OUTLINE OF THE PRESENTATION

1. The Bank Group
2. Syndications, Co-financing and Client Solutions Department
3. The Bank’s Menu of Products
1 The Bank Group
MORE THAN FIFTY YEAR HISTORY

CHRONOLOGY OF AFDB

1964
Creation of AfDB

1972
Creation of ADF

1976
Creation of NTF

1982
Capital of AfDB opened to non-Africans

1984
AfDB rated AAA

2003
Temporary relocation to Tunis

2009
AfDB responds to the economic and financial crisis

2010
Landmark 200% capital increase

2013
78 member countries & 2,000 staff

2014
Return of the Bank to Abidjan
Africa’s premier development financial institution focused on reducing poverty, and improving living conditions on the continent.

Our mission & objective is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction.

The Bank Group achieves its objective by:
- mobilizing and allocating resources for investment in Africa; and
- providing policy advice and technical assistance to support development efforts.

The African Development Bank:
1. **Triple-A** by all major ratings agencies
2. **0% risk weighting** under Basel II

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**The ADB Group:** three constituent institutions, separate legally and financially, with a common goal

African Development Bank ("ADB")
- Established in 1964
- 54 African and 26 non-African countries
- Authorised capital: USD 95 billion*

African Development Fund ("ADF")
- Established in 1972
- Subscription: USD 36 billion
- Financed by 27 State participants including 4 regional donors
- *Concessional Financing Terms*

Nigeria Trust Fund ("NTF")
- Established in 1976 by Nigeria
- Maturity 2018
- *Concessional and Non-concessional Financing Terms*

* As at 31 Dec. 2017
The Bank’s regional member countries are classified according to the Bank’s credit policy into 4 categories which determines which financing window they can access.

<table>
<thead>
<tr>
<th>Creditworthy for non-concessional financing?</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita income above the ADF/IDA operational cut-off (USD 1,215*) for more than 2 consecutive years?</td>
<td>No</td>
<td><strong>ADF-Only countries or Low Income Countries (LICs) only eligible to concessional financing</strong></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td><strong>Blend countries Simultaneously eligible for ADB &amp; ADF resources</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>ADF-Gap countries eligible for ADF resources on blend terms</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>ADB Only &amp; Graduating</strong> Moderate Income Countries (MICs) countries eligible to non-concessional financing only**</td>
</tr>
</tbody>
</table>

*For fiscal year 2016
**Graduating (Transition) countries are eligible for ADF resources on blend terms during a 2 to 5-year phasing-out period (Decreasing access to ADF resources)
## Bank Group Country Classification (as of April, 2017)

<table>
<thead>
<tr>
<th>CATEGORY C – ADB (17)</th>
<th>CATEGORY B - BLEND (4)</th>
<th>CATEGORY A – ADF (34)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Graduated (16)</strong></td>
<td><strong>Graduating (1)</strong></td>
<td><strong>ADF-Gap (6)</strong></td>
</tr>
<tr>
<td>- Angola (2012)</td>
<td></td>
<td>- DSA red</td>
</tr>
<tr>
<td>- Botswana</td>
<td></td>
<td>- RSA</td>
</tr>
<tr>
<td>- Cape Verde (2011)</td>
<td></td>
<td>- Cameroon (2014)</td>
</tr>
<tr>
<td>- Congo, Rep. of (2014)</td>
<td></td>
<td>- DSA red</td>
</tr>
<tr>
<td>- Equatorial Guinea</td>
<td></td>
<td>- DSA green</td>
</tr>
<tr>
<td>- Gabon</td>
<td></td>
<td>- Senegal (DSA green)</td>
</tr>
<tr>
<td>- Mauritius</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Morocco</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Namibia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Seychelles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- South Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Swaziland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Tunisia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Algeria</td>
<td>- Zambia (2014)</td>
<td>- Rwanda</td>
</tr>
<tr>
<td>- Angola (2012)</td>
<td>- DSA yellow</td>
<td>- Tanzania</td>
</tr>
<tr>
<td>- Botswana</td>
<td>- DSA red</td>
<td>- Uganda</td>
</tr>
<tr>
<td>- Cape Verde (2011)</td>
<td>- DSA green</td>
<td></td>
</tr>
<tr>
<td>- Congo, Rep. of (2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Egypt</td>
<td>- Côte d’Ivoire* (2015)</td>
<td></td>
</tr>
<tr>
<td>- Equatorial Guinea</td>
<td>- DSA yellow</td>
<td></td>
</tr>
<tr>
<td>- Gabon</td>
<td>- Sao Tome (2013)</td>
<td></td>
</tr>
<tr>
<td>- Mauritius</td>
<td>- DSA red</td>
<td></td>
</tr>
<tr>
<td>- Morocco</td>
<td>- Ghana (2014)</td>
<td></td>
</tr>
<tr>
<td>- Namibia</td>
<td>- DSA red</td>
<td></td>
</tr>
<tr>
<td>- South Africa</td>
<td>- DSA yellow</td>
<td></td>
</tr>
<tr>
<td>- Swaziland</td>
<td>- Mauritania (2017)</td>
<td></td>
</tr>
<tr>
<td>- Tunisia</td>
<td>- DSA red</td>
<td></td>
</tr>
</tbody>
</table>

* Country that comply with the DSA status eligibility criteria for accessing ADB sovereign resources

** DSA not available; assessment and rating classification made by the Bank.

*** In debt distress.
THE BANK GROUP ADDRESSES THE DIVERSE FINANCING NEEDS OF THE CONTINENT

**Sovereign and Sovereign Guaranteed Operations**

**AfDB Sovereign Operations**
17 middle-income countries eligible to receive AfDB funding including Nigeria which is Graduating**

**ADF Concessional Financing**
34 low-income countries eligible to loans and grants including
- ADF regular
- ADF Advanced
- ADF Gap

**Blend countries with access to both AfDB and ADF**
4 countries: Cameroon, Kenya, Senegal, Zambia

**Non-Sovereign Guaranteed and Private Sector Operations through ADB window**

- Viable enterprises and multinational projects, additionality and development outcome
  - Direct loans
  - Lines of credits
  - Equity participation
  - Guarantees
  - RMP
  - Trade Finance
  - TA

**Enclave Finance**
Self-sustaining, export oriented project, located in an ADF-eligible country

**Additionality and Development Outcome**
- Job creation
- Government revenues
- Financial return
- Foreign currency earnings
- Social and environmental safeguards

**This information is to be updated over time**
Allowing ADF Countries Access to ADB Window

In order to respond to recent economic developments in RMCs, the Bank amended its credit policy in 2014 to allow ADF countries access to the ADB sovereign window on a case by case basis.

ADF countries are can access ADB window if they have...

- Low or moderate risk of debt distress under IMF DSA
- Headroom for non-concessional borrowing
- Sustainable macroeconomic position
- Request approved by the Bank’s Credit Risk Committee

Access will be granted to eligible countries on case by case basis to finance viable projects. Eligibility does not guarantee access.
2 Syndications, Cofinancing and Client Solutions Department
Syndications, Co-financing and Client Solutions Department (FIST)

Leveraging Bank Group resources through syndications, co-financing, balance sheet optimization, innovative financial structures, partnerships, and new products

Position the Bank Group as the leading arranger of syndicated co-financing for Africa’s development

Provide integrated financial solutions through cost effective and innovative financial products and services
FIST Key Strategic Focus Areas

- Shift in Bank Group mobilization culture to increased utilization of syndicated and co-financing structures – Mainstream syndication and co-financing as standard features in Bank Group transactions
- Leverage of Bank Group limited capital through asset sell-downs, guarantees and other credit enhancement structures while also addressing the high risk perception of Africa transactions
- Balance sheet optimization and management through, but not limited to, synthetic credit risk transfer mechanisms and structures – efficient management of risk capital
- Develop new financial products that enable clients to manage related risks through customized derivative-based hedging solutions as well as focused development of local capital markets to facilitate domestic resource mobilization
- Build long term partnerships with pension funds, sovereign wealth funds and other providers of long term capital to support syndication and co-financing opportunities
- Development and deployment of new innovative and creative financial products designed to attract financing from the private sector on the best available terms and conditions to support the Hi5s
- Provide a centralized, focused and coordinated application of associated co-financing vehicles and coordinate the achievement of bank-wide co-financing targets and KPIs
FIST Expected Delivery Mechanism

Effective Utilization of Guarantees

Product Innovation and Comprehensive Financial Products Marketing Strategy

Loan Syndication (B-loans) & Co-financing

Balance Sheet Optimization - Risk Transfer Products

Integrated Solutions to Deliver the Desired Results for Greater Financing Impact
The Bank’s Menu of products
WHAT WE OFFER

1. LENDING INSTRUMENTS
   Providing long-term (up to 25 yrs) debt to public and private investors

2. GUARANTEES
   Mitigating the risk premium attached to investments in Africa

3. EQUITY
   Bringing scarce risk capital to transformative projects

4. RISK MANAGEMENT PRODUCTS
   Allowing our borrowers to hedge and manage their debt responsibly

5. TRADE FINANCE PROGRAM
   Bringing together international buyers and sellers

6. TECHNICAL ASSISTANCE FUNDS
   Financing the completion of feasibility studies, training and project preparation

8. AFFILIATED PARTNERS
   Africa Guarantee Fund GuarantCo
   African Export-Import Bank
WHAT WE OFFER ADB SOVEREIGN CLIENTS  
FULLY FLEXIBLE LOAN

**CURRENCIES**
EUR, USD, ZAR, JPY, LCYs

**BASE RATE**
Floating (6m Libor/Euribor; 3m Jibar)

**MATUREY**
25 years including 8 year grace period

**CONTRACTUAL SPREAD**
80 BPS

**FUNDING MARGIN**
Bank’s cost of borrowing / Libor, Euribor, Jibar Calculated twice a year

**MATUREY PREMIUM**
> 12.75 yrs up to 15 yrs: 10bps  
> 15 yrs up to 17 yrs: 20 bps

**CONVERSIONS**
1-Base Rate conversions  
2-Caps and collars  
3-Currency conversions

**FEES**
FRONT END FEE: 25bps  
COMMITMENT FEE: 25bps

Pricing Formula = Base Rate + Funding Margin + Lending Margin + Maturity Premium
### Lending Rates - ILLUSTRATION

Applicable lending rates for SGLs with floating base rates

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Currency</strong></td>
<td><strong>USD</strong></td>
</tr>
<tr>
<td>Base rate Index</td>
<td>6M LIBOR</td>
</tr>
<tr>
<td>Base rate</td>
<td>1.357%</td>
</tr>
<tr>
<td>Funding Margin</td>
<td>-0.020%</td>
</tr>
<tr>
<td>Lending Margin</td>
<td>0.800%</td>
</tr>
<tr>
<td>Lending Rate</td>
<td>2.137%</td>
</tr>
</tbody>
</table>

**6M EURIBOR 5-year history** as of 8 Sept. 2016

**USD 6M LIBOR 5-year history** as of 8 Sept. 2016
## WHAT WE OFFER ADF SOVEREIGN CLIENTS

### ADF STANDARD LOAN

<table>
<thead>
<tr>
<th>Lending Terms</th>
<th>ADF-Only</th>
<th>Blend, Gap and Graduating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular 40/10</td>
<td>Advance 40/5</td>
</tr>
<tr>
<td>Maturity (Years)</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Grace Period (Years)</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>First Period (Years)</td>
<td>10</td>
<td>–</td>
</tr>
<tr>
<td>Amortization Rate (%)</td>
<td>2.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Second Period (Years)</td>
<td>20</td>
<td>–</td>
</tr>
<tr>
<td>Amortization Rate (%)</td>
<td>4.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Service Charge (%)</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Commitment Fee (%)</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Interest Rate (%)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Concessionality (%)</td>
<td>61</td>
<td>51</td>
</tr>
</tbody>
</table>

ADF STANDARD LOAN offers a range of lending terms tailored to meet the needs of sovereign clients, including options for regular and advance payments, as well as blend, gap, and graduating structures. The table above outlines the specific terms for each option, highlighting features such as maturity periods, grace periods, amortization rates, service charges, commitment fees, and interest rates, with concessionality percentages indicating the level of support provided.
WHAT WE OFFER NON SOVEREIGN GUARANTEED CLIENTS
FIXED SPREAD LOAN

- **Eligibility**: Private Sector Companies in all RMCs and non-sovereign guaranteed public entities in middle income RMCs.

- **Maturity**: up to 15 years including a 5-year grace period

- **Currency**: EUR, USD, ZAR, JPY and any African lending currency approved by the Bank through the local currency loan program

- **Pricing**: Floating Base rate + credit margin; Plus a free option to fix the Base Rate
WHAT WE OFFER
LOCAL CURRENCY LOANS

Methods:
• Bond issuance
• Cross currency swap
• Synthetic Loan

The Bank can currently provide local currency in selected RMCs through local currency bond issuance in countries where all relevant approvals have been obtained namely: South Africa, Egypt, Uganda, Nigeria, Kenya, Zambia, Tanzania, Ghana, Botswana, CEMAC region and WAMU region.
WHAT WE OFFER
LOCAL CURRENCY LOANS - Pricing

Cost pass through principle

- Relevant Government Benchmark / Reference Rate
- Spread over/below Government
- Issuance costs, as applicable
- Recurrent costs, as applicable
- THE FUNDS ALL-IN-COST
- Credit spread
- Interest rate charged to client
WHAT WE OFFER

Syndication and Co-Financing - Parallel Financing

- **Parallel Financing**
  - Various DFIs lend under parallel facility agreements all coming under harmonized contractual arrangements, the Common Terms Agreement ("CTA")

- **Rationale**
  - To partner with financial institutions not eligible for B loans (mainly DFIs)
  - Individual loan agreements required to explicitly refer to individual policies and privileges embedded in each DFIs charter
WHAT WE OFFER

Syndication and Co-Financing- A/B Loan

- **A/B Loans**
  - Acting as Lender-of-Record, the Bank lends to a borrower;
  - Keeps part of the loan for its own book (the A Loan); and
  - Sells participations to commercial investors (the B Loan)

- **Rationale**
  - To leverage up the Bank’s capital investment to a single project
  - To facilitate the entry of commercial co-financiers
    - Via the extension of the Bank’s immunities and privileges through the B Loan Participation Agreement
  - To provide the necessary risk mitigation to achieve a bankable transaction structure for the B Loan lenders
WHAT WE OFFER
NIGERIA TRUST FUND LOANS

NTF was established in 1976 at the initiative of Nigeria, to provide concessional financing to the Bank’s RMCs with particular focus on the poorest among them.

- NTF resources are **provided in co-financing operations** with ADB and ADF, as well as **in stand alone operations**. Supplementary loans for Bank Group financed projects can also be considered.

- Utilization of NTF resources is subject to a **ceiling of USD 10 mln** per project in order to promote broader coverage of the Fund’s resources.

- **3 options** are available for the utilization of NTF:
  - NTF loans with long-term maturity
  - NTF loans with short-term maturity
  - Private sector operations in both ADB and ADF countries

- All NTF financing, for both public and private sector operations, are provided in **USD only**.
WHAT WE OFFER
PARTIAL GUARANTEES

- PARTIAL RISK GUARANTEE (PRG) → reducing political risk exposure
  - A PRG is a financial guarantee which covers debt service defaults on commercial debt, normally for a private sector project, when such defaults are caused by a government or government owned entity’s failure to meet its specified contractual obligations to the project.

17 PCGs approved to date

- ADB PCG was instrumental in getting Seychelles debt burden on a sustainable path.
- Second time that a PCG has been used in a sovereign debt restructuring

- PARTIAL CREDIT GUARANTEES (PCGS) → mitigating both commercial and political risk
  - Cover a portion of scheduled repayments of loans or bonds against the risk of non-payment by the obligor
  - Help to lengthen the maturity of both public and private debt financing beyond that available in private markets.
**WHAT WE OFFER**

**DIRECT EQUITY AND QUASI-EQUITY**

<table>
<thead>
<tr>
<th>DFIs</th>
<th>Insurance, Commercial Banks and Microfinance</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="AFRICA 50" /></td>
<td><img src="image2" alt="AFRICA RE" /></td>
</tr>
<tr>
<td><img src="image3" alt="African Export-Import Bank" /></td>
<td><img src="image4" alt="African Trade Insurance Agency" /></td>
</tr>
<tr>
<td><img src="image5" alt="SHELTER AFRIQUE" /></td>
<td><img src="image6" alt="ZEP-RE" /></td>
</tr>
<tr>
<td><img src="image7" alt="AFRICAN GUARANTEE FUND" /></td>
<td><img src="image8" alt="PTA Bank" /></td>
</tr>
<tr>
<td><img src="image9" alt="TCX" /></td>
<td><img src="image10" alt="microcred" /></td>
</tr>
<tr>
<td><img src="image11" alt="BOAD" /></td>
<td><img src="image12" alt="advans" /></td>
</tr>
</tbody>
</table>
**WHAT WE OFFER**

**EXAMPLES OF EQUITY INVESTMENTS in FUNDS**

We invest in PE infrastructure funds to diversify equity investments, target specific regions and industries, and to reduce transactions costs.

<table>
<thead>
<tr>
<th>Private Equity Investments</th>
<th>Size of Fund</th>
<th>AfDB Commitment</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>South African Infrastructure Fund</td>
<td>$221 million</td>
<td>$25 million</td>
<td>Investment Committee</td>
</tr>
<tr>
<td>AIG Infrastructure Fund</td>
<td>$400 million</td>
<td>$50 million</td>
<td>Advisory Committee</td>
</tr>
<tr>
<td>Pan-African Infrastructure Fund</td>
<td>$450 million</td>
<td>$50 million</td>
<td>Investment Committee</td>
</tr>
<tr>
<td>African Infrastructure Fund II</td>
<td>$500 million</td>
<td>$30 million</td>
<td>Advisory Committee</td>
</tr>
<tr>
<td>Argan Infrastructure Fund</td>
<td>€200 million</td>
<td>€15 million</td>
<td>Advisory Committee</td>
</tr>
</tbody>
</table>
WHAT WE OFFER
RISK MANAGEMENT PRODUCTS

4 Main types

(1) **Interest rate swaps:** fixed rate for floating or vice versa

(2) **Cross-Currency Swap:** one currency for another (USD to EUR, for example)

(3) **Commodity Price Swap:** fixed / floating rate cash flows for price of commodity or basket of commodities

(4) **Interest rate Caps and Collars**
WHAT WE OFFER
TRADE FINANCE PROGRAM

Trade Finance Program

Risk Participation Agreement
Trade Finance Line of Credit
Soft Commodity Finance Facility

Trade enabling policies, Infrastructure projects, T/As
The Bank is able to supplement its financial products with grants from bilateral or thematic funds to provide technical assistance to borrowers with the aim to:

- (i) Raise the effectiveness of project preparation;
- (ii) Foster and sustain RMC efforts in creating enabling business environment to promote private sector investment and growth.

Focus Areas: capacity building / training of government officials in project design, preparation and analysis.
THANK YOU
For further inquiries please contact:

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