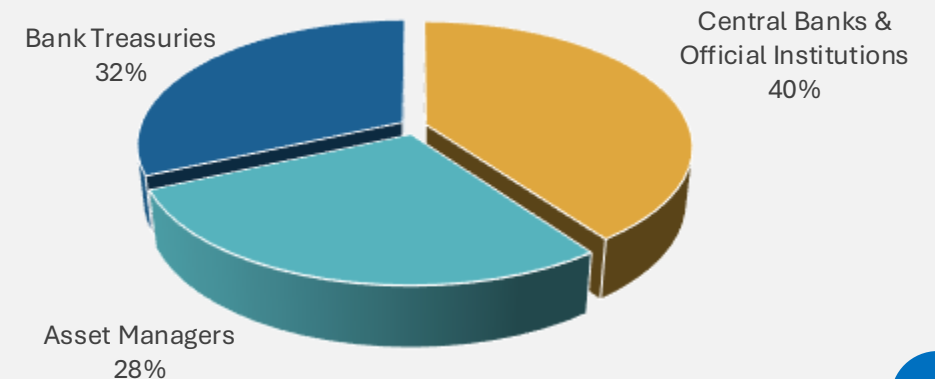
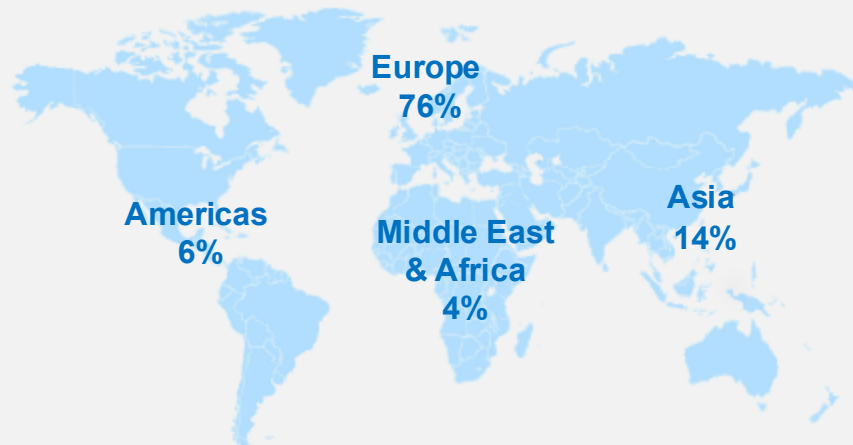
EUR 1 billion
2.5% 5-year
Social Benchmark
due May 2030
Bund + 37.2bps
OAT - 2bps
Midswaps + 28bps

EUR 7 billion in outstanding Global Benchmarks

(in EUR million)

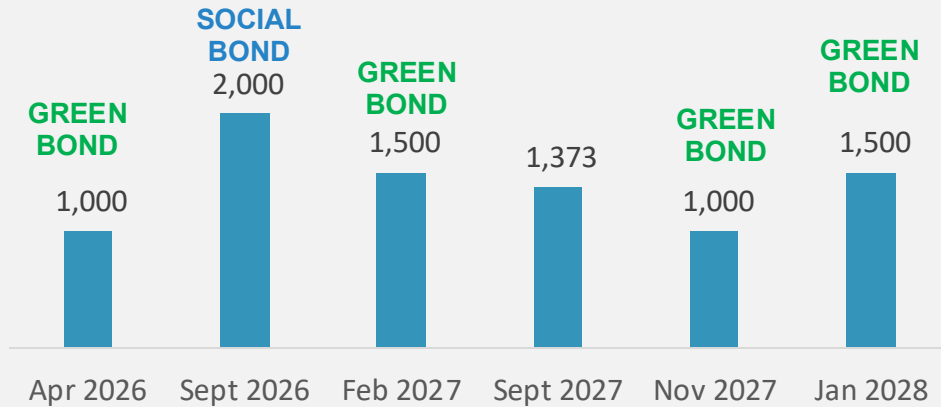


Diversifying the Bank's investor base...

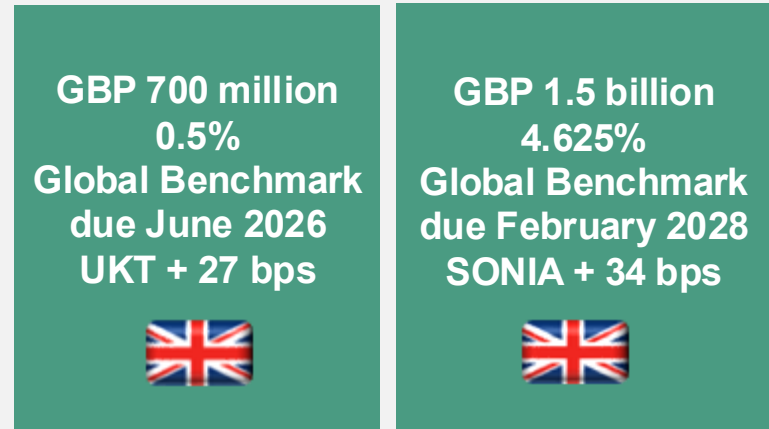


Investor reach in European markets

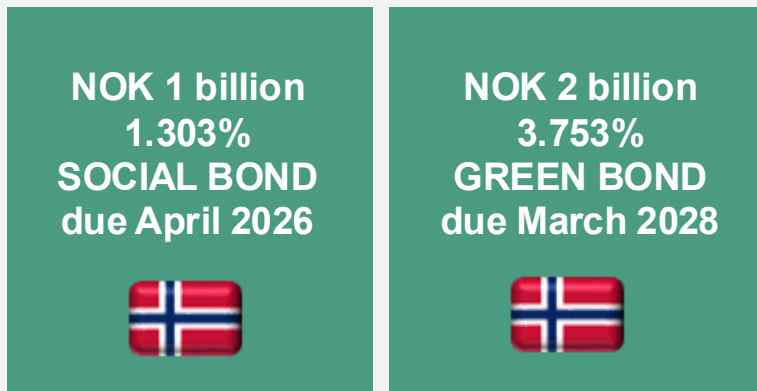
Outstanding SEK curve



Outstanding GBP benchmarks



Outstanding NOK sustainable bonds

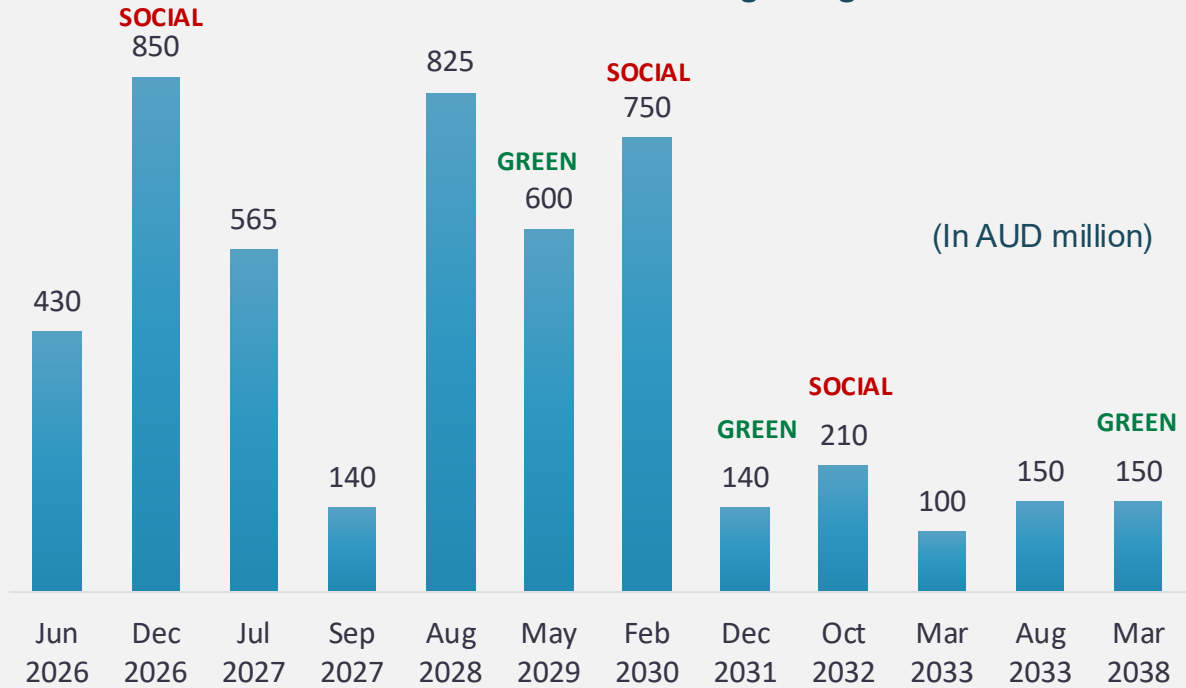


Return to CHF market after 14 years



Scouring the world for cost-effective funding

AUD 5 billion in outstanding Kangaroos...



... with AUD 2 billion issued in 2024-2025

February 2024	April 2024	February 2025	September 2025
			
AUD 600 million Green Kangaroo due May 2029	AUD 250 million Social Kangaroo due December 2026_Tap	AUD 500 million Social Kangaroo due February 2030	AUD 250 million Social Kangaroo due February 2030_Tap
BBSW+46bps	BBSW+27bps	BBSW+50bps	BBSW+45bps

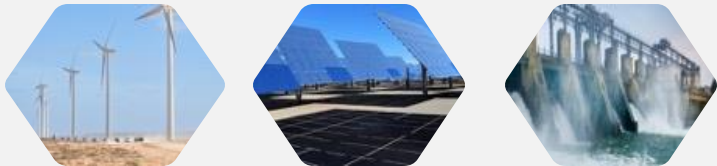
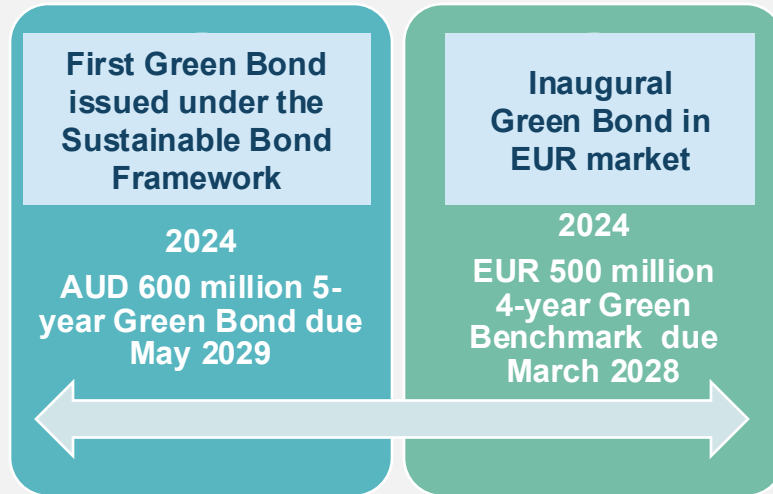
USD 1 billion in Private Placements and Uridashi issued in 2024, representing 17% of borrowings

Selected private placements issued in 2025



Sustainably green

USD 4.3 billion in Green Bonds issued since 2013



Dedicated ESG investors

Affirmative IM, Alliance Bernstein, Amundi, AP2, AP3, AP4, AP7, APG, Blackrock, Brown Advisory, California State Teachers Retirement System, Calvert IM, City of Chicago, Kommunalbanken, Nordea IM, PGGM, Pictet AM, Praxis Impact Fund, SEB AM, Sony Bank, Storebrand, Syntrus Achmea, Taiju Life, TIAA-CREF, Trillium AM, Zurich Insurance

Eligible green project categories

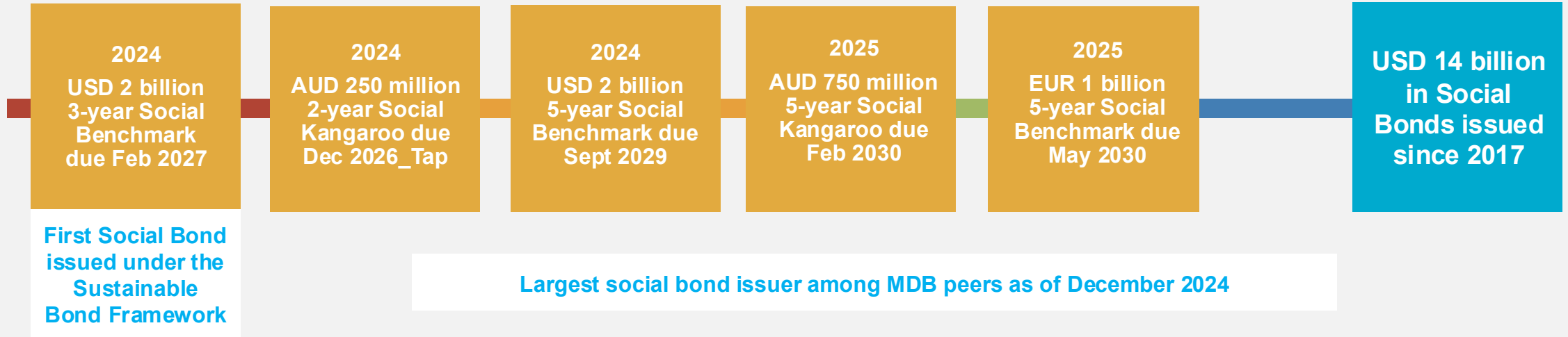
- Renewable energy
- Sustainable Mobility
- Energy efficiency
- Environmentally sustainable management of living natural resources and land use
- Sustainable water and wastewater management

AfDB green bond portfolio contributing to 3.6 million tons of CO₂ emission reduction annually (as of December 2024)

Country	Selected Green projects
Nigeria	Yobe State Environmental and Climate Change Action Project
Kenya	Transmission Network Improvement Project
Cabo Verde	Cabeólica Wind Power Project
South Africa	Redstone 100MW Concentrated Solar Power Project
Tunisia	Treated Wastewater Quality Improvement Project for Climate Resilience Building

https://www.afdb.org/sites/default/files/2025/04/11/green_bonds_impact_reporting_december_2024.pdf

Impactfully financing inclusive growth through Social Bonds



Concrete actions to alleviate poverty

- Affordable basic infrastructure
- Access to essential services
- Food security and sustainable food systems
- Employment generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crisis, including through SME financing and Microfinance
- Socioeconomic advancement and empowerment

Country	Selected Social projects
Côte d'Ivoire	Economic and Social Reform Support Programme - Phase III
Morocco	Social Protection Improvement Support Programme
Nigeria	Ekiti Knowledge Zone Project
Tunisia	Support Programme for Business Competitiveness and Empowerment of the Population through Job Creation
Tanzania	Tanzania Agricultural Development Bank, Phase II

Theme Bonds linked to the High 5s

Private
Placements and
Uridashi issued
to satisfy ESG
investors
appetite

Proceeds allocated
on a best- efforts
basis towards
lending in the
relevant High 5
areas

Attractive
funding levels to
mitigate overall
cost of funds

Theme bond related to the Bank's development priorities,
essential in transforming the lives of the African people

Improve the Quality of Life for the People of Africa

Light Up and Power Africa

Industrialize Africa

Integrate Africa

Feed Africa

USD 3.3 billion
High 5 theme
bonds issued
since 2016

Selected recent High 5 theme bonds



GHS 150 million due
January 2028
"Light Up and Power
Africa"



ZMW 280 million due
January 2029
"Feed Africa"



JPY 150 million due
March 2044
"Integrate Africa"



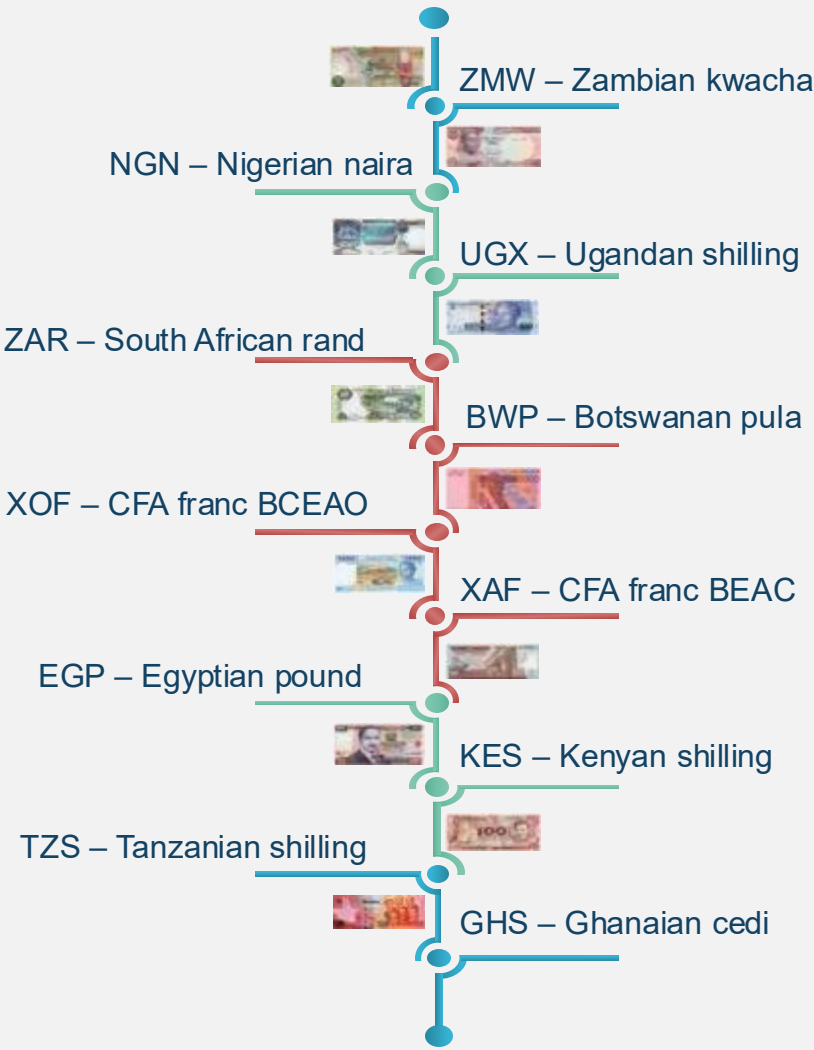
BRL 550 million due
June 2034
"Industrialize Africa"



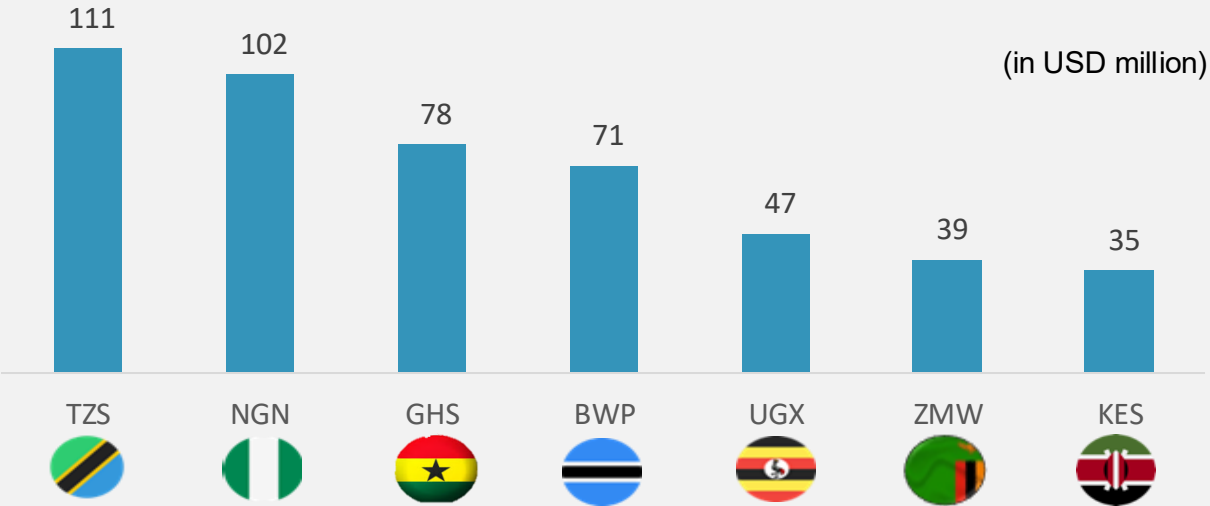
USD 25 million due May
2030
"Improve the quality of
life for the people of
Africa"

Harnessing the full potential of Africa’s capital markets

Expanding the Bank’s African lending currencies



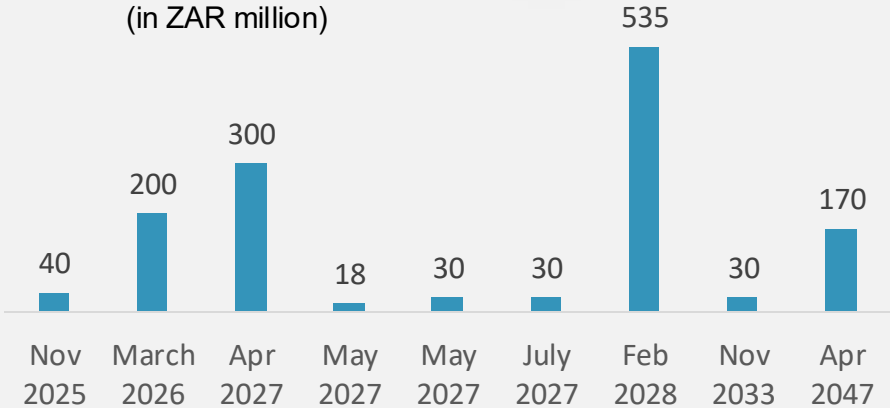
African currency linked transactions from 2015-2025



Approved local issuance programs

ZMW 160 million MTN program
NGN 160 billion MTN program
UGX 125 billion MTN program
BWP 5 billion MTN program
ZAR 20 billion inward listing program

Outstanding ZAR curve



Pioneering the adoption of Hybrid Capital within the MDB community

Hybrid Capital supplements shareholder capital

- 100% accounted as equity under IFRS
- 100% accounted for in AfDB's internal capital adequacy metric
- 100% of notional recognized as equity by Fitch, Moody's and S&P*
- Expected to enable at least USD 2 of additional lending for every USD 1 raised

* S&P assessed Hybrid Capital as intermediate equity content, meaning full inclusion of Notes in Total Adjusted Capital (TAC), up to 33% of Adjusted Common Equity (ACE)

First Hybrid Capital Supranational issuer

**AA-
(S&P)
Aa3
(Moody's)**

- Optional coupon cancellation
- Mandatory coupon cancellation: trigger Total Assets/(Paid-In Capital + Reserves) > 7.5x

Deeply subordinated and senior only to paid-in capital

- Permanent principal write-down if the Bank exercises a call on its callable capital
- Perpetual with call option

Inaugural transaction launched in January 2024



- Top quality and granular order book reaching a record USD 5.1 billion (6.8x oversubscribed)
- USD 6 billion at peak of demand
- 275 investors participating (with 190 allocated)

Leveraging Sustainable Hybrid Capital

- Additional lending capacity directed to fund environmental and/or social projects
- Issued under the Bank's Sustainable Bond Framework



"Best Supranational Bond"



"Most Innovative SSA Issuer"



"Development Finance Institution (DFI) of the year"

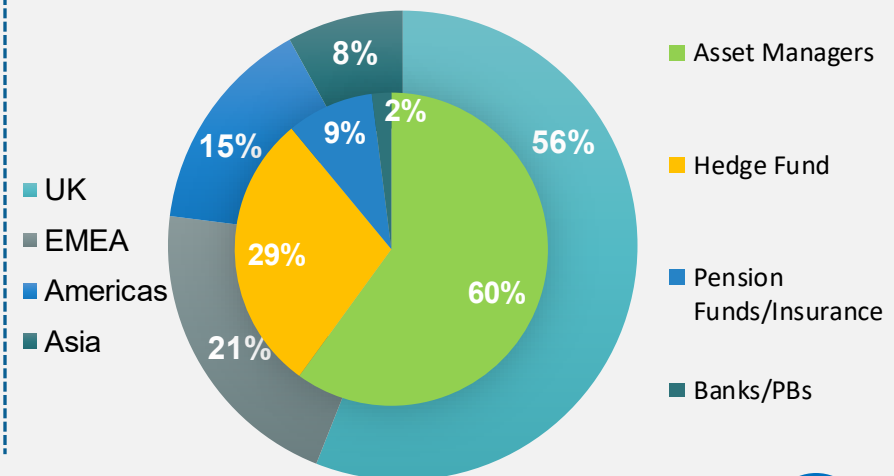


Second hybrid capital issued in September 2025



- Top quality and granular order book reaching a record USD 4 billion (8x oversubscribed)
- Real money high quality investors (Asset Managers), more than doubled from the first issuance

Investor distribution



Hybrid Capital, an innovation to boost the Bank's lending capacity



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT

APPENDIX

AfDB balance sheet highlights (in UA million)

Year ended 31 December	2024	2023	2022	2021	2020
Cash	859.306	1,383.15	2,830.74	3,303.14	2,332.19
Demand Obligations	1.15	1.15	1.14	1.14	3.82
Treasury Investments	14,371.34	12,382.66	11,712.63	9,793.90	8,825.82
Derivative Assets	863.319	895.35	924.35	825.94	1,544.55
Non-Negotiable Instruments on Account of Capital	-	36.88	-	-	-
Accounts Receivable	1,648.26	1,830.38	1,323.22	1,178.23	590.77
Outstanding Loans	24,191.76	22,749.19	20,695.33	20,102.39	21,343.23
Hedged Loans – Fair Value Adjustment	-217.55	-278.76	-394.44	48.52	163.78
Accumulated provision for loan losses	-500.55	-727.78	-732.26	-559.57	-497.41
Equity Participations	1,090.63	1,119.07	1,043.84	983.2	937.27
Other Assets	165.65	115.27	84.41	88.75	104.67
Total Assets	42,473.32	39,469.69	38,221.22	36,325.22	35,348.69
Liabilities, Capital and Reserves					
Accounts Payable	1,779.56	1,871.02	1,459.40	1,554.59	1,544.26
Derivative Liabilities	2.054.34	2,007.87	2,624.88	949	923.72
Borrowings	26,404.03	24,776.41	24,254.21	25,115.71	25,090.10
Capital Subscriptions Paid	7,533.48	6,951.69	6,366.24	5,710.57	5,081.21
Cumulative exchange adjustment on subscriptions	-146.71	-151.64	-154.17	-155.84	-148.21
Reserves	4,285.76	4,014.34	3,670.66	3,151.19	2,857.61
Total Liabilities, Capital and Reserves	43,473.32	39,469.69	38,221.22	36,325.22	35,348.69

1 UA = 1 SDR = USD 1.44027 (2020); 1.39958 (2021); 1.33084 (2022); 1.34167 (2023); 1.30413 (2024)

*UA= Unit of Account

AfDB income statement (in UA million)

Year ended 31 December	2024	2023	2022	2021	2020
Operational Income and Expenses					
Income from Loans and related derivatives	1,419.01	1,223.55	521.57	348.24	460.62
Income from Investments and related derivatives	534.49	459.6	218.16	129.34	181.44
Income from Equity participations	20.22	20.48	14.19	23.86	15.25
Income from Other Securities	11.69	7.94	6.89	5.53	2.9
Total income from Loans and Investments	1,985.41	1,711.57	760.8	506.97	660.21
Interest and amortized issuance costs	-647.97	-515.69	-418.13	-393.78	-501.12
Net interest on borrowing-related derivatives	-754.77	-676.02	64.14	322.73	248.18
Unrealized gains/(losses) on borrowings, related derivatives and others	-7.81	59.48	88.9	-111.21	63.17
Provision for Impairment on Loan Principal and Charges Receivable	9.47	-18.29	-97.02	-24.97	-59.86
Provision for Impairment on Equity Investments	-0.28	0.68	1.53	-0.26	-1.71
Provision for Impairment on Investments	-0.05	-0.03	0.03	-0.07	-0.04
Provision for Impairment on Financial Guarantees	-3.95	-1.43	0.87	-0.16	0.26
Translation Gains/(Losses)	-1.27	-10.98	66.46	-1.48	-23.18
Other Income	20.02	18.32	13.99	13.43	8.6
Net Operational Income	598.81	567.61	481.57	311.21	394.52
Administrative Expenses	207.69	-133.12	-207.16	-174.55	-158.41
Depreciation – Property, Equipment and Intangible Assets	34.84	-28.09	-29.09	-32.75	-33.16
Sundry (Expenses)/Income	1.87	-0.36	-6.04	-7.36	-4.55
Total Other Expenses	244.40	-161.57	-242.3	-214.66	-196.12
Income before Distributions Approved by the Board of Governors	354.41	406.05	239.28	96.55	198.4
Distributions of Income Approved by the Board of Governors	-106.00	-46	-64	-55	-59
Net Income for the Year	248.41	360.05	175.28	41.55	139.4

1 UA = 1 SDR = USD 1.44027 (2020); 1.39958 (2021); 1.33084 (2022); 1.34167 (2023); 1.30413 (2024)

*UA= Unit of Account



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SUSTAINABLE BOND FRAMEWORK



Advancing the ESG market with a new Sustainable Bond Framework

A credible and transparent Sustainable Bond Framework

- Established in September 2023
- Collates and streamlines the existing Green Bond Framework (2013) and Social Bond Framework (2017)
- Aligned with ICMA Green Bond Principles (2021), Social Bond Principles (2023) and Sustainable Bond Guidelines (2021)
- Possibility to issue green bonds, social bonds and sustainability bonds under the new framework
- Extensive impact reporting published in the Bank's annual Sustainable Bond newsletter
- External assurance conducted annually on sustainable bonds allocation to eligible green and/or social projects
- Covers issuance of both Senior Unsecured and Sustainable Hybrid Capital

https://www.afdb.org/sites/default/files/2023/09/12/230912_afdb_sustainable_bond_framework_final.pdf

MOODY'S
INVESTORS SERVICE

Second Party Opinion

Sustainable Quality Score 2 [**very good**]

https://www.afdb.org/sites/default/files/2023/09/12/mis_spo_12092023_afdb_final.pdf

Eligible social project categories

Financing projects with strong social outcomes and impacts leading to significant poverty reduction and job creation

- Affordable basic infrastructure
- Access to essential services
- Food security and sustainable food systems
- Employment generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crisis, including through SME financing and Microfinance
- Socioeconomic advancement and empowerment

Eligible green project categories

Financing projects focusing on climate change mitigation and adaptation

- Renewable energy
- Sustainable mobility
- Energy Efficiency
- Environmentally sustainable management of living natural resources and land use
- Sustainable water and wastewater management

AfDB Sustainable Bond framework

Use of proceeds

- Only ADB financed projects
- An amount equal to Sustainable Bonds net proceeds will be used to finance eligible green/social projects
- Eligibility criteria for Green Bond portfolio linked to climate finance tracking methodology

Process for project evaluation and selection

- Operations identify and categorize all projects, screening those with strong environmental and/or social outcomes and impacts
- Final selection of Eligible Green/Social Projects agreed jointly by operations and Treasury Department
- Monitoring Sustainable Portfolio

Management of proceeds

- Portfolio approach
- An amount equal to Sustainable Bonds net proceeds allocated to the Sustainable projects within 36 months
- Semi-annual allocation tracked through an attested formal internal process that assures the link of net proceeds to eligible sustainable projects
- So long as Sustainable Bonds are not fully allocated, net proceeds kept in liquidity treasury portfolio and invested under same conservative investment guidelines

Reporting

- Dedicated Sustainable Bond webpage
- Annual Sustainable Bond newsletter
- Annual impact reporting on environmental and social benefits of the Eligible Green/Social Projects
- Development impact metrics per project category
- Aggregate impact reporting with key impact metrics for the Sustainable Portfolio
- Disclosure on disbursements and allocation of proceeds to green/social projects

External assurance

- Second Party Opinion from Moody's Investor Service confirmed alignment of Sustainable Bond framework with Bank's sustainability objectives and key features of ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines
- Independent external reviewer to verify annually the allocation of Sustainable Bond net proceeds to eligible Green/Social projects

... aligned to ICMA Principles

Commitment to transparency

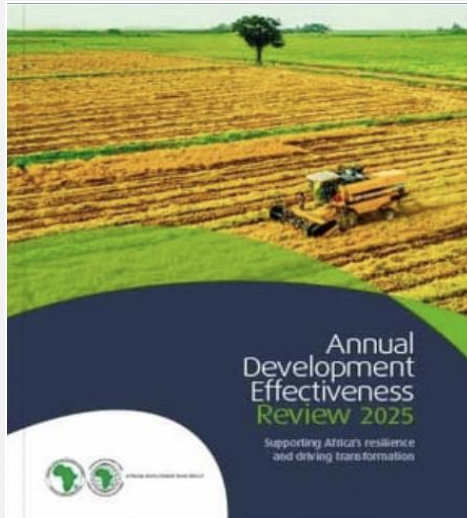
Dedicated sustainable bond webpage

- Sustainable Bond framework
- Moody's Second Party Opinion
- Eligible green/social projects
- Sustainable bond newsletters
- Sustainable bond transactions
- Bank's Ten-Year Strategy
- Environmental policy
- Energy policy
- Integrated Safeguards System
- Joint-MDB report on climate finance
- Climate finance tracking methodology
- Annual Development Effectiveness Review (ADER)
- New Deal on Energy for Africa
- African Economic Outlook

Annual sustainable bond newsletter

Impact reporting:

- Renewable energy capacity constructed or rehabilitated
- Annual energy savings and production
- Annual GHG emission reduced or avoided
- Number of beneficiaries
- Number of jobs created
- Other specific indicators to project category



The **ADER report** is produced annually and monitors all AfDB public and private sector projects, shows details on Africa's progress against its development goals and assesses the contribution made by the Bank to Africa's development

Aid Transparency Index #2024Index

African Development Bank's **sovereign portfolio** retains top spot in 2024 Aid Transparency Index



Publish WhatYouFund
The Global Campaign for Aid and Development Transparency

ADER report: <https://www.afdb.org/en/documents/annual-development-effectiveness-review-2025>

Aid Transparency Index 2024 : https://www.publishwhatyoufund.org/app/uploads/dlm_uploads/2024/07/2024-Aid-Transparency-Index-report.pdf

Social Bond impact reporting

SOCIAL PORTFOLIO AGGREGATE IMPACT REPORTING (AS OF DECEMBER 2024)

10.2 million tons

Increase in annual farm production

8.3 MTCO₂e

GHG emissions reduced or avoided annually

1.2 million

Jobs created/ safeguarded

484,000

People trained

7.8 million

People with better access to water and sanitation

287,000

MSMEs supported with access to financing

2.3 million

People with better access to electricity

1.4 million hectares

Arable land irrigated or developed for farming

566,000 m³/day

Water produced

200.5 million

Beneficiaries

- The impact reporting is based on ex-ante estimates at the time of project appraisal, therefore there is no guarantee that these results will ultimately materialize.
- The impact reporting doesn't provide actual results achieved in a specific year or reporting period.
- Impacts are prorated as per the Bank's economic share of the project.
- Full impact reporting per project is available for download on the Bank's Sustainable Bond webpage

(As of 31 December 2024)

Green Bond impact reporting

GREEN PORTFOLIO AGGREGATE IMPACT REPORTING (AS OF DECEMBER 2024)

3.6 million MTCO₂e

GHG emissions
reduced or avoided
annually

693 MW

Renewable energy
capacity constructed
or rehabilitated

2,070,000 MWh

Renewable
Energy produced
annually

297,000 MWh

Energy savings
annually

247 million m³

Water saved/treated
annually

124 million m³

Wastewater treated,
reused or avoided
annually

75,000 hectares

Irrigated land

42,000 hectares

Degraded forest
rehabilitated or
protected

534,000

Trees planted⁸

13.4 million

Beneficiaries⁹

2.8 million

Jobs created

- The impact reporting is based on ex-ante estimates at the time of project appraisal, therefore there is no guarantee that these results will ultimately materialize.
- The impact reporting doesn't provide actual results achieved in a specific year or reporting period.
- Impacts are prorated as per the Bank's economic share of the project.
- Full impact reporting per project is available for download on the Bank's Sustainable Bond webpage

(As of 31 December 2024)

Financing transformative social projects

TUNISIA – Support Programme for Business Competitiveness and Empowerment of the Population through Job Creation

Project cost: EUR 522 million / AfDB financing: EUR 90 million

Year of approval: 2024

The program promotes the creation of new businesses, the growth and formalization of existing businesses, and better access to quality jobs for young people and women. In this regard, the program will target 3 main outcome areas: (i) Skills development to improve the employability of job seekers, productivity and competitiveness of the private sector; (ii) empowering the population through entrepreneurship and support for the formalization of businesses; and (iii) support for the program implementation and institutional capacity building.

Expected development results

- **15,000** businesses financed by the interest-free loans granted
- **21,550** MSMEs or cooperatives supported with access to financing
- **30,000** job seekers trained
- **17,000** household sanitation facilities constructed/improved for the most vulnerable
- **118,900** jobs created

MOROCCO – Project to Support the Inclusive and Sustainable Development of Forest Areas

Project cost: EUR 115 million / AfDB financing: EUR 84 million

Year of approval: 2024

The objective of the program is to contribute to improving the living conditions of forest populations and the emergence of a rural middle class through (i) sustainable management of natural resources, and (ii) inclusive promotion of forestry value chains and the development of forestry and aquaculture entrepreneurship (through technical support).

The program also aims to strengthen the resilience of the Moroccan economy in the face of climate change and the improvement of the water cycle in particular.

Expected development results

- **700 hectares** average increase in annual forest restoration rate
- **8,900 hectares** of land damaged by erosion rehabilitated
- **4,200 hectares** of forest areas rehabilitated
- **120 km** of forest roads and 15 water points rehabilitated
- **4.4 million** fingerlings produced for release into aquatic environments
- **17,000** jobs created

Financing transformative green projects

NIGERIA – Yobe State Environmental and Climate Change Action Project

Project cost: USD 101 million / AfDB financing: USD 50 million

Year of approval: 2024

The project's goal is to enhance resilience to climate change and reduced food insecurity through creating opportunities for food production and incomes in Yobe State. This will be done by (i) renovating existing nurseries where tree seedlings would be produced; (ii) expanding agricultural production area by rehabilitating degraded oasis; (iii) promoting agriculture water management schemes in riverine areas; (iv) developing and deploying carbon sequestration; (v) establishment of MSMEs that are not dependent on forest wood; (vi) creating alternative clean cooking energy for both industrial and domestic needs; and (viii) creating systems to access carbon market.

Expected development results

- **120,000 hectares** of degraded forest rehabilitated
- **400,000 tons** of CO₂e emissions avoided per year
- **20 millions** trees planted
- **75,000** additional tons of rice and wheat produced
- **2,000** jobs created

KENYA – Transmission Network Improvement Project

Project cost: EUR 115 million / AfDB financing: EUR 54 million

Year of approval: 2023

The project will support the expansion of electricity access that would contribute to improved quality of life of the population, promote business activities and job creation for women and youth, reduce environmental degradation, thereby fulfilling the overall economic growth in the project targeted areas. The main development objective is to increase reliability and efficiency of green electricity supply by augmenting high voltage transmission network power transfer capacity. This improvement is a key enabler for enhanced socio-economic and low-carbon development in the project areas. It will also contribute to reduction in GHG emissions associated with fossil fuel-based power plants, and losses associated with overloaded power transmission lines.

Expected development results

- **272 km** of 132kV and 220kV transmission lines constructed
- **44 MW** of renewable energy transmitted
- **1,288 tons** of GHG emissions reduced annually
- **20,000** trees planted
- **7** new substations built or uprated/upgraded
- **450** jobs created



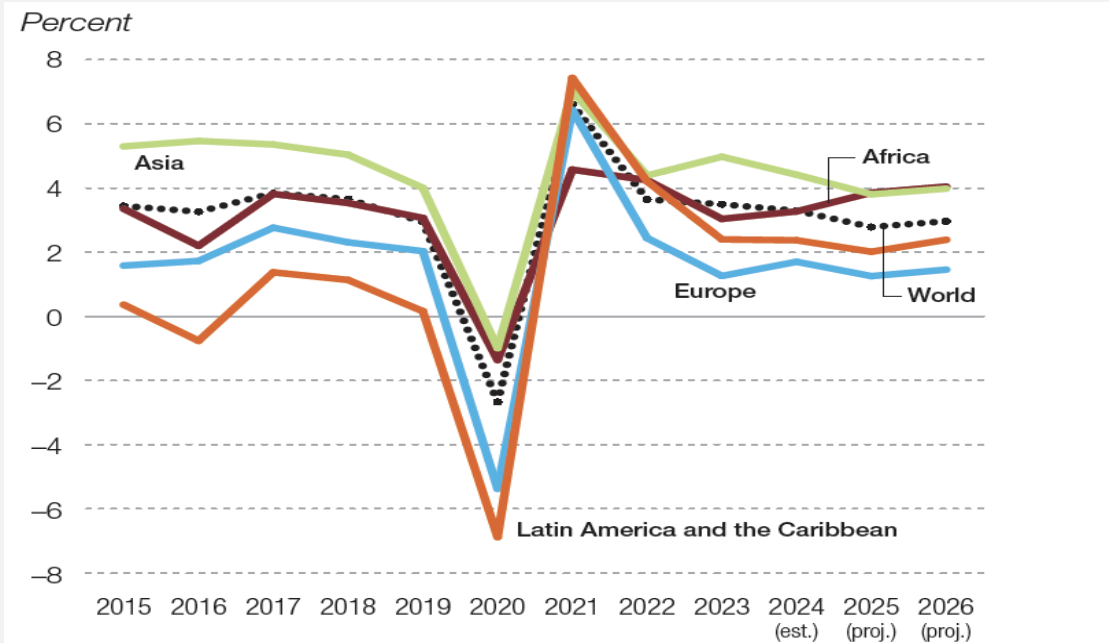
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AFRICAN ECONOMIC OUTLOOK

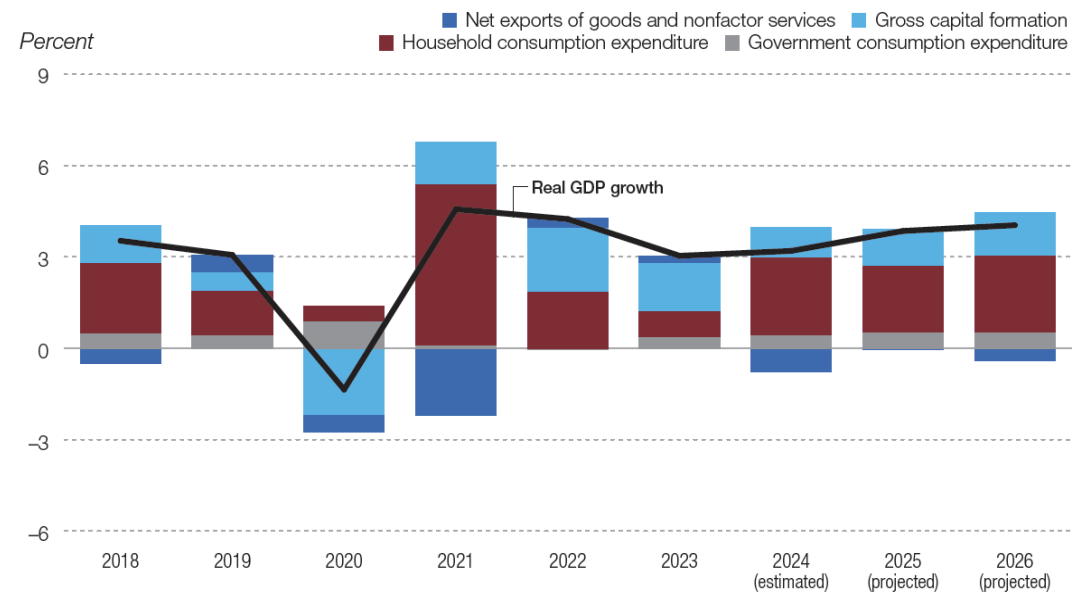


Economic resilience amid global uncertainty

Real GDP growth by world region 2015-2026



Demand-side decomposition of GDP growth 2018-2026



Source: African Development Bank statistics 2025.

Widening fiscal deficits reflect rising primary deficits

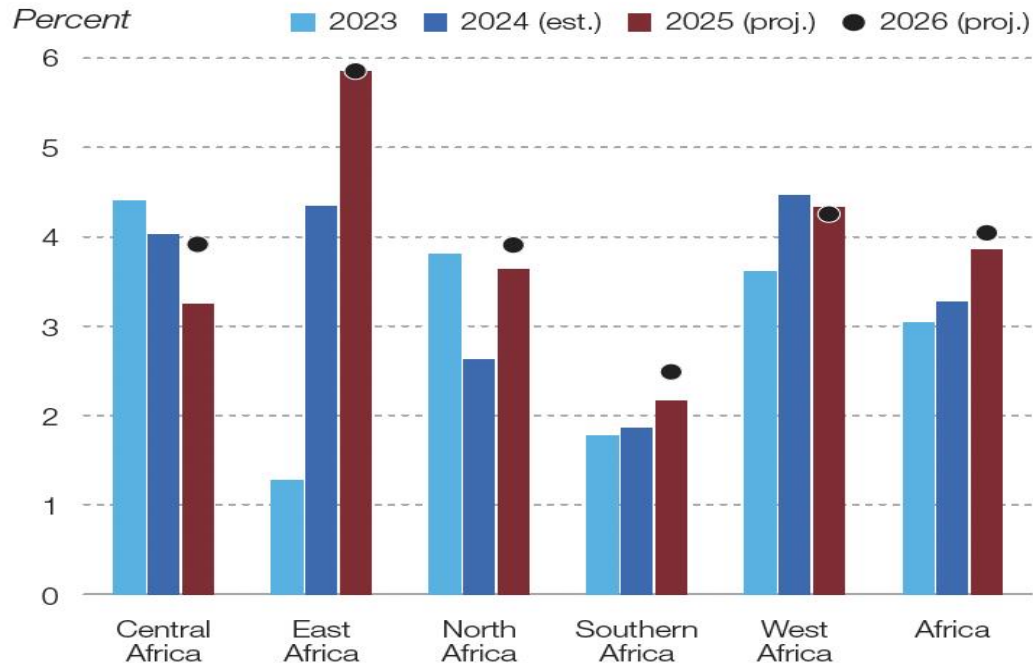
Fiscal deficit increased from 4.4% in 2023 to 4.7% in 2024 and projected to narrow to 4.5% in 2025 and 2026. While fiscal deficits are gradually returning to pre-pandemic levels, the pace remains slow, mainly due to high primary deficits

Inflationary pressures with estimated inflation rates above medium-term targets in many countries

Inflation averaged 18.7% in 2024, mainly driven by domestic food supply shocks and pass-through effects of FX depreciation. Average inflation is projected to decline to 13.8% in 2025 and 9.9% in 2026 (the first time it will hit single digits post-pandemic)

Projected economic rebound led by East Africa

Real GDP growth by region



Central Africa

Growth averaged 4% in 2024, from 4.4% in 2023 and is projected to fall to 3.2% in 2025 and 3.9% in 2026. The downgrade in 2025 reflects deceleration in oil & mining production and restrained public investment due to growing uncertainty and weak prospects for global trade.

East Africa

Long established as Africa's fastest growing region, in 2024, real GDP growth averaged 4.3% and is projected to expand to 5.9% in 2025 and 2026. The resilience to shocks may be explained by the fact it is home to some of the most diversified economies in Africa.

North Africa

Following moderate growth rate of 2.6 % in 2024, the economy is projected to grow by 3.6% in 2025 and 3.9% in 2026, boosted by growth rebounds in Libya, Egypt, and Morocco.

Southern Africa

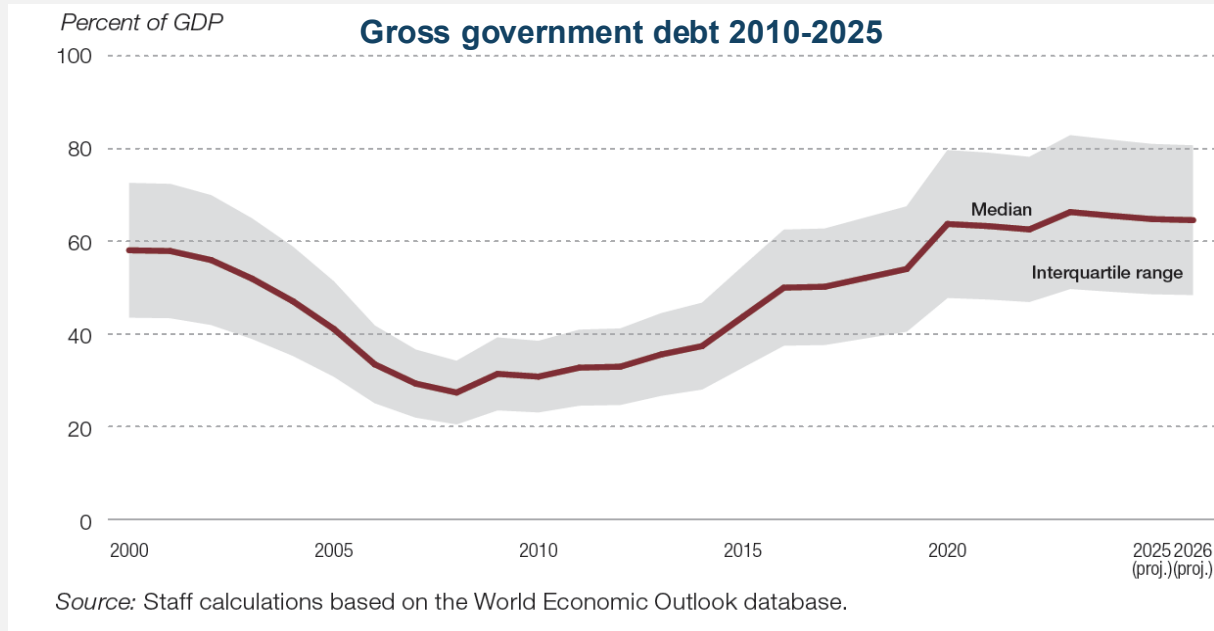
Growth forecast at 2.2% in 2025 and 2.5% in 2026, from an estimated 1.9% in 2024. Despite low growth outlook, projections for eSwatini, Zambia and Zimbabwe point to sustained recovery.

West Africa

Growth estimated at 4.5% in 2024 but could decline to 4.3 % in 2025-2026. With the exceptions of Ghana, Nigeria and Sierra Leone, other countries expected to grow by 5% or higher in 2025.

... yet growth insufficient to address debt challenge

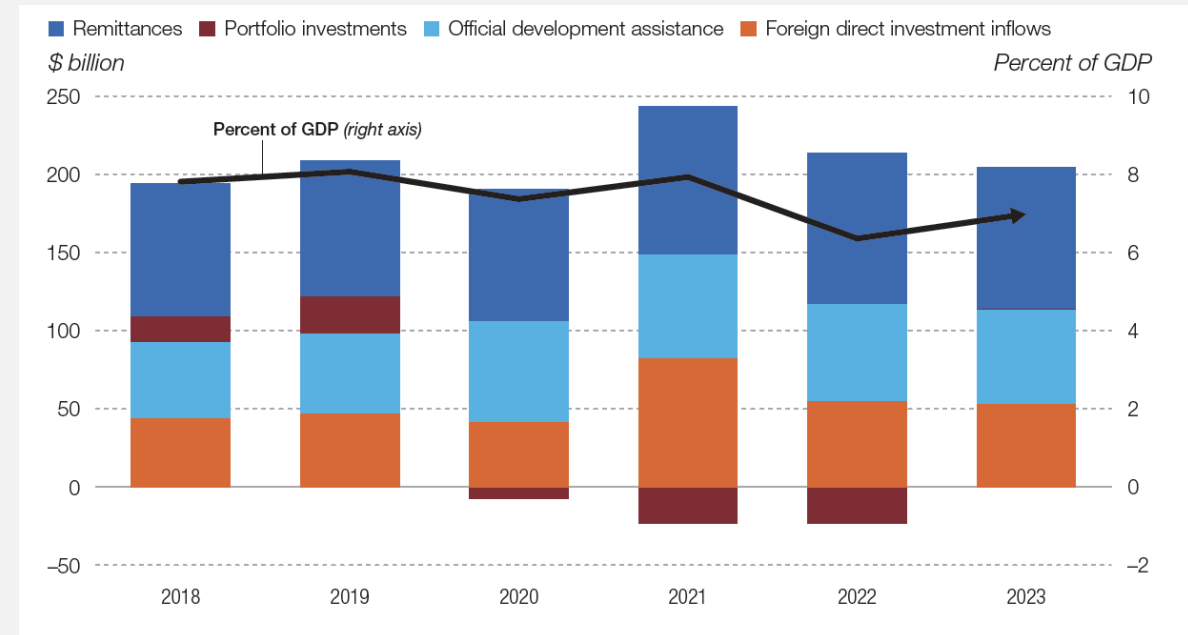
Public debt stabilized but still above pre-pandemic levels



Drivers of recent debt accumulation

- Volatile public finances due to unprecedented shocks
- Government actions to support pandemic-stricken economies and to cushion households against effects of high food and energy prices
- External debt service payments rose above pre-pandemic level in many countries

Although external financial flows to Africa rebounded in 2023, the wave of aid cuts and global uncertainty could reduce inflows in the short to medium term



- Foreign Direct Investment (FDI), Official Development Assistance (ODA), portfolio investment and remittances amounted to USD 204 billion in 2023, about 7% of Africa's GDP
- FDI weakened further in 2023, mirroring broader global and developing-country trends. The continent recorded a 3.4% annual decline in FDI inflows to USD 53 billion
- Only remittances marginally increased by 0.2%



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FREQUENTLY ASKED QUESTIONS



Frequently asked questions

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What is the relationship between AfDB and ADF?



The African Development Bank and the African Development Fund are two entities within the AfDB Group that are separate both legally and financially. They have distinct assets and liabilities



The African Development Bank is the rated entity that raises funds from the capital markets to on-lend to the most credit worthy countries of Africa and to viable sector projects



The African Development Fund (ADF) is the soft-loan lending arm of the AfDB group and is primarily funded through contributions from donors. It provides highly concessional loans and grants to the poorest countries of Africa

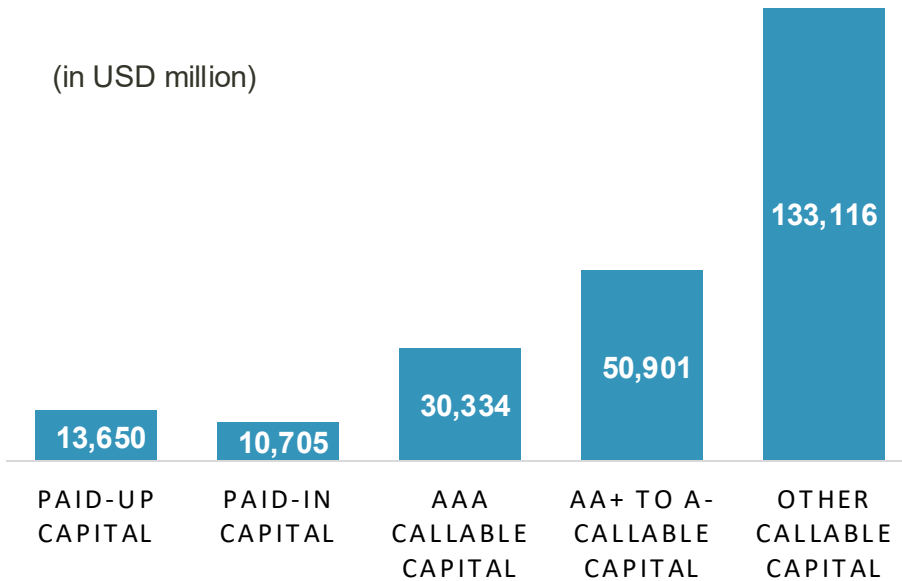


The AfDB has an equity participation in the Fund, and makes annual contribution from its net income to ADF. There is no recourse to the AfDB for obligations in respect of any of the ADF liabilities and vice-versa. There can be no transfer of exposure between these two institutions, as they are separate

What is the capital structure of the Bank?

Capital structure of the Bank (subscribed shares)

(in USD million)



(as of 30 June 2025)

As of 30 June 2025, the Bank's authorized capital stood at USD 330 billion, including the General Callable Capital Increase of USD 121 billion approved by the Board of Governors in May 2024.

7th General Capital Increase: 125% capital increase with 6% paid-in portion raising the capital to around USD 208 billion (*)

Reinforce the Bank's franchise value, key prudential ratios and AAA credit rating

Callable capital is the commitment by each shareholder to make additional capital available to the institution in case of financial distress

Demonstrated strong shareholders' support

Capacity to meet increased level of future demand and support the business growth plan

There has never been a call on the capital of the Bank

(*) Authorized capital upon approval of GCI-VII

What is your procedure for capital call?

Purpose	• Callable capital is the portion of the subscribed capital which may only be called to meet obligations of the Bank for money borrowed or on any guarantees
Mechanism	• Payment must be made by the member countries concerned in gold, convertible currency or in the currency required to discharge the obligation of the Bank for which the call was made • The Bank has entered into arrangements whereby, in the event of a call on its callable capital, it will request its member countries to make payment in response to such a call into a special account established by the Bank with the Federal Reserve Bank of New York, or its successor duly designated for the purpose • Terms of such account provide that the proceeds of a call must first be applied in payment of, or in provision for full settlement of, all outstanding obligations of the Bank incurred in connection with the issuance of senior debt before any other payment shall be made with such proceeds
Independent Obligation	• Calls on callable capital are required to be uniform in percentage on all shares of capital stock, but obligations of the members to make payment upon such calls are independent from each other • The failure of one or more members to make payments on any such call would not discharge any other member from its obligation to make payment. Further calls can be made on non-defaulting members if necessary to meet the Bank's obligations. However, no member could be required to pay more than the unpaid balance of its ordinary capital subscription

Note: The African Development Bank published a report clarifying the legal framework, processes and governance for a call on the callable capital by the institution. https://www.afdb.org/sites/all/libraries/pdf.js/web/viewer.html?file=https%3A%2F%2Fwww.afdb.org%2Fsites%2Fdefault%2Ffiles%2Fdocuments%2Ffinancial-information%2Fanalysis_of_callable_capital_-_april_12_2024-final_formatted-3.pdf

What are your investment guidelines?

Investment type	Minimum rating	Maturity limit	Liquidity Haircuts
Government/Agency/Supranational	AAA/Aaa AA-/Aa3 A/A2	30 years 15 years 1 year	0% for AAA 20% from AA+ to AA- 40% for A+ and A
Banks and Financial Institutions	AAA/Aaa AA-/Aa3 A/A2	10 years 5 years 6 months	50% from AAA to A 100% below
Corporates	AAA/Aaa AA-/Aa3 A/A2	10 years 5 years 6 months	50% from AAA to A 100% below
MBS and ABS	AAA/Aaa	40 years	100%

What is AfDB's credit policy?

- ▶ The Bank Group's Credit Policy determines each Regional Member Country's (RMC) eligibility to access the African Development Bank, the African Development Fund or a combination of both, based on the following 2 criteria:
 - Per capita income above a certain threshold/operational cut off and
 - Creditworthiness to sustain non-concessional financing
- ▶ In addition to the creditworthiness assessment, the Bank conducts an annual internal rating exercise of all its African member countries based on sovereign rating models validated by leading international rating agencies. Sovereign ratings are subject to continual surveillance throughout the year and rating changes may occur in case of a change in the country's fundamentals and these actions are reviewed and approved by the Credit Risk Committee of the Bank.
- ▶ **As of June 2025,**
 - **17 countries are eligible for sovereign lending:** Algeria, Angola, Botswana, Cabo Verde, Congo, Egypt, Equatorial Guinea, Eswatini, Gabon, Libya, Mauritius, Morocco, Namibia, Nigeria, Seychelles, South Africa and Tunisia.
 - **6 Blend countries* are eligible for both ADB and ADF resources:** Cameroon, Cote d'Ivoire, Kenya, Senegal, Tanzania and Zambia.
 - **3 ADF countries are eligible to access ADB sovereign resources under the 2014 Credit Policy provision:** Benin, Rwanda and Uganda
- ▶ In 2014, the Bank introduced some flexibility into its Credit Policy aimed at proactively responding to the economic development needs in ADF countries. The revision allowed access to this category of countries, on a case-by-case basis, to resources from the ADB public window for financing transformative projects. To be eligible for ADB sovereign resources countries must meet the following criteria:
 - (i) be at low or moderate risk of debt distress, as determined by a debt sustainability analysis (DSA) by the IMF/World Bank;
 - (ii) have headroom for non-concessional borrowing, as determined by a DSA by the IMF/World Bank;
 - (iii) have a sustainable macroeconomic position determined on the basis of a Special Risk Assessment; and
 - (iv) the request for financing must be approved by the Bank's Credit Risk Committee, based on the risk assessment for the RMC.

* Blend countries are in a transition framework from one credit status to another. They are considered blend as they are still below the cut-off for per capita income, but are considered creditworthy

What are the AfDB's lending limits?

There are several limits applicable to the Bank's operations with the ultimate objective of ensuring that the Bank is protected from a risk perspective:

- 45% of total risk capital* for Non-Sovereign operations
- 10% of the total risk capital for market risk and operational risk

Limits	Definition	Percentage
Country limit	Total capital allocated to a single country	15% of the Bank's risk capital
Sector limit	Total capital allocated to a single sector	11.25% of the risk capital allocated to private sector operations for any sector 15.75% of the risk capital allocated to private sector operations for the financial services sector
Single name limit	Total capital allocated to a single counterparty	2.7% of the private sector risk capital
Equity limit	Equity participations	15% of total risk capital

** Risk capital is defined as paid-in capital and reserves*

What are the eligibility criteria for loans?

Public Sector

Eligibility is based on two pillars:

- Gross National Income per capita
- Credit Worthiness

As of June 2025, there are 26 countries eligible for sovereign lending, namely, Algeria, Angola, Benin, Botswana, Cabo Verde, Cameroon, Congo, Cote d'Ivoire, Egypt, Equatorial Guinea, Eswatini, Gabon, Kenya, Libya, Mauritius, Morocco, Namibia, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Tunisia, Uganda and Zambia.

The list of eligible countries is reviewed periodically to determine the status of the countries and a decision to add or to remove countries from the list is taken by the Board.

Moreover, the Bank conducts an annual internal rating exercise of all its African member countries based on sovereign rating models validated by leading international rating agencies. Sovereign ratings are subject to continued surveillance throughout the year and rating changes may occur in case of change in the country's fundamentals and these actions are approved by the Credit Risk Committee of the Bank.

Private Sector

The Bank only lends to commercially viable private sector operations in its 54 regional member countries. Commercial viability and risks are evaluated based on internal rating models (reviewed and recalibrated periodically with the support of major international rating agencies). The ratings are reviewed at least annually and subject to continued monitoring in order to ensure proactive corrective measures are taken in a timely manner.

The Bank does not lend to projects rated below an internal rating of "5" which is equivalent to a "B-" international rating and all projects rated (numerically) above "5" are subject to: 1) exceptional Board approval and 2) a limit of 10% of the Bank's capital. The Bank also has a set of limits that governs single name exposure (6% of total risk capital) and sector exposure (25-35% of the risk capital allocated to private sector operations).

The Bank has in place a framework for the ex-ante additionality and development outcome assessment (ADOA) of its private sector operations. The established baseline development outcome indicators will facilitate tracking, monitoring and ex-post evaluations.

What is AfDB's loan approval process?

The Bank has clear core operational priorities and cross cutting themes as part of its Ten-Year Strategy in deciding in which areas to intervene. All projects follow the same internal approval process.



1. Preparation of a Project Concept Note - The Project Concept Note (PCN) is a document prepared to present, in a concise and analytical way, the main features of the project to be financed. The main objective is to allow Management to take an informed decision whether to go ahead with appraisal and due diligence of the project or not. The first review level of the PCN is done by peer reviewers and members of the Project Appraisal Team (PAT), which constitutes experts drawn from a wide range of relevant Bank departments. The PCN is finally reviewed and discussed by the Country Team who determines if the transaction is well conceived and that both structure and orientation are compliant with the Bank's strategy and development priorities. It will also establish whether the project is technically sound and commercially viable. The PCN is cleared by the Country Team (chaired by the Regional Director) which will recommend the project to the Operations Committee (which is chaired by the Bank's Vice-President/Chief Operating Officer) for final clearance. However, PCNs of some projects responding to certain circumstances including but not limited to having an amount higher than UA 100 million, reputational risk or exceptionally innovative features in their design, will require prior review by the Credit Risk Committee (CRC), chaired by the Bank Group Chief Risk Officer, which will make recommendations, as applicable to credit risk governance, credit assessment and rating change approval to the Operations Committee prior to its final clearance. The Operations Committee will then make a comprehensive review of the Project Concept Note with focus on the finer technical details of operations. At this stage, particular attention is given to ratings. If the project is cleared at this level, the PAT will go on a project appraisal mission to do an appraisal and due diligence, assessing the Project on the ground. Simultaneously, the Bank's Risk Management Department undertakes an independent credit evaluation of the project and prepares a Summary Credit Note.



2. Project Appraisal Stage - On completion of the due diligence mission, a Project Appraisal Report (PAR) is prepared. This is then discussed by the Project Appraisal Team at Country Team level. The discussion of the PAR by the Country Team is subsequent to the CRC reviewing the project for further credit assessment recommendations. Once cleared at the Country Team level, the project is sent to the Operations Committee before being submitted for approval to the Board.



3. Board Approval - Final approval rests with the Board of Directors. The Board will make a decision based on the Project Appraisal Report and on the independent Board Credit Memorandum report prepared by the Risk Management Department.

Following approval (and disbursement), all projects continue to be periodically assessed and evaluated by the Bank's Risk Management Department, and their internal risk rating is regularly updated.

AfDB's loan pricing?

	FULLY FLEXIBLE SOVEREIGN AND SOVEREIGN GUARANTEED LOANS	NON-SOVEREIGN LOANS
Currency	USD, EUR, JPY, ZAR and any other currency designated as a lending currency of the Bank	USD, EUR, JPY, ZAR and any other currency designated as a lending currency of the Bank
Maturity	Up to 25 years, with up to 8 years grace period	Up to 15 years, with up to 5 years grace period. Longer maturities can be considered on a case-by-case basis
Lending Rate	Cost-pass through pricing Base rate + funding cost margin + lending spread (80 bps) + maturity premium	Base rate + lending margin
Base Rate	Floating : - Daily SOFR compounded in arrears for USD - 6M EURIBOR for EUR - 3M JIBAR for ZAR - Daily TONA compounded in arrears for JPY Borrower can request conversion of the Floating Base Rate into a Fixed Base Rate - For local currencies, funding is done back-to-back with the loan and cost is passed onto the borrower.	Floating : - Daily SOFR compounded in arrears for USD - 6M EURIBOR for EUR - 3M JIBAR for ZAR - Daily TONA compounded in arrears for JPY Borrower can request conversion of the Floating Base Rate into a Fixed Base Rate. Borrowers can also request Term SOFR in which case a Basis Spread can be applied to take into account difference with Daily SOFR. - For local currencies, funding is done back-to-back with the loan and cost is passed onto the borrower.
Funding Cost Margin	AfDB actual average funding cost above or below the benchmarck is applied for the next semester and revised semi-annually.	For ZAR, a Funding Cost Margin is set and applied for each disbursement.
Lending Margin	80bps	Based on project specific credit risk rating in line with the Bank's non-sovereign pricing framework. Margin includes credit risk premium (derived from probabilities of default and loss given default) and concentration risk premium. For SOFR and TONA loans, additional target funding cost margin is added to the Lending Margin.
Maturity Premium	Dependent on the average maturity of the loan (0 bps for up to 12.75 years, 10 bps for Average Loan Maturity greater than 12.75 years and up to 15 years and 20 bps for Average Loan Maturity greater than 15 years and below 17 years)	
Fees	25 bps commitment fee and 25 bps front end fees	- 1% front end fees - 0 to 1% appraisal fees - 0.5% to 1% commitment fee - Late payment fee of 2% above applicable interest
Repayment Terms	Equal instalments of principal after expiration of grace period. Other repayment terms may also be considered	Equal instalments of principal after expiration of grace period. Other repayment terms may also be considered
Optionality	The borrower can fix, un-fix and refix the base rate; caps and collars are available for the base rate; currency conversion possibilities on disbursed and undisbursed portion of the loan	Borrower can request a fixed base rate. Standalone hedging products are also available.

What are the Bank's policies for equity investments?

The Bank applies pre-defined eligibility criteria to select suitable operations that maximize its catalytic impact, guided by the principles of development effectiveness.

Objectives:

- In addition to the financial return for the Bank, Equity Investments are aimed at promoting: (a) local ownership of productive enterprises; (b) efficient use of resources; (c) regional economic cooperation and integration; (d) entrepreneurial risk-taking in economic sectors of emerging importance, with a view to diversifying and modernizing national or sub-regional economies; (e) best-practice standards in corporate governance, business management, and corporate responsibility as a means to strengthen the competitiveness of Africa's medium and large scale enterprises; and (f) the mobilization of domestic, regional and foreign direct investment resources in pivotal sectors of the economy such as socio-economic infrastructure, manufacturing, agribusiness and food security, and financial sector development.

Eligibility:

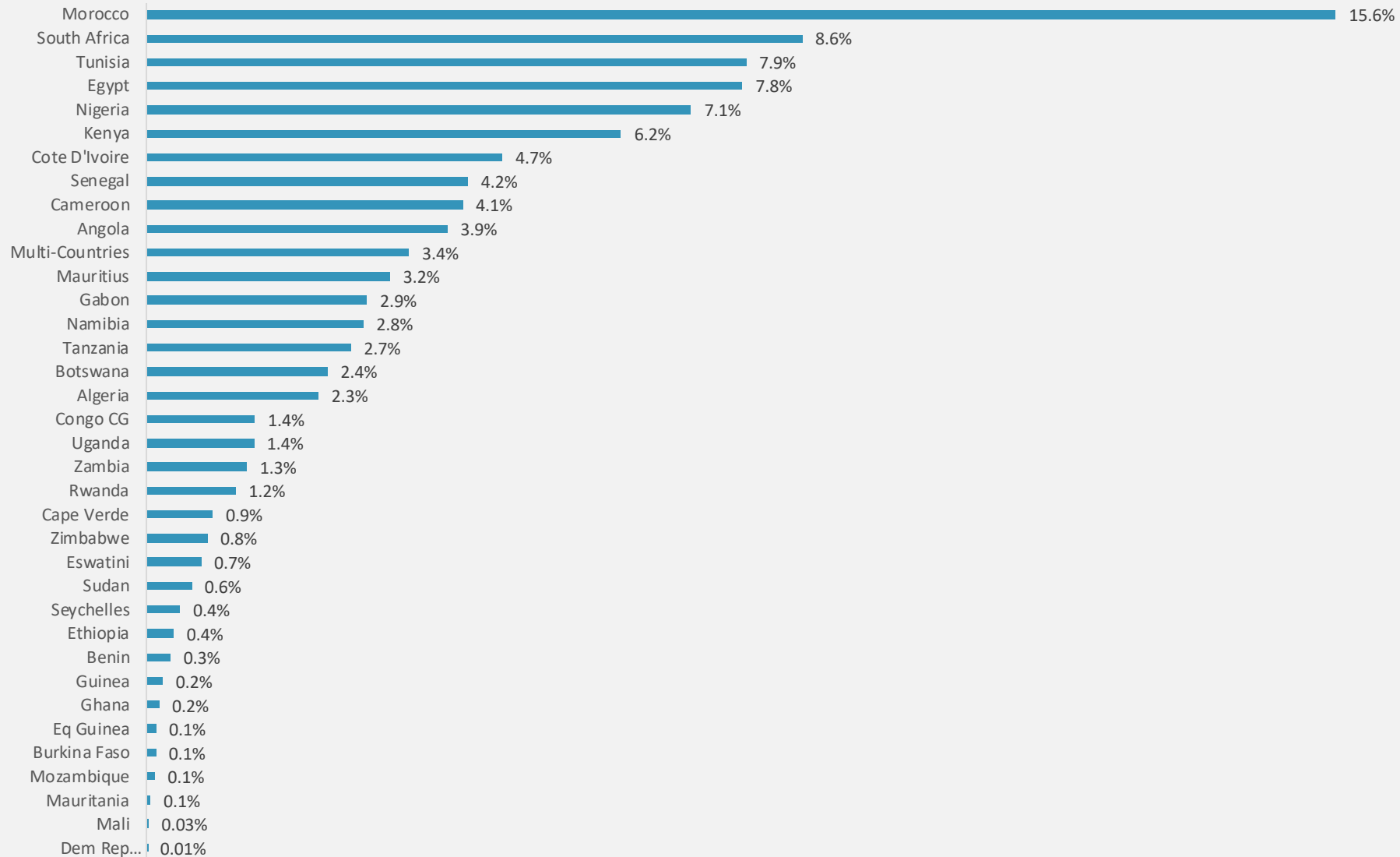
- Non-sovereign operations can be implemented in any of the Regional Member Countries eligible to be considered for Bank investments;
- All economic sectors and sub-sectors are eligible for Bank investments, except:
 - Production of alcoholic beverages, tobacco, and luxury consumer goods
 - Production or trade in weapons, ammunition and other goods used for military or paramilitary purposes
 - Production, trade in, or use of nuclear reactors and related products, asbestos fibers, harmful substances
 - Trade in wildlife or wildlife products regulated under international conventions (CITES)
 - Speculative trade or investment in platinum, pearls, precious stones, gold and related products
 - Gambling, casinos and equivalent enterprise
 - Use of logging equipment in unmanaged primary tropical rainforests
 - Economic activities involving harmful or exploitative forms of forced labor and/or child labor
 - Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.

What are the eligibility criteria for equity investments?

STRATEGIC FIT	Non-sovereign operations must be compatible with the strategic orientations and priorities of the Bank (High 5s, Ten-Year strategy and successors, Non-Sovereign Operations Policy, Private Sector Development Strategy) and Regional Member Countries (Country Strategy Papers and Regional Integration Strategy Papers)
CREDITWORTHINESS	Potential investee companies must be operating under competent management and good corporate governance, with a track record or demonstrable capacity for environmental and social responsibility, in good standing, with a viable business model, with realistic business strategies, and capable of generating sufficient revenues to reimburse the Bank and other financiers
COMMERCIAL VIABILITY	Equity participations must have good prospects to support dividend payments and/or retained earnings, yielding satisfactory expected internal rates of economic and financial return
RETURN ON INVESTMENT	In assessing financial return on equity on single-investments as well as of its equity portfolio, the Bank calculates a set of return indicators including a financial rate of return on investment (FRRI), the Total Value to Paid-In (TVPI) and Distribution to Paid-In (DPI). The Bank will calculate the expected FRRI, TVPI and DPI of each prospective investment, which should show the recouping of the amount invested plus an adequate premium over the rate at which it would extend a senior loan to the same investee.
EXIT STRATEGY	The Bank will approve an equity investment only after an attainable 'exit strategy' has been defined and agreed upon with other key shareholders
DEVELOPMENT OUTCOMES	In its capacity as lender of last resort, the Bank will not provide financing for a non-sovereign operation if, in the Bank's opinion, the client can obtain financing elsewhere on terms that may be considered reasonable for the recipients
BANK'S ADDITIONALITY	The Bank will only participate in transactions if its role is "additive" over resources that can be provided by private-sector sources of finance, that is, if the Bank's participation is providing (a) political risk mitigation; (b) financial additionality, including extension of the tenor of financing, and spurring the development of capital markets; and (c) improving development outcomes. In the assessment of 'additionality', a special focus is on the Bank's role in leveraging additional co-financing that would not have been forthcoming in the absence of the Bank's participation in the operation, and catalyzing other investments in related sectors of the economy
SIZE OF INVESTMENTS	The Bank does not seek to acquire a controlling interest in companies in which it invests, and accordingly, its participation is limited to 25% of the total capital of the company throughout the life of its investment
PRIVATE EQUITY FUNDS	Assessment is based on (a) financial strength and historic fund performance, (b) investment strategy and risk management, (c) industry structure, (d) management and corporate governance and (e) information quality

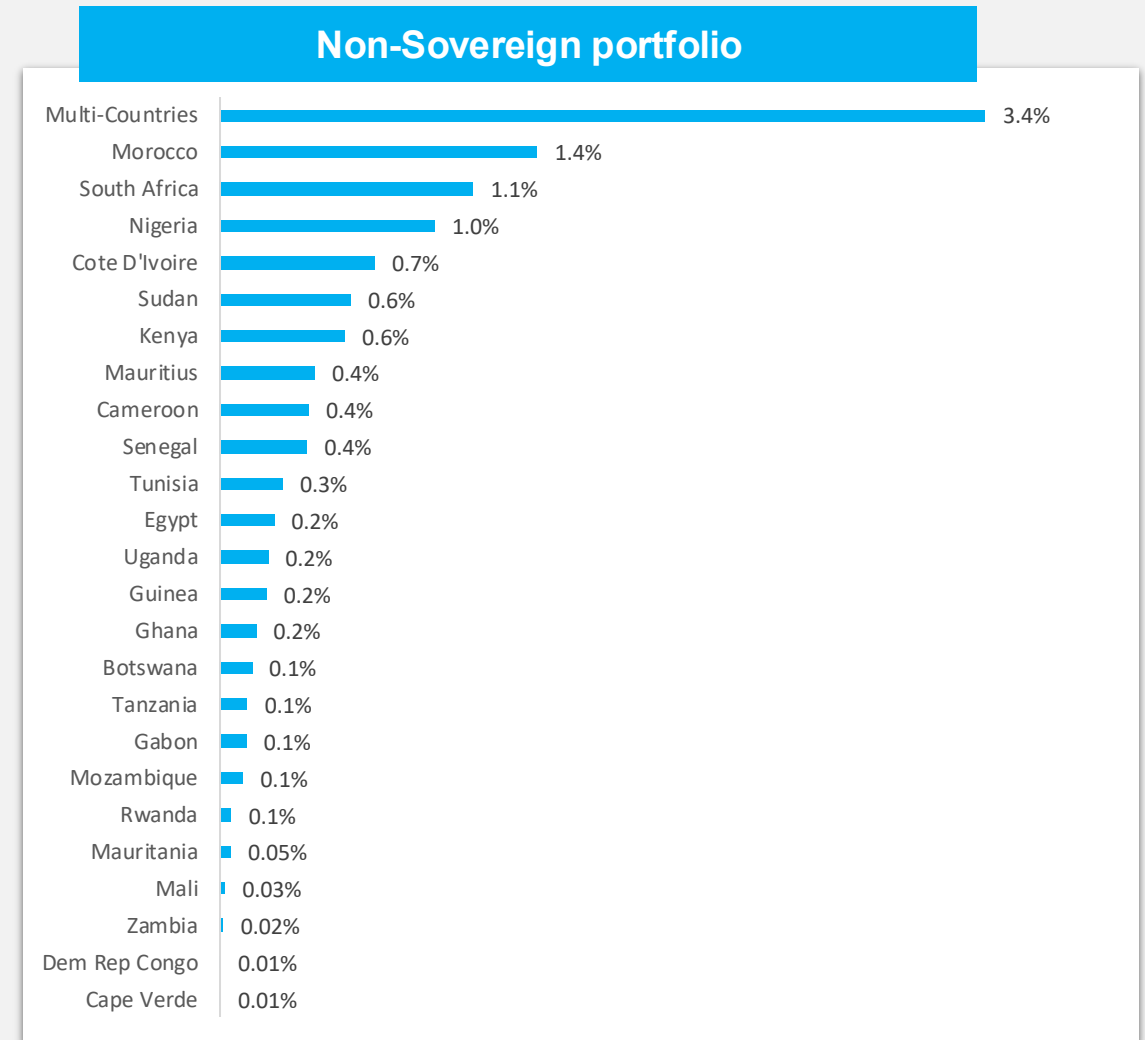
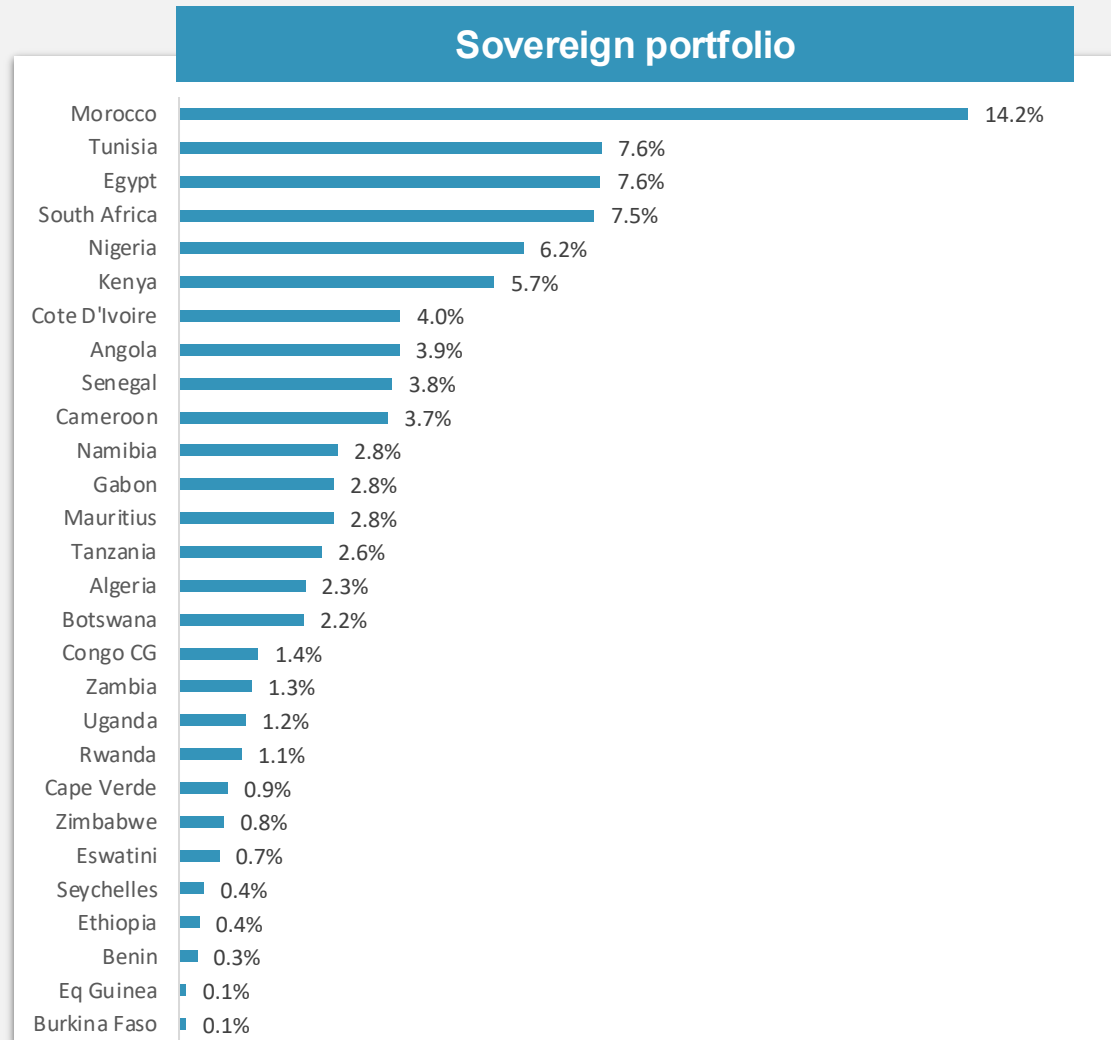
What are your largest notional exposures?

Consolidated portfolio (Sovereign and Non-Sovereign)



(As of 30 June 2025)

What is the distribution of sovereign and non-sovereign portfolios by country ?



(As of 30 June 2025)

What is the Exposure Exchange Agreement?

In 2015, the Bank entered into its first Exposure Exchange Agreement (EEA1) with other MDBs (IADB and IBRD) with the objective of managing risks in its loan portfolio to optimize its balance sheet, reduce sovereign concentration risk and increase lending headroom.

A second EEA (EEA2) was executed in 2023 with the Asian Development Bank (ADB) and a third EEA (EEA3) was executed in October 2024 with ADB for a USD 1 billion reference portfolio.

The EEA involves a simultaneous exchange of equivalent credit risk on defined sovereign credit exposure with each participating MDB retaining a minimum of 50% of the total exposure to each country. The MDB that originates the sovereign loans continues to be the lender of record.

EEA with
IBRD, IADB and ADB,
all AAA rated entities,
to reduce sovereign
concentration risk

EEA substantially
improved lending
capacity and capital
adequacy ratios

- The seller is only required to make principal payments to the buyer when the buyer writes off or restructures part or all of the loans in the reference portfolio. No premium is paid as amount of exposure exchanged is notionally the same at inception
- Experience shows that MDBs hardly ever write off arrears as arrears always ultimately get settled
- As at June 2025, no defaults have occurred on any exposures covered under EEA1, EEA2 and EEA3 and the Bank continues to expect full recovery of its sovereign and sovereign-guaranteed exposures

EEA1 TRANSACTION

Size	USD 4.5 billion
Maturity	Up to 15 years (amortizing at year 11)
Reference portfolio	Sovereign AfDB exposures of 9 Regional Member Countries

EEA2 TRANSACTION

Size	USD 1 billion
Maturity	Up to 15 years (amortizing at year 11)
Reference portfolio	Sovereign AfDB exposures of 7 Regional Member Countries

EEA3 TRANSACTION

Size	USD 1 billion
Maturity	Up to 15 years (amortizing at year 11)
Reference portfolio	Sovereign AfDB exposures of 6 Regional Member Countries

What does Preferred Creditor Status mean?

- For the public sector exposures, Preferred Creditor Status (PCS) means that the **repayment to the Bank generally takes precedence over other creditors in the event of sovereign default**. In other words, according to the PCS, AfDB ranks higher than other creditors in case of default. Rating agencies account for this specific feature in their assessment of Multilateral Development Banks.
- For the private sector exposure, the Preferred Creditor Status has a different benefit. In case of restriction of access to foreign currencies by the sovereign, rating agencies consider that this restriction would not apply for the repayment due to Multilateral Development Banks. This mitigates the Transfer and Convertibility Risk. For example, in case of a default or a near default of a country on its financial obligations, private sector access to foreign currencies may be restricted, but there would be no restrictions as regards to repayments to the Bank.

What are the AfDB's non-performing loans ?

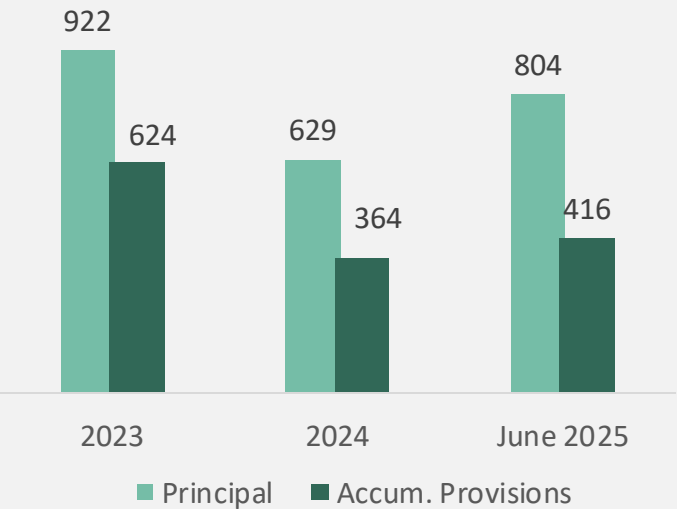
2.3% NPLs as of June 2025

Sovereign NPLs as of June 2025 (In USD million)

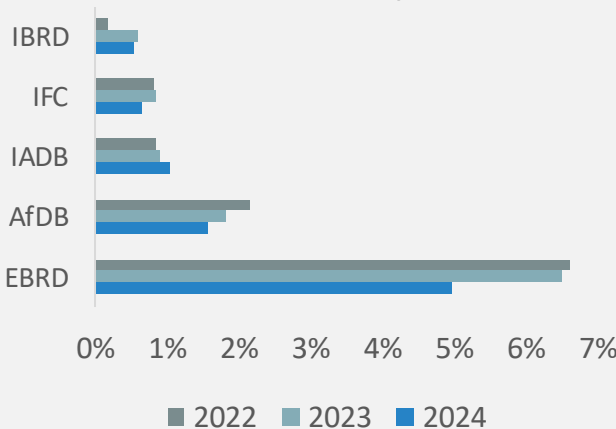
Country	Outstanding balance	Provision for impairment	Provisioning rate
Zimbabwe	269	116	43%
ADB sovereign loans*	30,293		
Sovereign NPL rate	0.9%		

* Excluding guarantees

Provisioning trends (in USD million)



Non-performing assets/development assets



Source: Moody's Investors Service

Non-sovereign NPLs as of June 2025 (In USD million)

Sector	Outstanding balance	Provision for impairment	Provisioning rate
POWER	153.0	26.0	17%
POWER	70.3	70.3	100%
TRANSPORT	64.9	32.4	50%
TRANSPORT	58.1	58.1	100%
TRANSPORT	55.5	55.5	100%
POWER	44.3	23.0	52%
IND/MINI/QUAR	31.8	9.9	31%
TRANSPORT	11.1	2.7	24%
TRANSPORT	9.1	9.1	100%
AGRICULTURE	8.1	1.6	20%
POWER	7.3	7.3	100%
AGRICULTURE	5.0	1.1	23%
AGRICULTURE	4.6	1.1	23%
POWER	2.6	1.3	52%
AGRICULTURE	2.3	0.5	23%
AGRICULTURE	2.0	0.5	23%
AGRICULTURE	0.7	0.1	20%
TRANSPORT	0.1	0.06	100%
TOTAL	531	301	57%

Non-sovereign NPLs	USD 531 million
ADB non-sovereign loans*	USD 4,062 million
Non-sovereign NPL rate	13.1%

* Excluding guarantees

What is your policy on write-offs?

The Bank has never written off a sovereign-guaranteed loan. Its experience has been that countries default in case of unusual civil disturbances or events. When peace and stability is restored, the countries re-engage with the Bank and pay their arrears or usually obtain assistance from donors for arrears clearance.

It is the Bank's policy that if the payment of principal, interest or other charges becomes 30 days overdue, no new loans to that member country, or to any public sector borrower in that country, will be presented to the Board of Directors for approval, nor will any previously approved loan be signed, until all arrears are cleared. Furthermore, for such countries, disbursements on all loans to or guaranteed by that member country are suspended until all overdue amounts have been paid. These countries also become ineligible in the subsequent billing period for a waiver of 0.5% on the commitment fees charged on qualifying undisbursed loans.

Although the Bank benefits from the advantages of its preferred creditor status and rigorously monitors the exposure on non-performing sovereign borrowers, some countries have experienced difficulties in servicing their debts to the Bank on a timely basis. As previously described, the Bank makes provisions for impairment on its sovereign loan portfolio commensurate with the assessment of the incurred loss in the portfolio.

Write-offs could arise for non-sovereign loans and these are financed by the Bank's net operating income (NOI). To date there have not been any significant loan write offs of non-sovereign loans.

In compliance with IFRS, the Bank does not make general provisions to cover the expected losses in the performing non-sovereign portfolio. For the non-performing portfolio, the Bank makes specific provisions based on an assessment of the credit impairment, or incurred loss, on each loan.

What is a fragile situation?

2014 Strategy

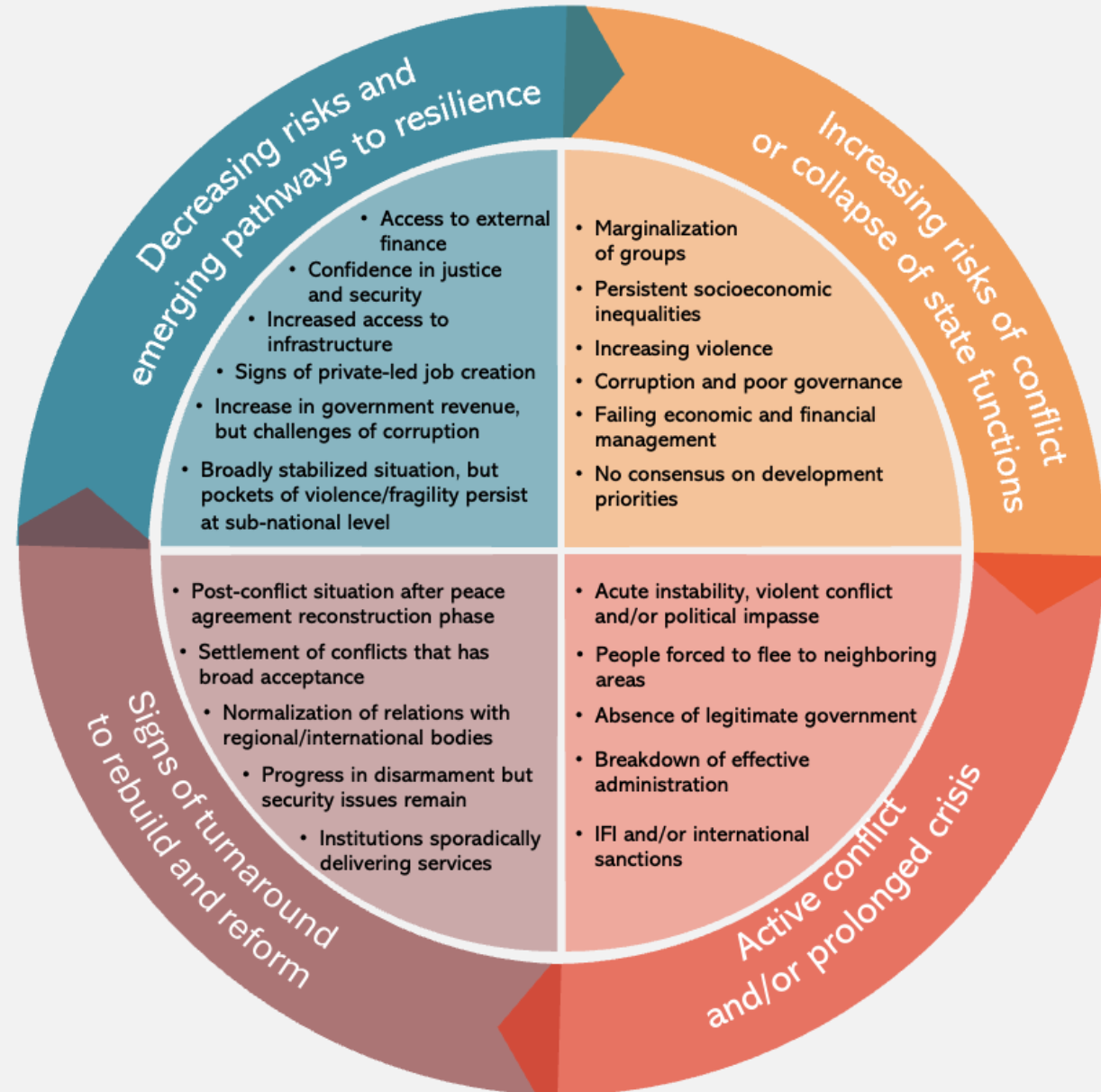
Fragility is “a condition of elevated risk of institutional breakdown, societal collapse, or violent conflict”

Updated definition of Fragility

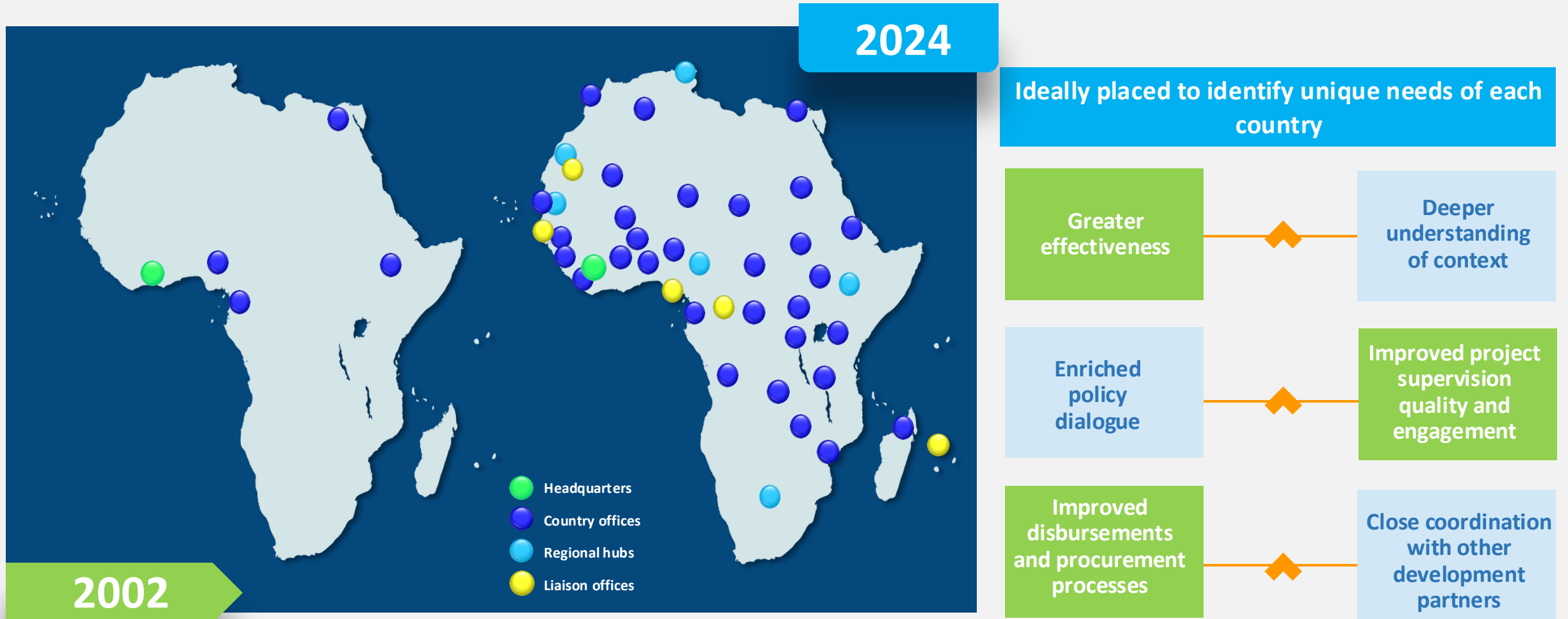
Fragility is “the risk that internal or external pressures may exceed existing capacities to prevent, respond to, and recover from those pressures”

Definition of Resilience

Resilience is defined as “attributes that enable countries to cope with, adapt to, and recover from shocks and stresses, and that reduce their vulnerability in the future”



What is your field presence in Africa?



Strong presence in 41 countries, expanded to fragile states

- 39% of Bank staff working in field offices
- 76% of projects managed from those field offices

What is the Bank's Integrated Safeguards System?

The Integrated Safeguarding System (ISS) is the Bank Group's environmental and social policy that applies to **all** Bank-supported operations, public and non-sovereign, regardless the source of financing, including operations supported by Bank-administered trust funds, throughout their life cycles (Identification, Preparation, Appraisal, Negotiation, Implementation, Mid-term Review, Completion).

This Corporate Policy and the Operational Safeguard (OS) apply to all operations supported by the Bank Group, regardless of the type and source of financing.

Through its operations, the Bank will only support operations that are compatible with its Statutes and that are expected to meet the requirements of the OS in a manner and within a timeframe acceptable to the Bank.

If the Bank considers that the environmental or social impacts of proposed operations may not be adequately addressed, it may decide not to proceed with them.

This includes any Bank technical assistance activity, whether provided as a stand-alone operation or as part of an operation or project

The Bank will carry out environmental and social due diligence on all operations proposed for its support.

The purpose of environmental and social due diligence is to help the Bank decide whether to support the proposed operation and, if so, how environmental and social risks and impacts will be taken into account in the development, appraisal, and implementation of the operations.

The Bank will apply the African Development Bank's "Information Disclosure and Access Policy" to all documents shared by the Borrower, subject to the confidentiality concerns described therein.

The Integrated Safeguards Tracking System (ISTS) is linked to the Bank's project management system and is therefore used to track project compliance and performance directly. It is used to ensure that a project can only progress from the preparation phase to the appraisal phase if the OSs requirements have been properly met, a step which is verified by the Bank's E&S safeguard and compliance function.

The ISTS is also used to ensure that project documentation can only be submitted to the Board of Directors once the relevant OS requirements have been properly met. The appraisal reports, of said project documentation, are accompanied by the Environmental and Social Compliance Note (ESCON) issued by the Bank's E&S Safeguards and Compliance function.

African Development Bank Group's Integrated Safeguards System document

<https://www.afdb.org/en/documents/african-development-bank-groups-integrated-safeguards-system-2023>

The ISS is the Environmental and Social Corporate Policy which applies to all Sovereign and Non-Sovereign operations throughout their entire lifecycles

What are your ethical business practices?

- **Uniform Framework for Preventing and Combating Fraud and Corruption adopted in 2006** along with other MDBs: harmonized strategy for mitigating corruption and fraud for development effectiveness in projects financed by MDBs
- A commitment to good governance and to the promotion of ethical business practices as well as the endorsement of international standards of anti-corruption and transparency that apply to its operations
- Created an **Integrity Due Diligence (IDD)** structure for private sector operations and other operations financed without a sovereign guarantee, premised on the institution's fiduciary and legal responsibilities to its shareholders and with attention to considerations of economy, efficiency and competitive trade

Guiding Principles for IDD

Identification of beneficial ownership: will not proceed with a transaction without ascertaining the identity of the beneficial owners of such transaction

Assessment of civil, criminal, and regulatory backgrounds: closely evaluate the criminal, civil and regulatory history of the counterparty and significant related parties for integrity risk*

Sanctioned persons and entities: will not finance a project where any of the counterparty, significant related party or their beneficial owners is debarred or cross-debarred by the Bank Group or sanctioned by the United Nations security council

Politically Exposed Persons (PEPs) and other high-risk relationships: carry out enhanced IDD in addition to its standard IDD measures where PEPs are involved in a project

Mitigation of integrity risks: The underlying objective of the IDD process should be to identify and mitigate integrity risks

Monitoring of integrity risks and enforcement of covenants: effectively monitor projects throughout the project cycle to identify early warning signs and indicators of Integrity Risks

Record-keeping: keep adequate and reliable records of all documentation involved in and steps taken throughout the IDD process

*Integrity Risk is the potential for financial and non-financial loss including adverse reputational impact that may result from Unethical Practices in Projects and investment decisions

What is the Extractive Industries Transparency Initiative?

The Extractive Industries Transparency Initiative (EITI) aims to promote governance by strengthening transparency in the extractive industries. Natural resources, such as oil, gas, metals and minerals, belong to a country's citizens. Extraction of these resources can lead to economic growth and social development. However, when poorly managed it has too often lead to corruption and even conflict. More openness around how a country manages its natural resource wealth is necessary to ensure that these resources can benefit all citizens.

Countries implement the EITI Standard to ensure full disclosure of taxes and other payments made by oil, gas and mining companies to governments. These payments are disclosed in an annual EITI Report. This report allows citizens to see for themselves how much their government is receiving from their country's natural resources.

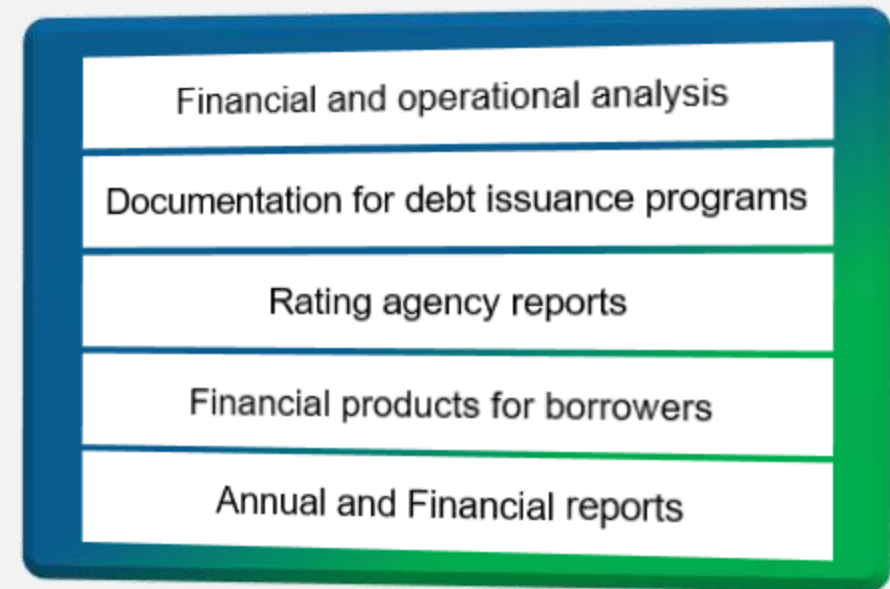
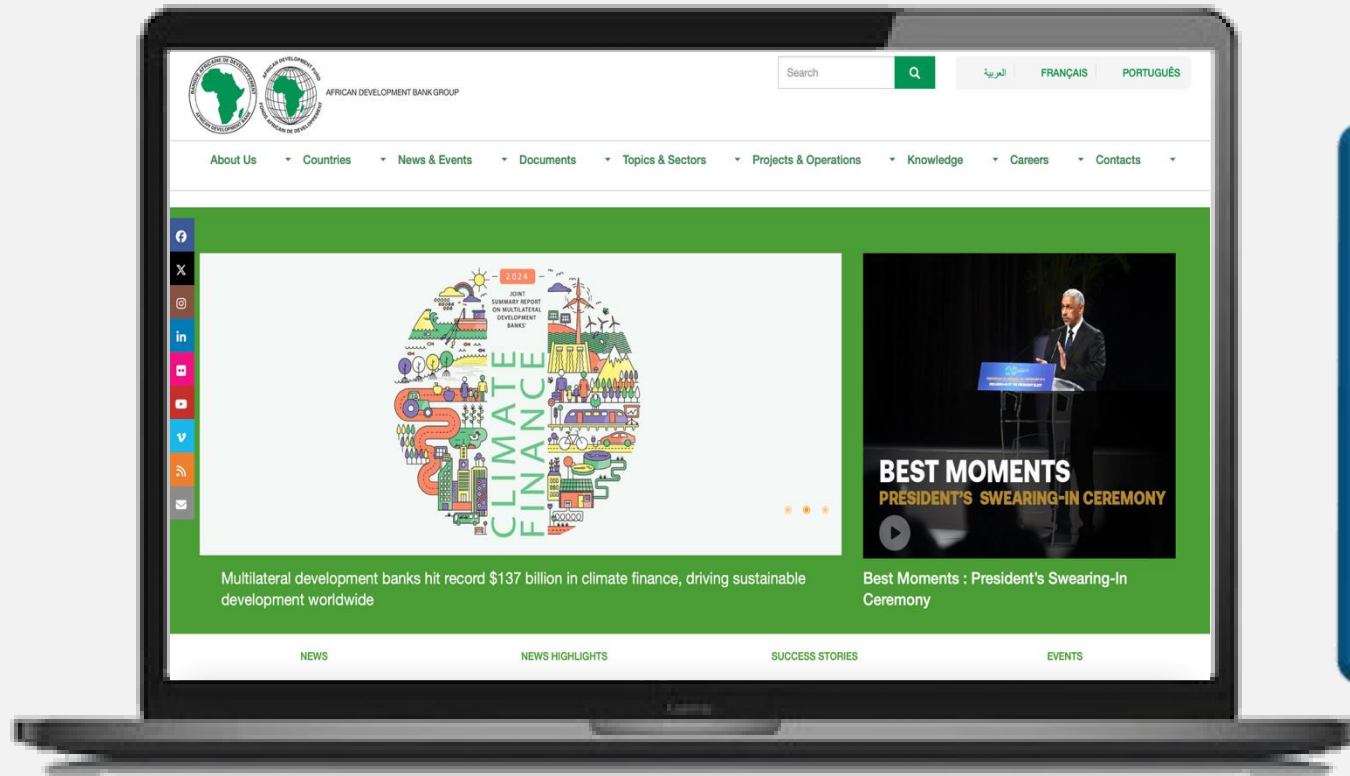
EITI provides a number of benefits to various stakeholders. Benefits for implementing countries include an improved investment climate by providing a clear signal to investors and international financial institutions that the government is committed to greater transparency. EITI also assists in strengthening accountability and good governance, as well as promoting greater economic and political stability. This, in turn, can contribute to the prevention of conflict based around the oil, mining and gas sectors.

Benefits to companies and investors are centered on mitigating political and reputational risks. Political instability caused by opaque governance is a clear threat to investments. In extractive industries, where investments are capital intensive and dependent on long-term stability to generate returns, reducing such instability is beneficial for business. Transparency of payments made to a government can also help to demonstrate the contribution that their investment makes to a country.

Benefits to civil society come from increasing the amount of information in the public domain about those revenues that governments manage on behalf of citizens, thereby making governments more accountable.

The Bank is working to mainstream EITI principles in its own sector operations. Through encouraging regional member countries to take part in the EITI process and by offering technical and financial assistance where applicable, the Bank will help bring about sound extractive industry practices and the utilization of natural resources for sustainable development. To date, the Bank has contributed to the achievement of EITI candidacy status of three countries namely Central Africa Republic, Liberia and Madagascar and is supporting various African countries adhere to and implement the initiative. These include Liberia, Sierra Leone, Chad, Togo, Guinea Conakry, and Madagascar.

For more informations



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