



DISCOVERING AFRICA

Presentation to Funcex

STANDARD BANK GROUP
August 2022





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DISCOVERING AFRICA

STANDARD BANK GROUP



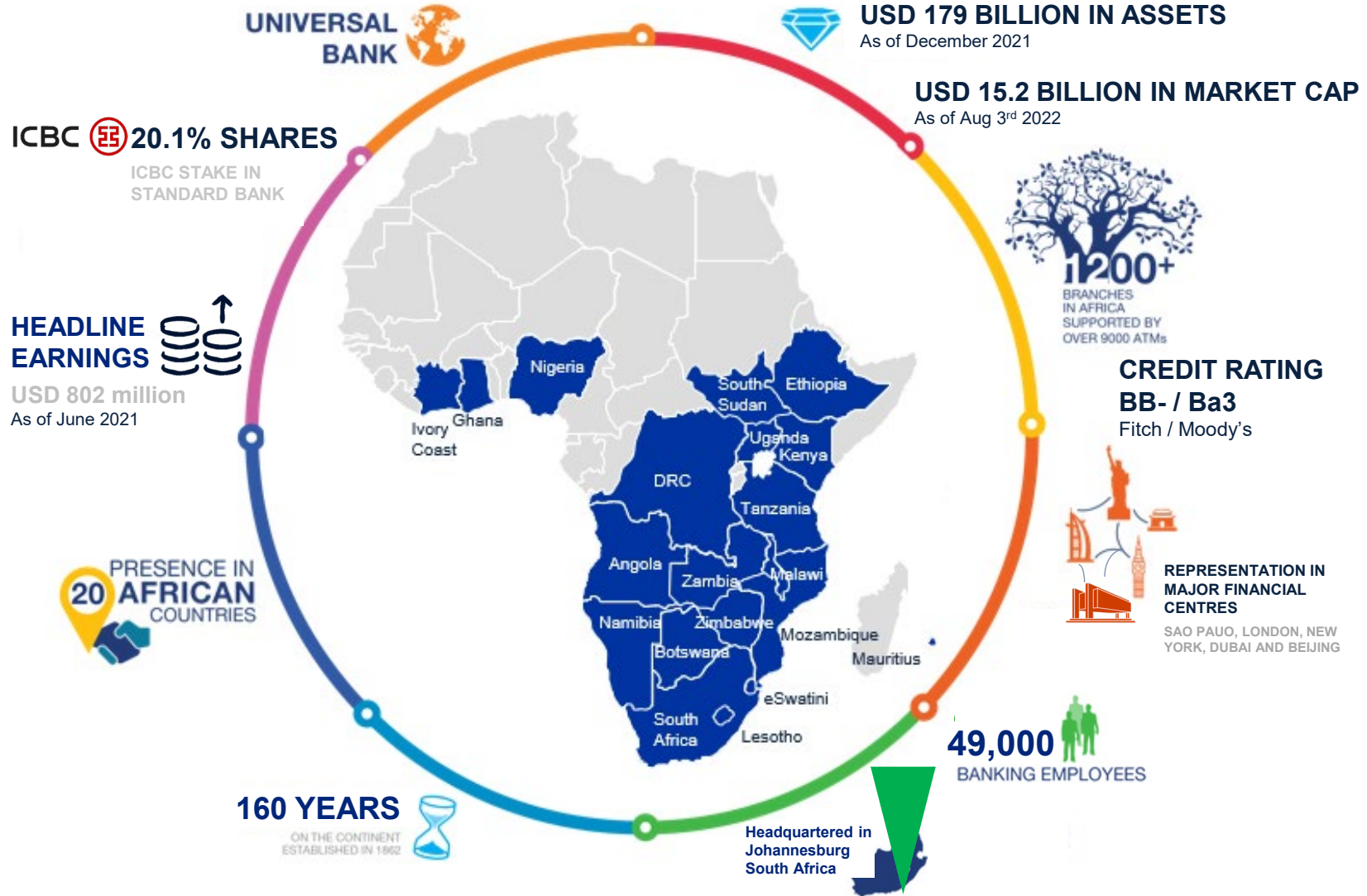
Standard Bank **IT CAN BE™**
Also trading as Stanbic Bank



AFRICA IS OUR HOME, WE DRIVE HER GROWTH

THE LARGEST AND MOST ACCREDITED AFRICAN BANK

Recent recognition
of our work





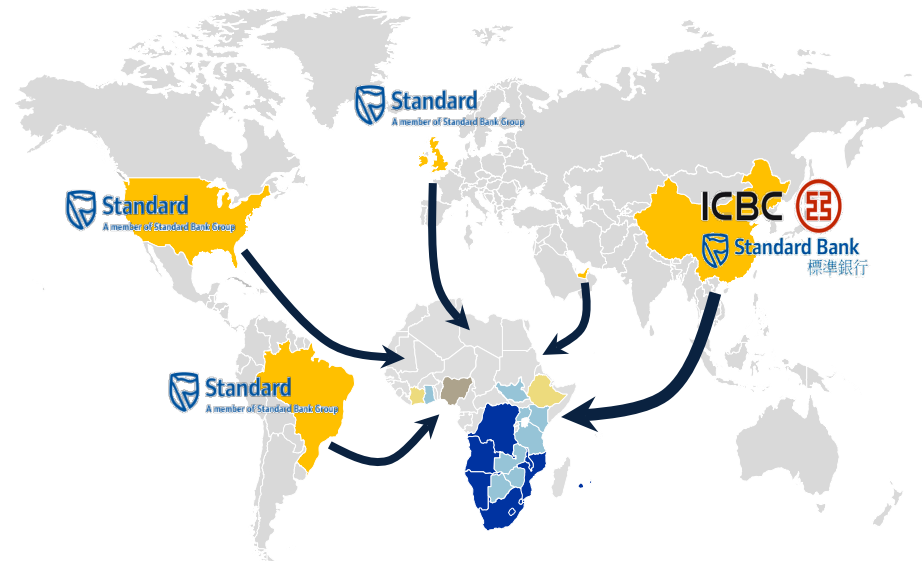
A GLOBAL FINANCIAL SERVICES ORGANIZATION FOCUSED ON SUB-SAHARAN AFRICA

KEY PRESENCE MARKETS

In the various African countries where we operate, we are a full-service bank, offering a complete array of corporate and investment banking solutions

In Brazil, as well as in the other international locations, we operate as representative offices only, connecting large multinationals from these geographies seeking to do business with Africa

PRESENCE IN KEY GLOBAL FINANCIAL CENTRES



Brands under the Standard Bank Group

- Stanbic IBTC Bank
- Stanbic Bank
- Standard Bank
- Representative Office
- International Rep Office

“Standard Bank has an unrivalled presence in sub-Saharan Africa with on-the-ground presence in 20 African countries”

FOOTPRINT AND CAPABILITIES IN AFRICA

Country	Standard Bank branches*	ATMs	Corporate banking	Retail banking	Investor services	Investment banking
South Africa	538	7,239	✓	✓	✓	✓
Angola	19	27	✓	✓	-	✓
Botswana	11	34	✓	✓	✓	✓
Côte d'Ivoire	1	-	✓	-	✓	✓
DRC	5	2	✓	-	-	✓
Ghana	39	106	✓	✓	✓	✓
Kenya	26	54	✓	✓	✓	✓
Lesotho	17	101	✓	✓	-	✓
Malawi	27	80	✓	✓	✓	✓
Mauritius	1	-	✓	Private clients	✓	✓
Mozambique	43	185	✓	✓	✓	✓
Namibia	59	276	✓	✓	✓	✓
Nigeria	175	787	✓	✓	✓	✓
South Sudan	1	1	✓	✓		✓
eSwatini	10	64	✓	✓	✓	✓
Tanzania	9	28	✓	✓	✓	✓
Uganda	69	168	✓	✓	✓	✓
Zambia	28	97	✓	✓	✓	✓
Zimbabwe	20	32	✓	✓	✓	✓
Rep. offices	-	-	-	-	-	✓
TOTAL	1,101	9,048	✓	✓	✓	✓

* Includes service centres and access banking centres



STANDARD BANK'S CORPORATE AND INVESTMENT BANKING OFFERING

ACCESS TO A UNIVERSAL BANK WITH A WIDE RANGE OF PRODUCTS AND PROVEN TRACK RECORD

Core to Standard Bank is developing strong strategic value-based relationships with its key clients

We aim to assist clients in executing their growth strategy through geographic and product diversification, focusing on tailor-made solutions

Transactional Products & Services	Investment Banking			Global Markets	
Transactional/ Trade Finance/ Cash Mgmt.	Financing	Advisory	Structured Commodity Solutions	Commodity Trading	Investment Banking
<ul style="list-style-type: none"> ■ Payments ■ Collections ■ Reconciliation solutions ■ Liquidity management ■ Guarantees ■ Letters of credit ■ BNDES Exim / PROEX ■ Investor services (custody and trustee services) 	<ul style="list-style-type: none"> ■ Debt arranging ■ Financial structuring, underwriting and lending ■ Tailored lending Instruments ■ Optimizing capital structure 	<ul style="list-style-type: none"> ■ Mergers & acquisitions ■ Corporate restructurings ■ Leveraged buy-outs ■ IPO's ■ Capital raisings ■ Valuations 	<ul style="list-style-type: none"> ■ Debt & equity solutions across the energy, mining & metals industries ■ Tailored financing ■ Commodity price risk solutions 	<ul style="list-style-type: none"> ■ Base metals ■ Precious metals ■ Oil & gas ■ Coal ■ Carbon credits 	<ul style="list-style-type: none"> ■ Money markets ■ Foreign exchange ■ Interest rate sales and structuring ■ Global markets research



#1 Investment Bank in Africa



#1 Transactional Bank
#1 Trade Finance Services



#1 Investment Bank
#1 Bank Overall



#1 Investment Bank in Africa

YOUR TRUSTED ADVISOR AND FINANCIER IN AFRICA

SELECTED RECENT TRANSACTIONS



a member of InterCement

NPC/ Intercement

ZAR 500 million

MT Financing

2021



WEG Working Capital

ZAR 325 million

Structured Loans

2021



Vale

USD 26.5 million

Mining Closure Guarantee

2021



Vale / Central East African Railway

USD 71.0 million

Guarantee Renewal

2021



Embraer / Fidelity Bank

USD 135 million

LC confirmations supporting aircraft sales

2021



BRF S.A.

AOA 8.2 billion

Indexed Bonds throughout 2021

2021



Petrobras O&G BV Nigeria

USD 2.0 billion

Reserve Based Lending

Joint Bookrunner and Underwriter

2019



Nacala Railway & Port Corridor Project Mozambique

USD 5.1 billion

Mandated Lead Arranger ECIC Advisor

2018



AB Inbev & SABMiller

USD 123 billion

Financial adviser to AB InBev on Africa matters in its proposed acquisition of SABMiller

2015





PROVEN TRACK RECORD IN SSA

ECM – SSA BOOKRUNNER (INCLUDING S.A.)

Ranking	Lead	Deal Value (USD m)	No. of deals	% Market Share
1	RMB Morgan Stanley	384	2	52.2
2	Chapel Hill	269	1	36.6
2	Standard Bank	269	1	36.6
2	RenCap	269	1	36.6
2	Vetiva Capital	269	1	36.6

(Q1 2022)

DCM – SSA AFRICA BONDS (INCLUDING S.A.)

Ranking	Lead	Deal Value (USD m)	No. of issues	% Market Share
1	Citi	654	4	11.0
2	Standard Bank	586	15	9.8
3	Standard Chartered Bank	521	3	8.7
4	FirstRand	457	17	7.7
5	JP Morgan	453	2	7.6

(Q1 2022)

ADVISORY – SA M&A PERFORMANCE

Ranking	Lead	Deal Value (USD m)	No. of deals	% Market Share
1	One Capital	35,065	2	21.25
2	Standard Bank	20,122	7	12.2
3	Merrill Lynch	15,885	2	9.6
4	Java Capital	15,268	8	8.0
5	Morgan Stanley	12,949	1	7.9

(Dec 21)

MLA in SSA

Ranking	Mandated Lead Arranger	Deal Count	Volume (USD m)
1	Standard Bank	34	2,378
2	Standard Chartered Bank	26	2,052
3	FirstRand Ltd	22	2,029
4	Afreximbank	8	1,660
5	SG Corporate & Investment Banking	14	1,649

(Dec 21)

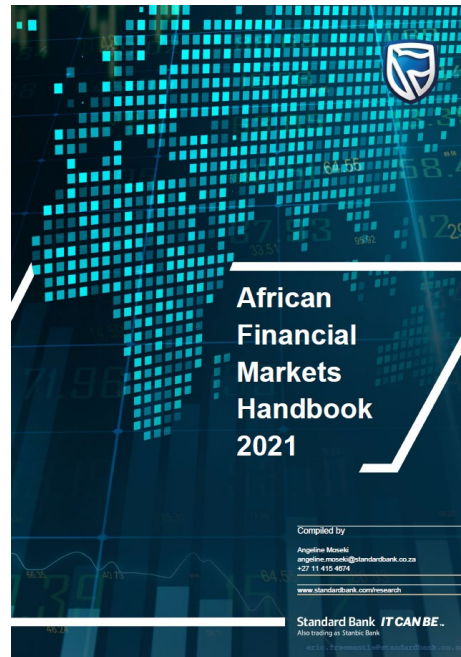
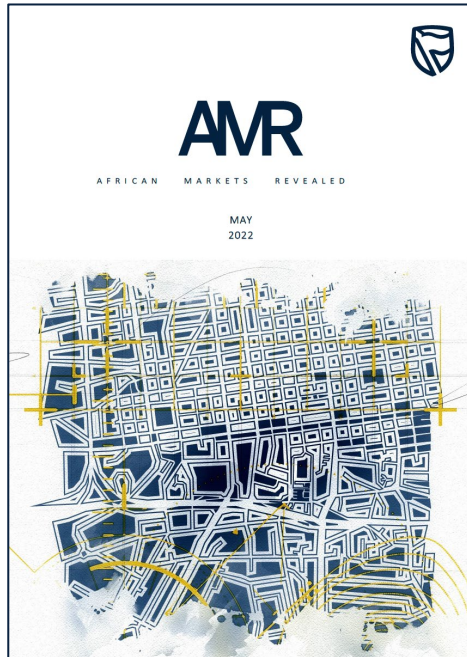


#1 RATED AFRICA MACROECONOMIC RESEARCH TEAM

MACROECONOMIC & POLITICAL INSIGHTS

RECENT PUBLICATIONS

Standard Bank's leading & well-respected macroeconomic research team have unparalleled insights into global, regional and local macro developments



Goolam Ballim
Chief
Economist

- Global Head of Research for Standard Bank with 18 years of experience in macroeconomics and financial markets
- Leads a #1 ranked team of 10+ macro analysts focusing on Emerging Markets, especially Africa



Financial Mail Ranking the Analysts 2021

- #1 – Gold Mining, General Mining
- #1 – Oil & Gas and Chemicals
- #1 – Industrial Metals
- #1 – Construction, Building Materials & Machinery
- #1 – Banks
- #1 – Food Producers
- #1 – Luxury Goods
- #1 – Hotels, Travel & Leisure
- #1 – Investment Companies
- #1 Real Estate
- #1 - Africa non-equities research
- #1 – Economic Analysis
- #1 – Political Analysis
- #1 – Credit Analysis

DISCOVERING AFRICA



DISCOVERING AFRICA



Standard Bank **ITCANBE™**
Also trading as Stanbic Bank



AFRICA IS RELEVANT IN MANY ASPECTS

THE LAST FRONTIER MARKET

- The continent boasts an abundance of riches from arable land to mineral resources
- Africa's growth acceleration resulted from more than the resource boom in the early 2000's
- Equally important were government actions to end political conflicts, improve macro-economic conditions and establish a better business climate
- Long-term growth will be spurred by internal social and demographic trends, especially Africa's growing labor force, urbanization and related rise of middle-class consumers





HOME TO SOME OF THE FASTEST GROWING ECONOMIES IN THE WORLD

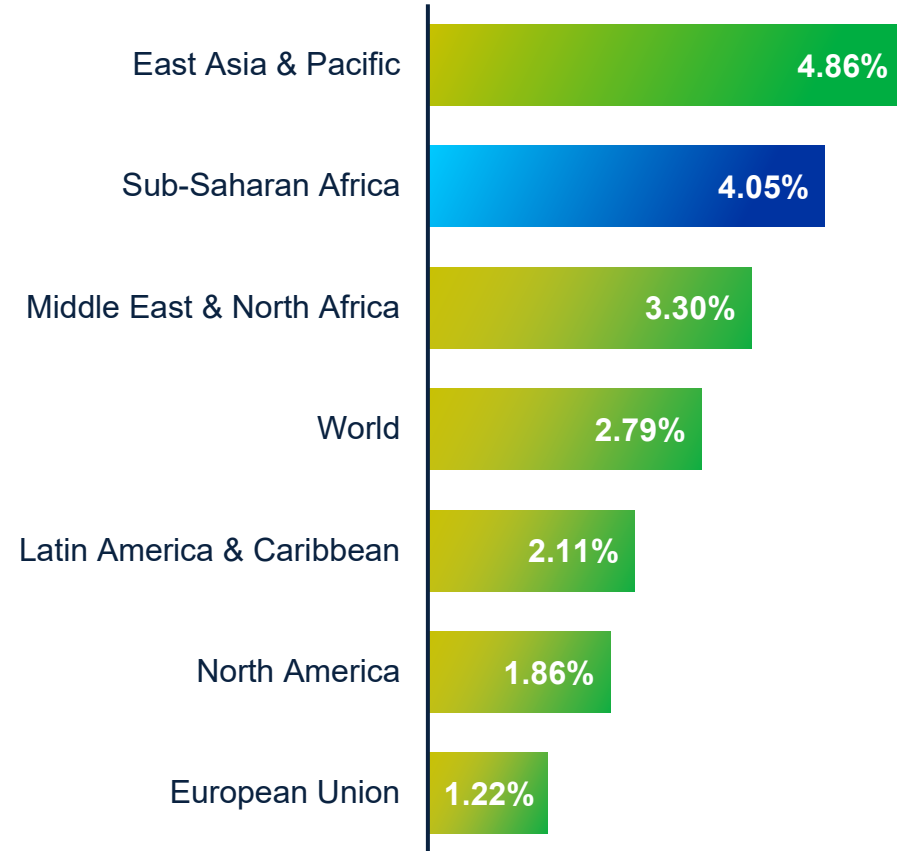
A VIGOROUS GROWTH CYCLE

Over the past 10 years SSA's average growth has outpaced the global average

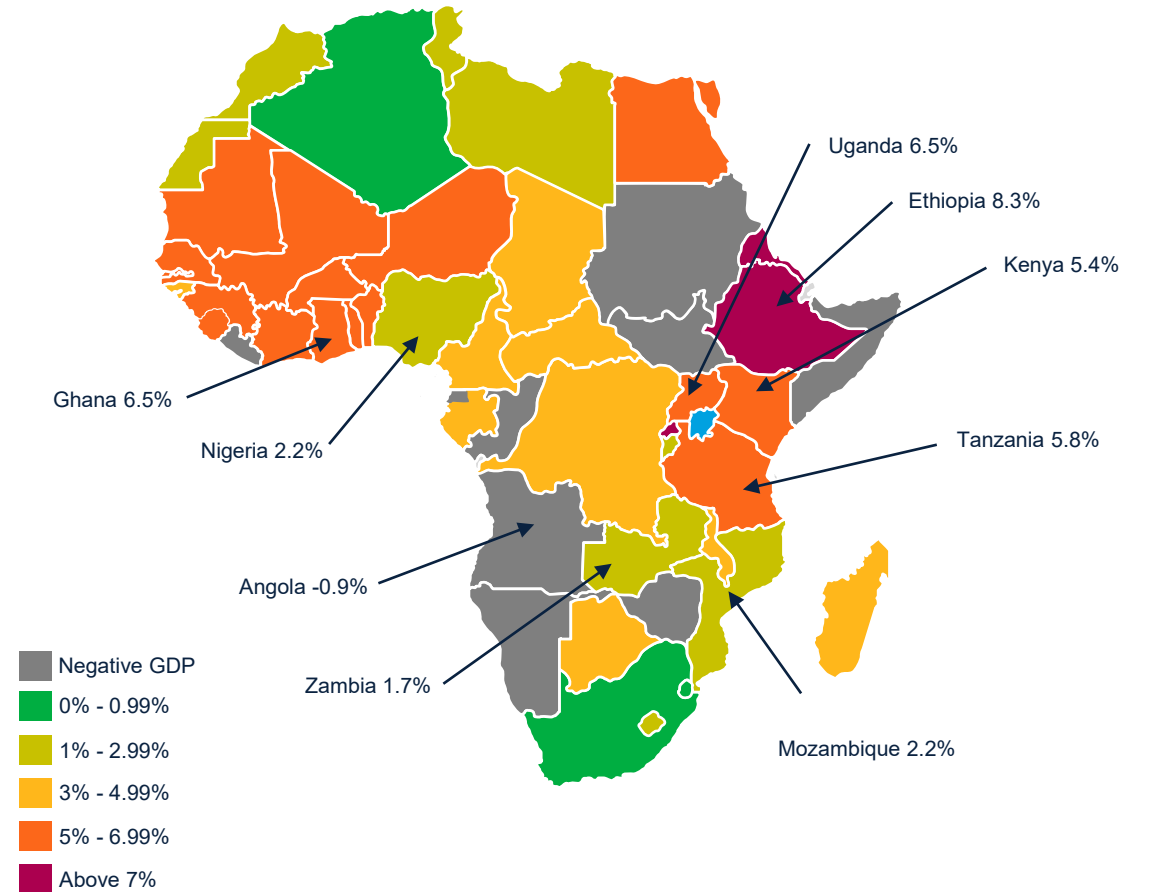
Between 2010-19 Africa's collective GDP grew by 55% (from c. USD 4.7tr to c. USD 7.2tr)

There has been a definitive shift in the economies that broadly drove Africa's growth story - from mostly large, commodity-rich countries (between 2000-10) to more diversified economies afterwards

AVERAGE GDP GROWTH BETWEEN 2000-2020 (%)



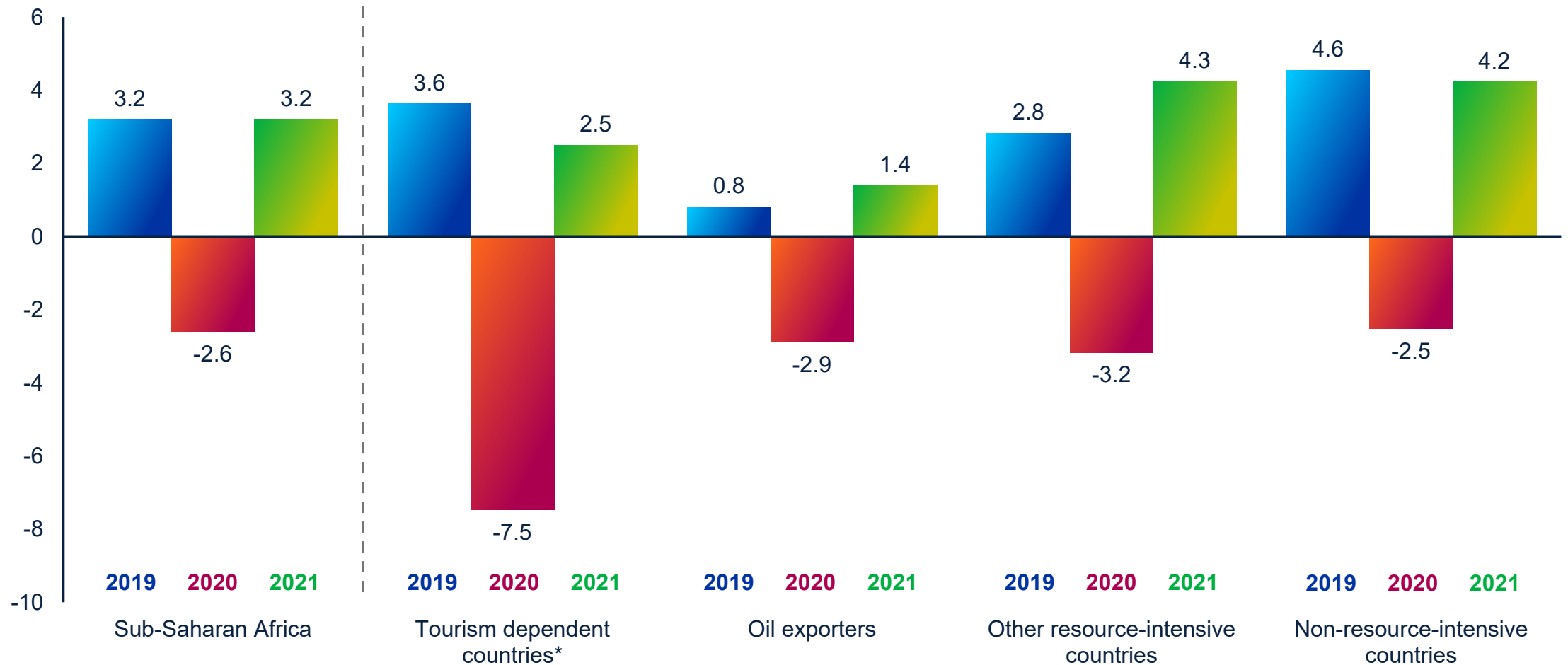
2020 GDP GROWTH (%)





AFRICA HAS POSTED ITS FIRST RECESSION IN 50 YEARS DUE TO THE PANDEMIC

ACTUAL AND FORECAST % GDP GROWTH, YEAR-ON-YEAR, SUB-SAHARAN ECONOMIES





ECONOMIC HEADWINDS BUT LOWER IMPACT THAN ORIGINALLY EXPECTED

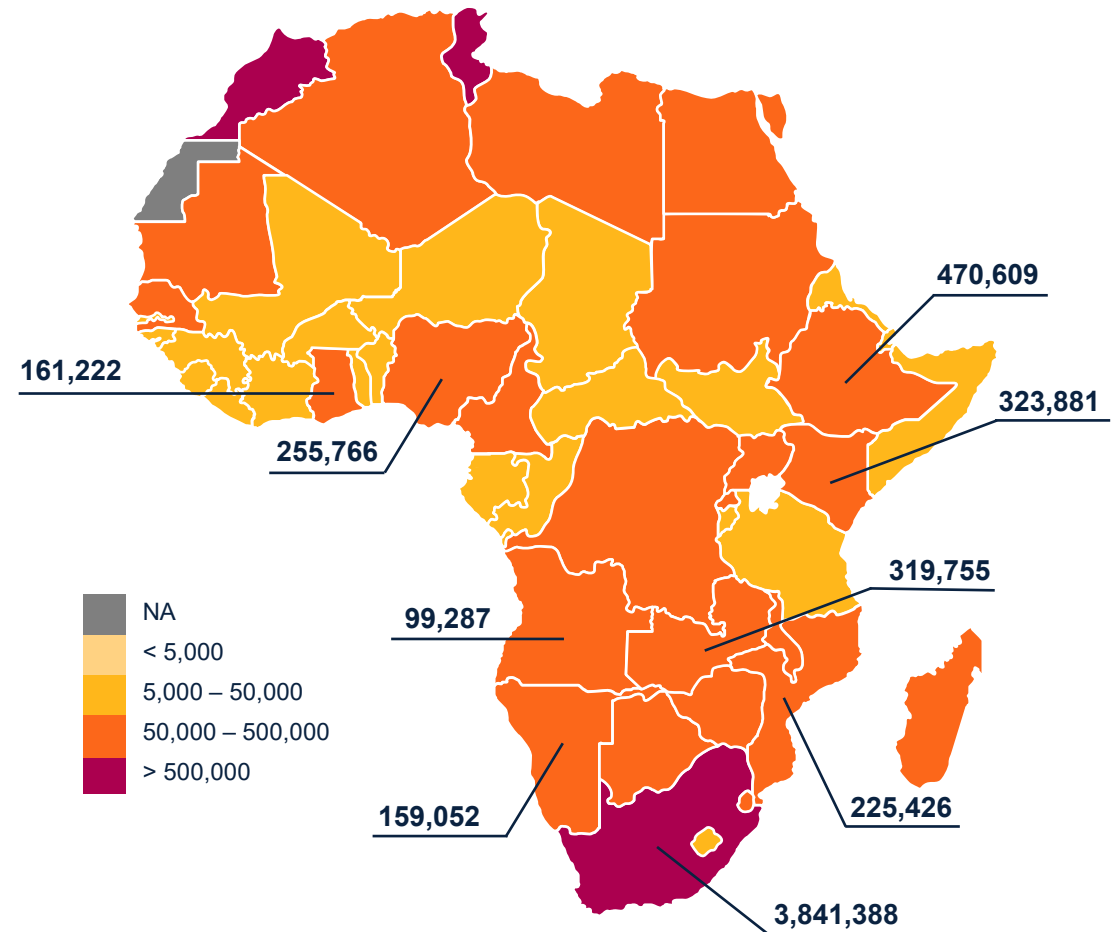
COVID-19 IN AFRICA

Africa's youth partially explains lower than expected covid impacts

PANDEMIC UPDATE

- **Africa's fourth pandemic wave driven primarily by the Omicron variant is flattening**, marking the shortest-lived surge in the region so far
- **As the COVAX Facility is forced to reduce planned COVID-19 vaccine deliveries to Africa by around 150 million this year**, the continent faces almost 500 million dose shortage from the global year-end target of fully vaccinating 40% of its population
- A South African consortium and partners from COVAX, are working to set-up a technology transfer hub for RNA vaccines in South Africa **to help boost and scale up vaccine production in Africa**
- **Africa must not be left behind in the global pandemic response, otherwise it could become a source for new variants**

NUMBER OF CASES IN SELECTED COUNTRIES





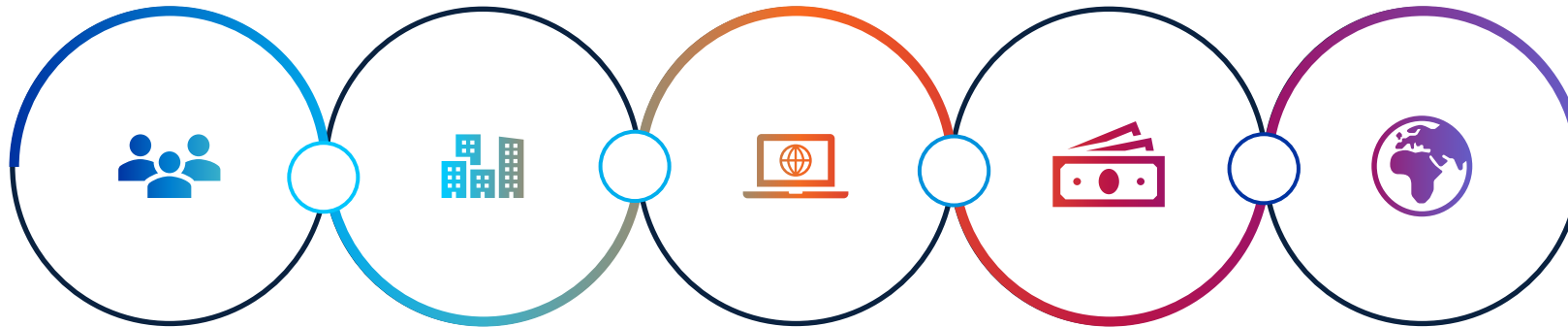
10-YEARS ON: REVIEWING THE TRENDS SHAPING AFRICA'S ALLURE

PROGRESS AND POTENTIAL REMAIN INTACT AND HAVE EXCEEDED EXPECTATIONS IN SOME INSTANCES

A decade ago, amidst growing talk of Africa's 'rise', Standard Bank Research published a series of reports detailing the five trends that we believed captured the continent's structural allure

In 2020, we have revisited and updated, this series, to test the robustness of our thesis and to assess which economies have best harnessed these opportunities

The conclusion was that progress and potential remain intact and have, in some instances, exceeded expectations



/01

DEMOGRAPHICS

- A larger, younger and more affluent population
- Africa is yet to benefit from the demographic boom

/02

URBANIZATION

- Africa's transformative urban swell

/03

DIGITALIZATION

- Leapfrogging through technology

/04

FINANCIAL PENETRATION

- Deepening financial inclusion

/05

POLITICAL AND INSTITUTIONAL REFORM

- Peace and stability, democracy and the rule of law



A LARGER, YOUNGER AND MORE AFFLUENT POPULATION

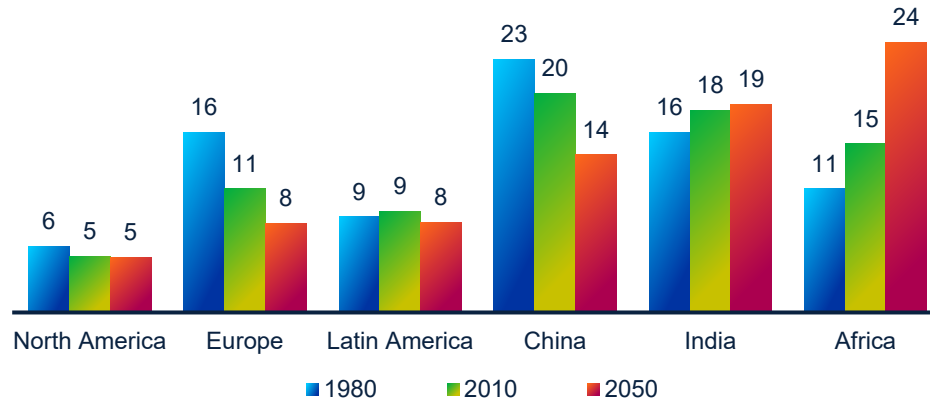
TREND 1 - DEMOGRAPHICS

Africa will soon house 24% of the global population and hold 25% of the world's total and working-age population by 2050

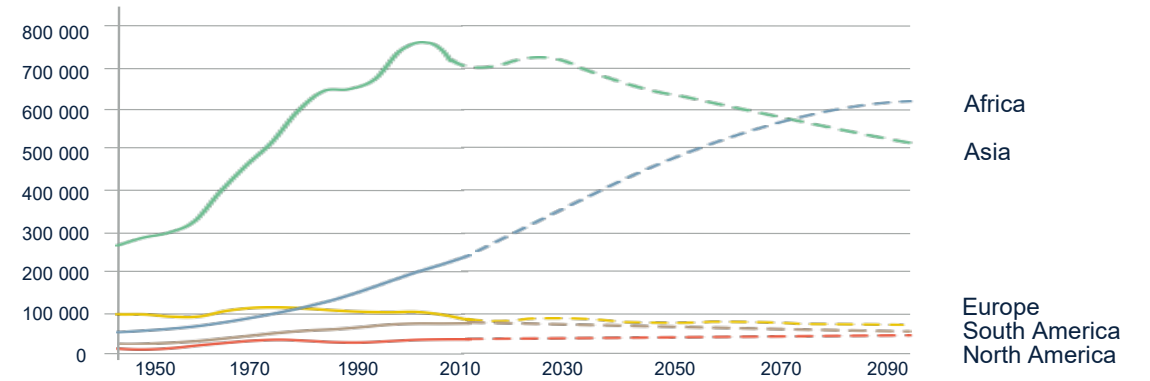
Due to robust population growth, the continent's median age has remained at 2010 levels, at 19.7yrs

Africa's youth partially explains lower than expected covid impacts

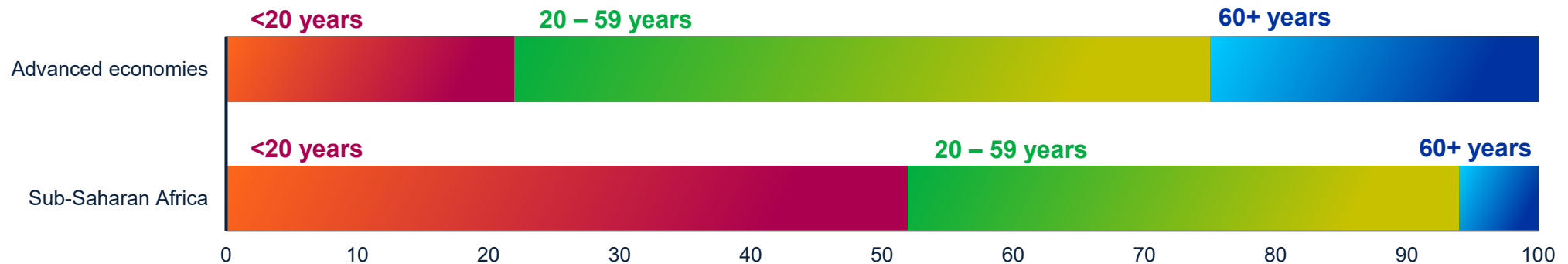
AFRICA WILL HOUSE THE LARGEST SHARE OF HUMANITY... % of global population



... AND BE HOME TO AN EXTREMELY YOUTHFUL POPULATION Population aged 15-24 years, in thousands



SSA HAS A SMALL PROPORTION OF CITIZENS AGED OVER 60





AFRICA IS YET TO BENEFIT FROM THE DEMOGRAPHIC BOOM

TREND 1 - DEMOGRAPHICS

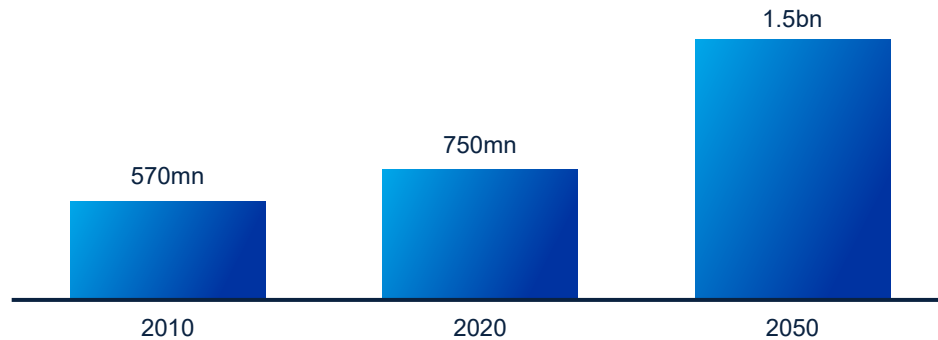
Africa's demographic dividend is expected to fully mature later this century, with differences between countries

Africa's middle class has meaningfully matured - today there are around 180m middle class households in Africa that collectively account for half of the continent's total consumer spending

Consumer spending will grow at a 3.4% CAGR to reach USD 5.3tr, faster than populational growth of 2%

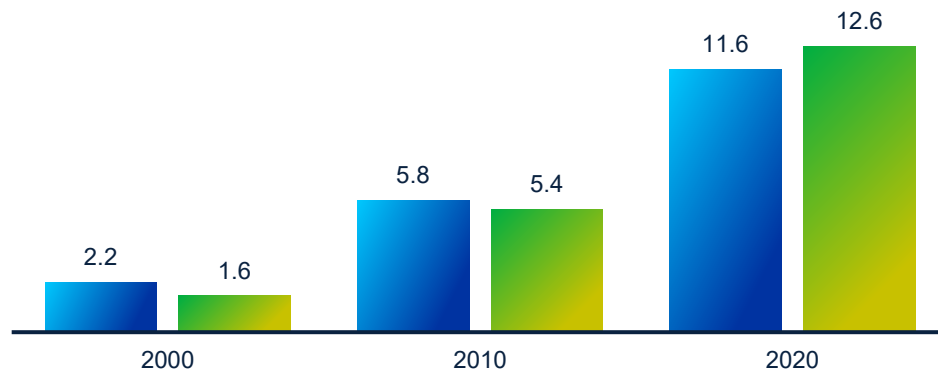
AN ADVANTAGEOUS DEMOGRAPHIC DIVIDEND...

of people under working age



A RISING MIDDLE CLASS¹

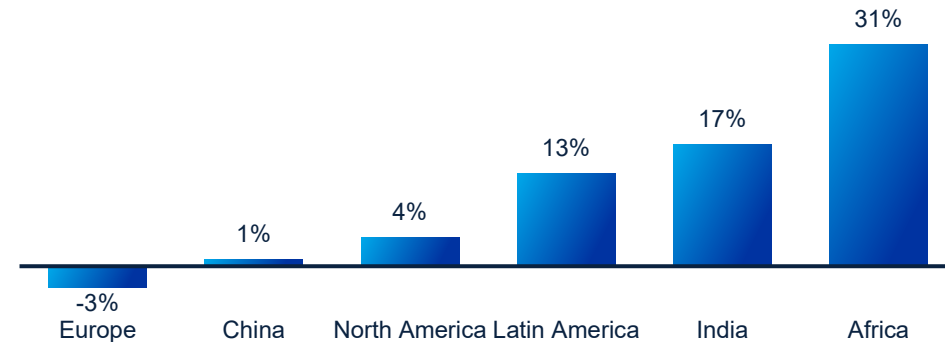
N° of households (million)



■ Lower Middle Class ■ Middle Class

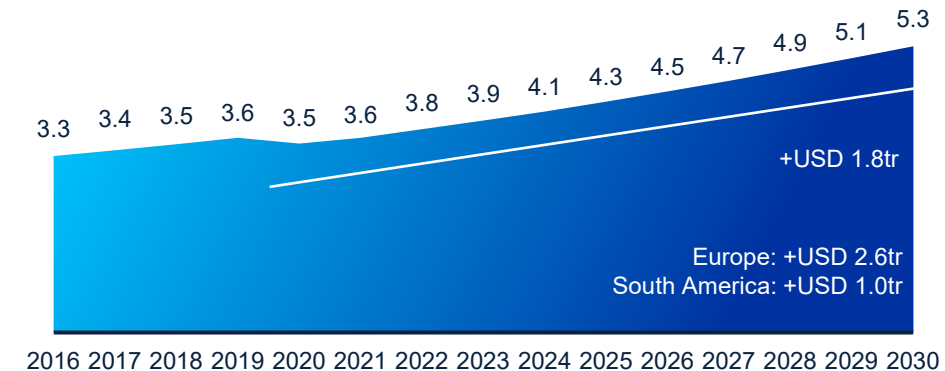
... LEADING THE GLOBAL WORKFORCE RACE

Increase in the working class since 2000



RISING CONSUMER SPENDING

Africa's total consumer spending (USD trillion)



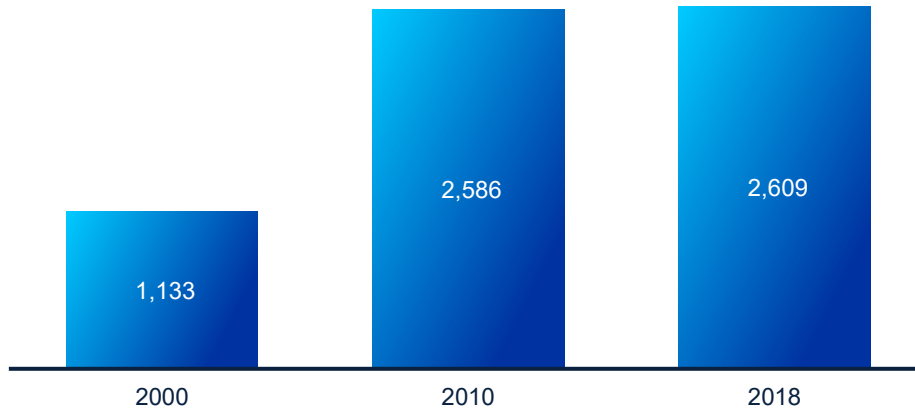


CONTINUED ECONOMIC ASCENT IS BROADENING THE CONSUMER BASE

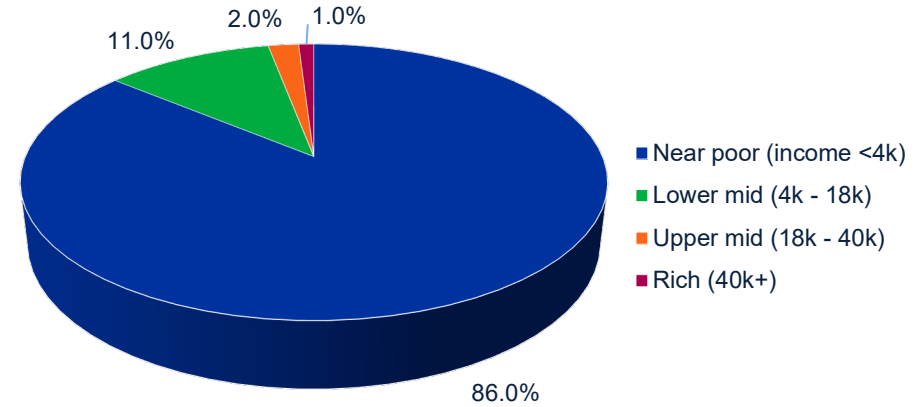
TREND 1 - DEMOGRAPHICS

Most of the population continues to be poor, but there has been significant gains in GDP per capita in most African countries

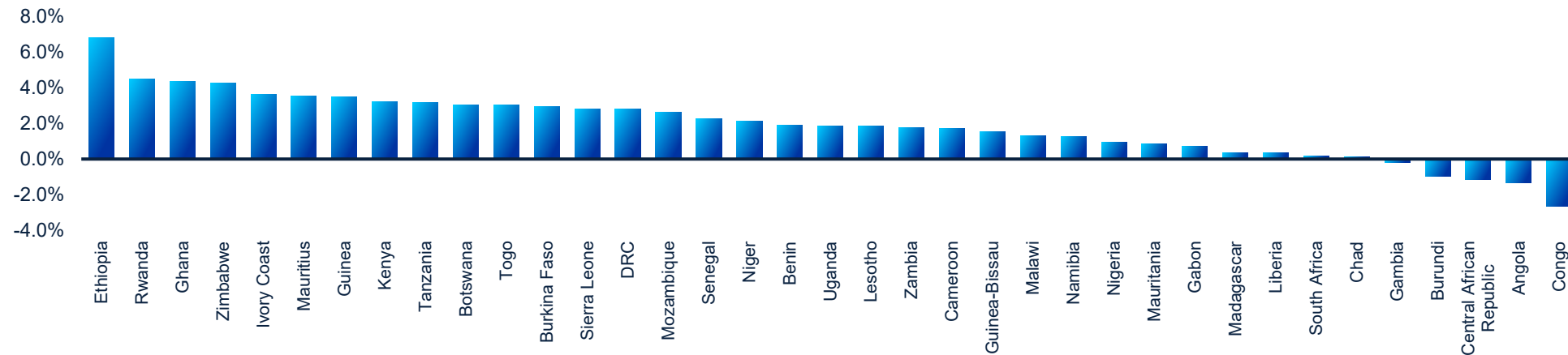
AFRICA'S AVERAGE GDP PER CAPITA USD



AFRICA'S POPULATION BY INCOME GROUP 2019, USD per year



GDP PER CAPITA GROWTH (2010-2019)

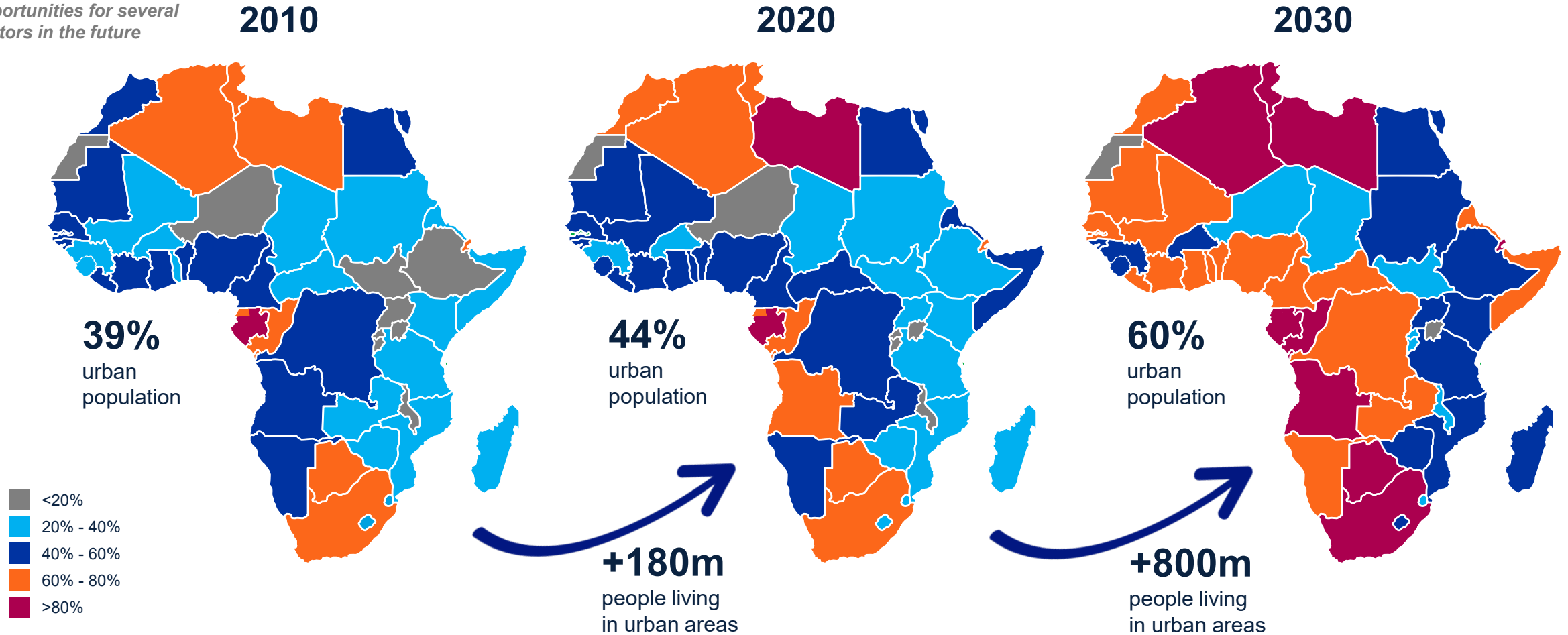


AFRICA'S TRANSFORMATIVE URBAN SWELL

TREND 2 - URBANIZATION



Africa's urbanization is happening at a rapid pace, presenting great opportunities for several sectors in the future





AFRICA'S TRANSFORMATIVE URBAN SWELL

TREND 2 - URBANIZATION

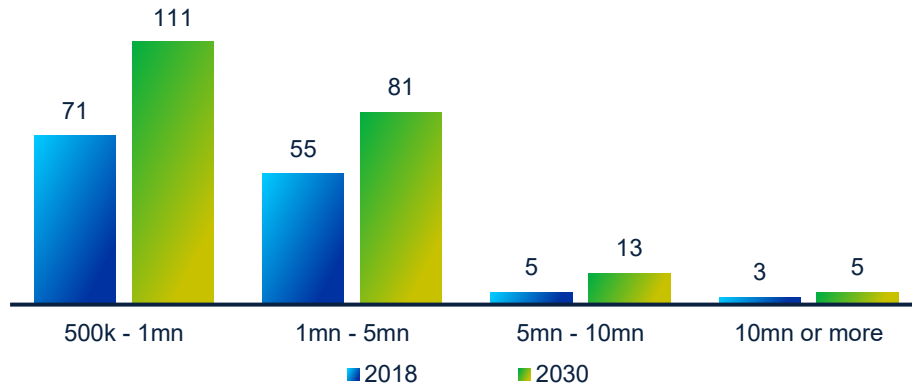
Urban residents have lower levels of lived poverty and greater access to cash income and services

Swiftest relative growth is happening in smaller and mid-tier cities

Urbanization presents a series of benefits to the population, but there are risks associated to rapid growth

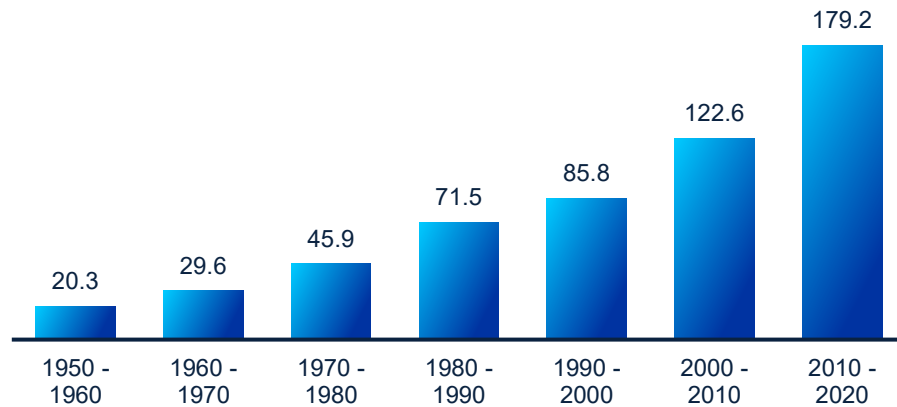
AN EVER-BIGGER HORIZON

Number of cities in Africa by population size



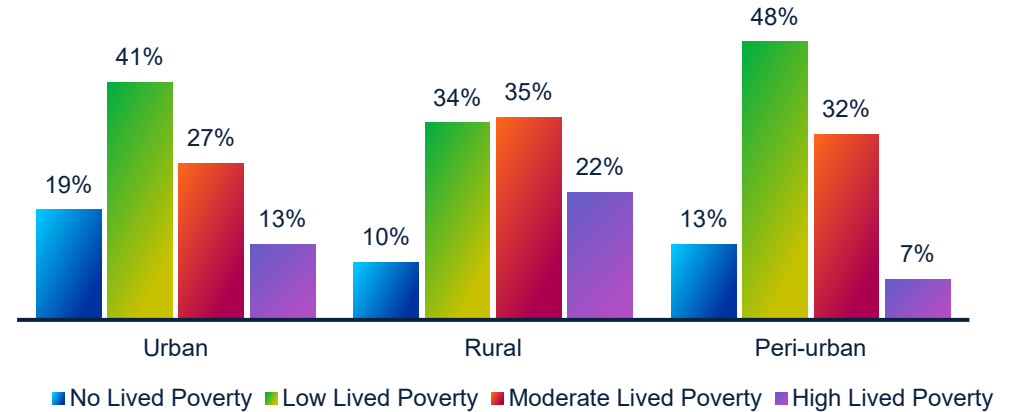
LARGER NUMBERS, HIGHER BUILDINGS

New urban residents in Africa by decade, million

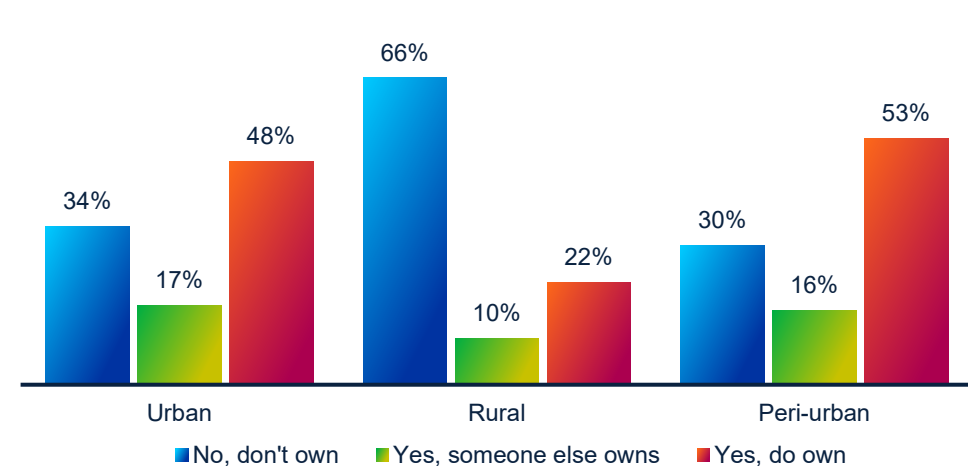


LIVING POVERTY INDEX

As defined by Afrobarometer



BANK ACCOUNT OWNERSHIP





LEAPFROGGING THROUGH TECHNOLOGY

TREND 3 - DIGITALIZATION

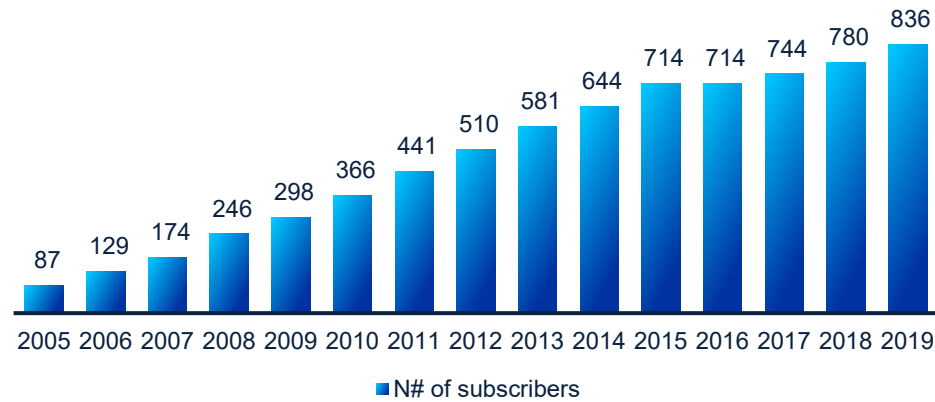
Technology presents the most compelling opportunity for Africa to overcome obstacles to greater progress

Evidence of Africa's potential is captured in iGDP estimates (which currently stands at around USD100bn and could reach USD180bn by 2025, and USD700bn by 2050)

Despite this progress, the continent still lags the world in terms of internet usage

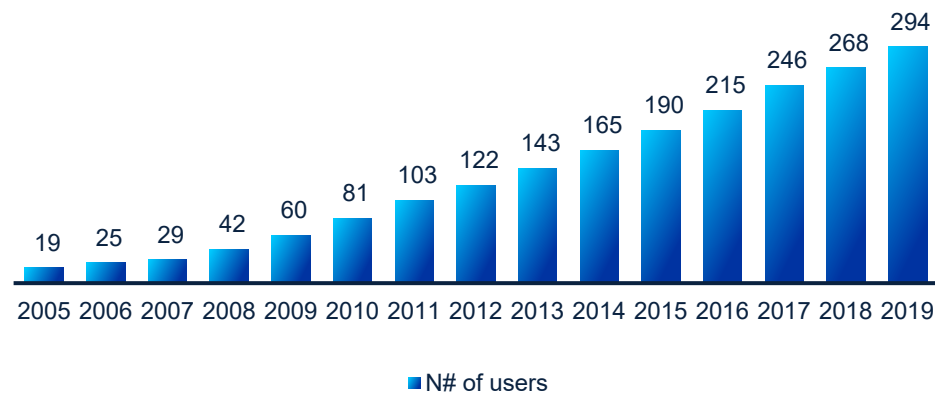
400 MILLION NEW SUBSCRIBERS IN A DECADE

In million

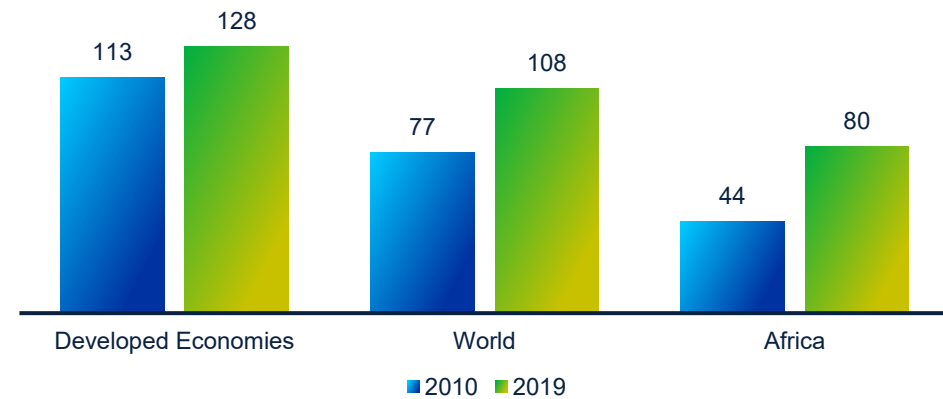


A 260% INCREASE IN INTERNET USERS SINCE 2010

In million

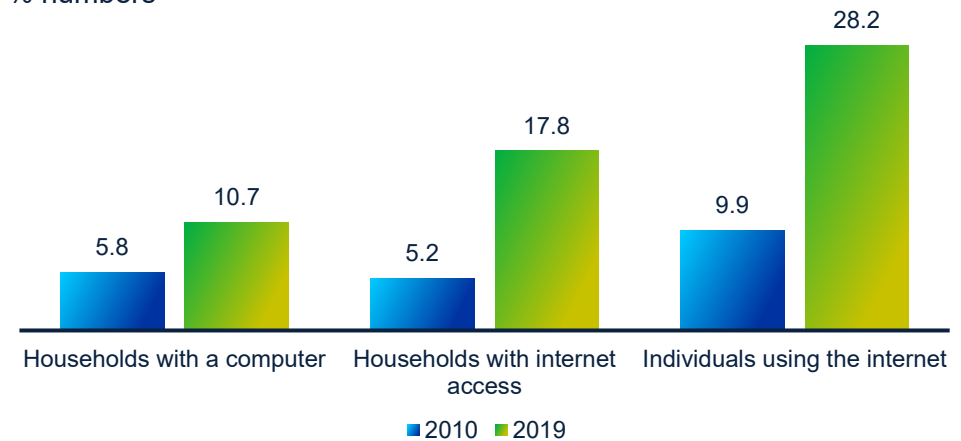


MOBILE SUBSCRIPTIONS PER 100 INHABITANTS



INTERNET ACCESS IS SLOWLY DEEPENING IN AFRICA

% numbers





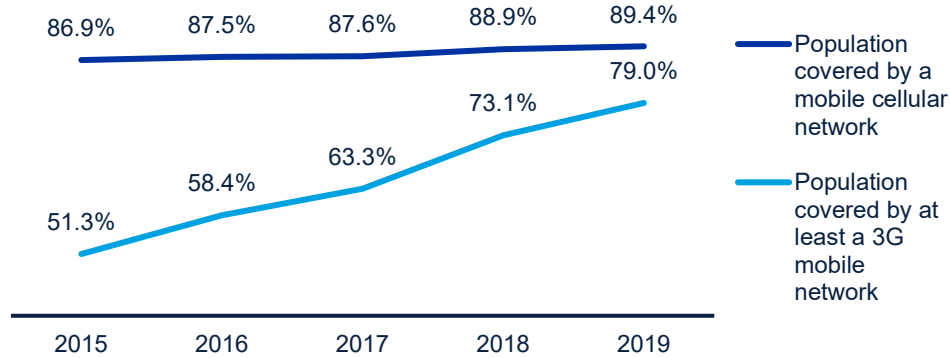
LEAPFROGGING THROUGH TECHNOLOGY

TREND 3 - DIGITALIZATION

Not only the number of subscribers has increased, but coverage has also improved: around 90% of Africa's population is covered by a mobile cellular network, and 80% covered by at least a 3G mobile network

LARGER COVERAGE AND HIGHER SPEED

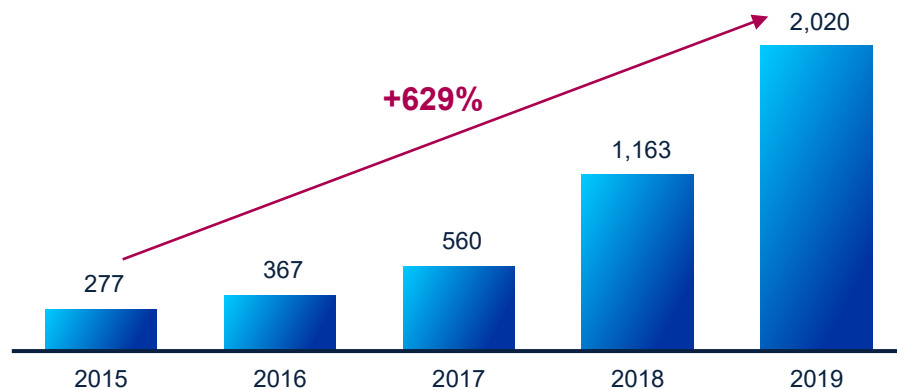
A profound rise in 3G coverage



Connectivity will improve in the future as growing private investment is elevating Africa's fiber optic network

TECH START-UPS SKYROCKETING

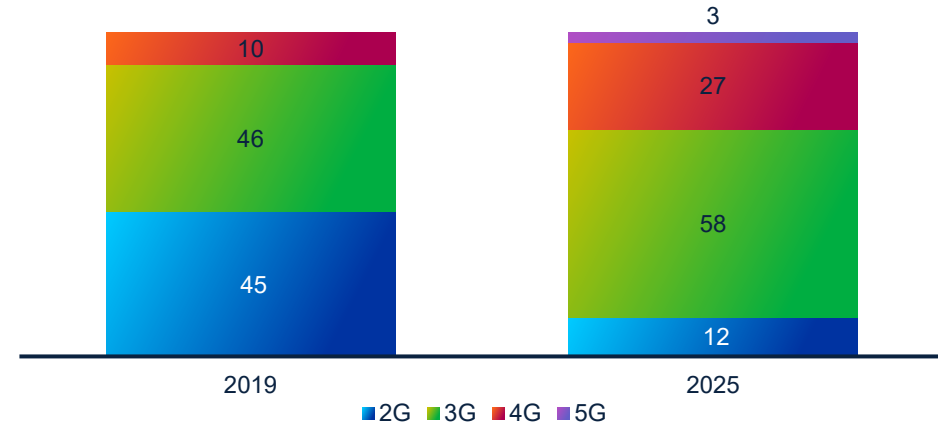
Consistent growth in VC tech start-up funding (USD million)



Africa's tech 'revolution' is evidenced by the rising flow of VC tech start-up finance

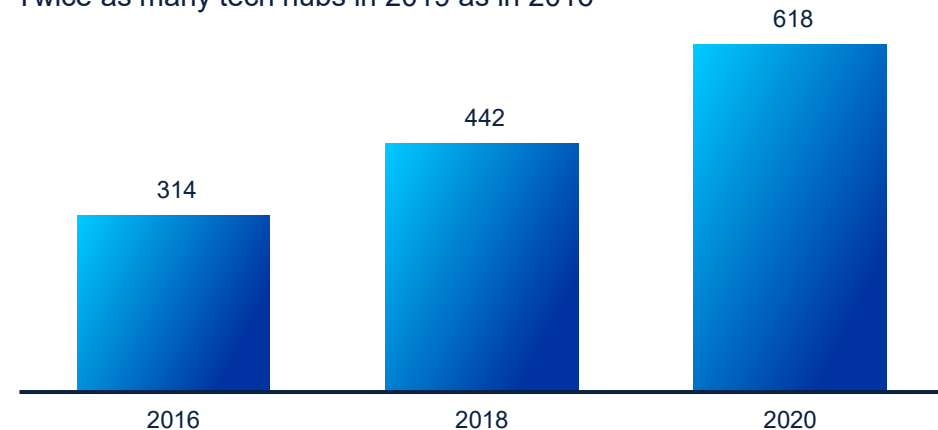
TECHNOLOGY MIX IN SSA

Share of mobile connections, in %



TECH HUBS TAKEOVER

Twice as many tech hubs in 2019 as in 2016





DEEPENING FINANCIAL INCLUSION

TREND 4 – FINANCIAL PENETRATION

Technology is elevating financial inclusion in Africa

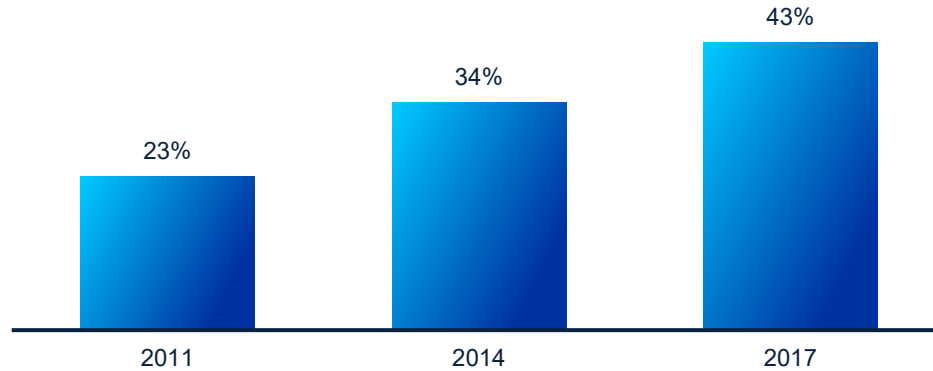
The increased availability of digital financial services is at the frontline of driving financial inclusion and positively influencing growth and socio-economic progress

Savings and digital financial services have been effective in increasing Africa's GDP

Africa has half of global mobile money accounts

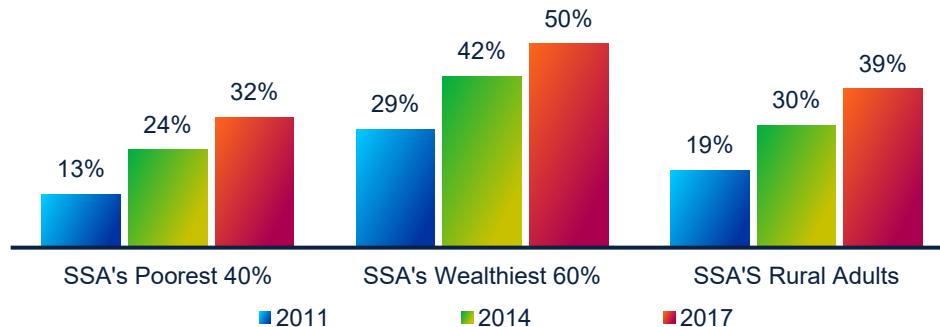
GROWTH OF INCLUSION

A doubling of account penetration in just 6 years



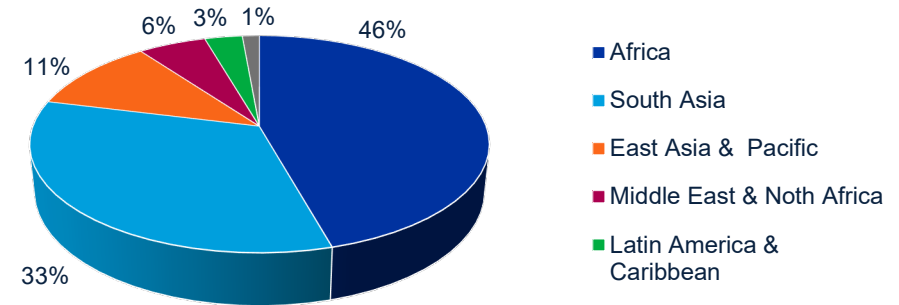
ALL INCOME GROUPS ARE ACCOUNTED FOR

SSA account penetration by income group



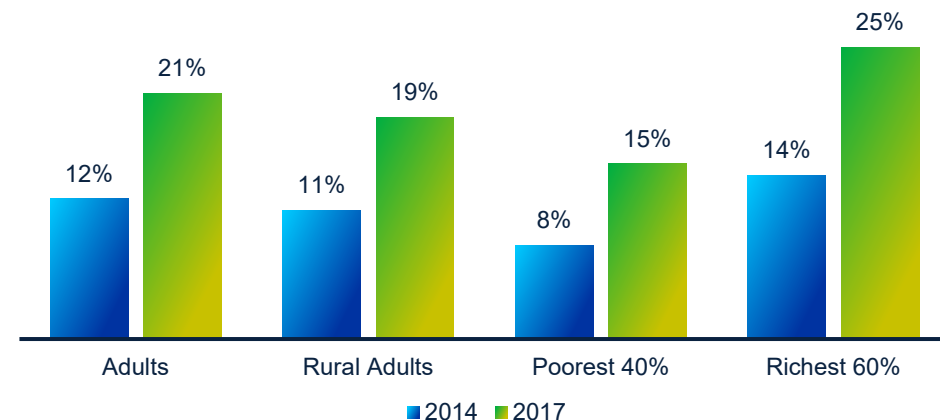
GLOBAL SPREAD OF MOBILE MONEY CUSTOMERS

2018



MOBILE MONEY ADOPTION ACROSS ALL DEMOGRAPHICS

SSA mobile money account penetration





PEACE AND STABILITY, DEMOCRACY AND THE RULE OF LAW

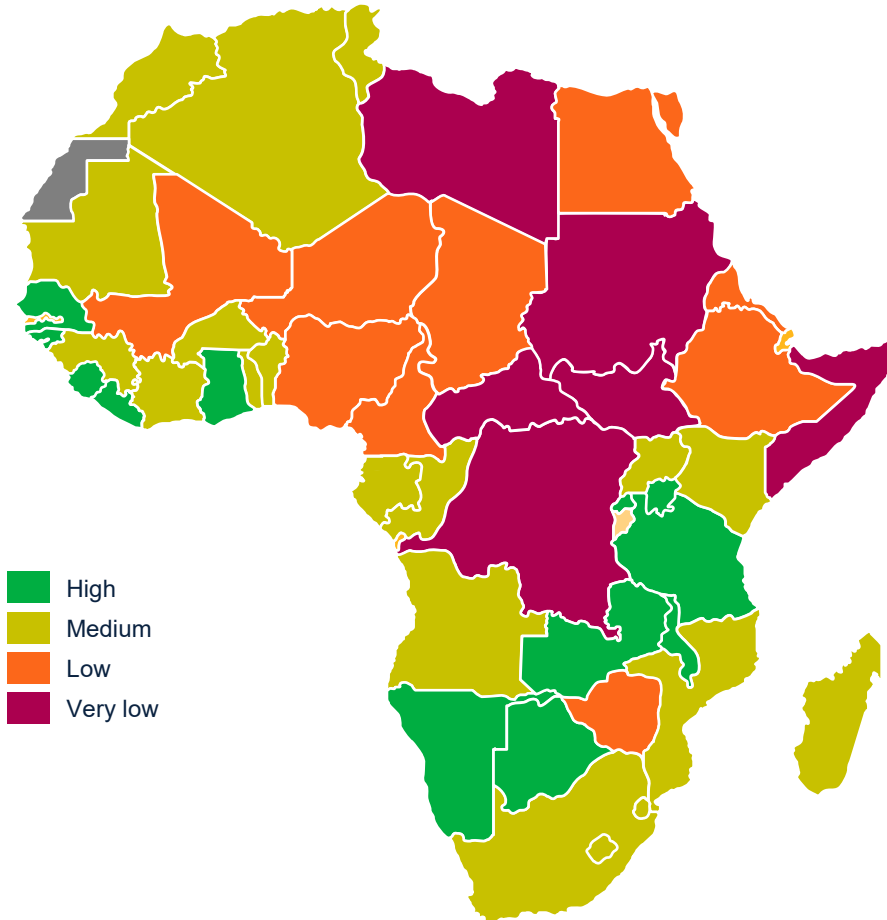
TREND 5 – POLITICAL AND INSTITUTIONAL REFORM

There has been a change in the shape of conflict, now more concentrated in smaller clusters mostly in the 'arc of instability'

Countries with the largest improvements in peace since 2010 recorded 7x higher per-capita GDP growth than those with the most marked deterioration

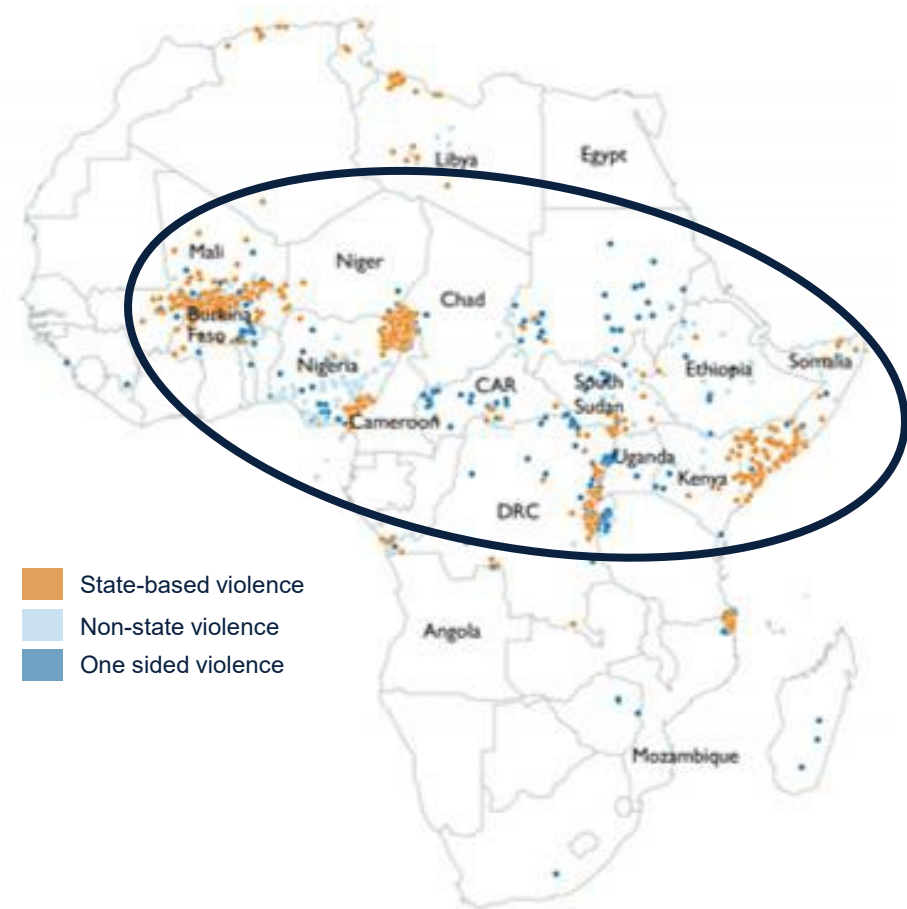
MOST OF SSA IS AT LEAST MODERATELY PEACEFUL

State of peace in Africa 2020



CONFLICTS ARE CONCENTRATED IN SMALLER AREAS

Africa's 'Arc of Instability'





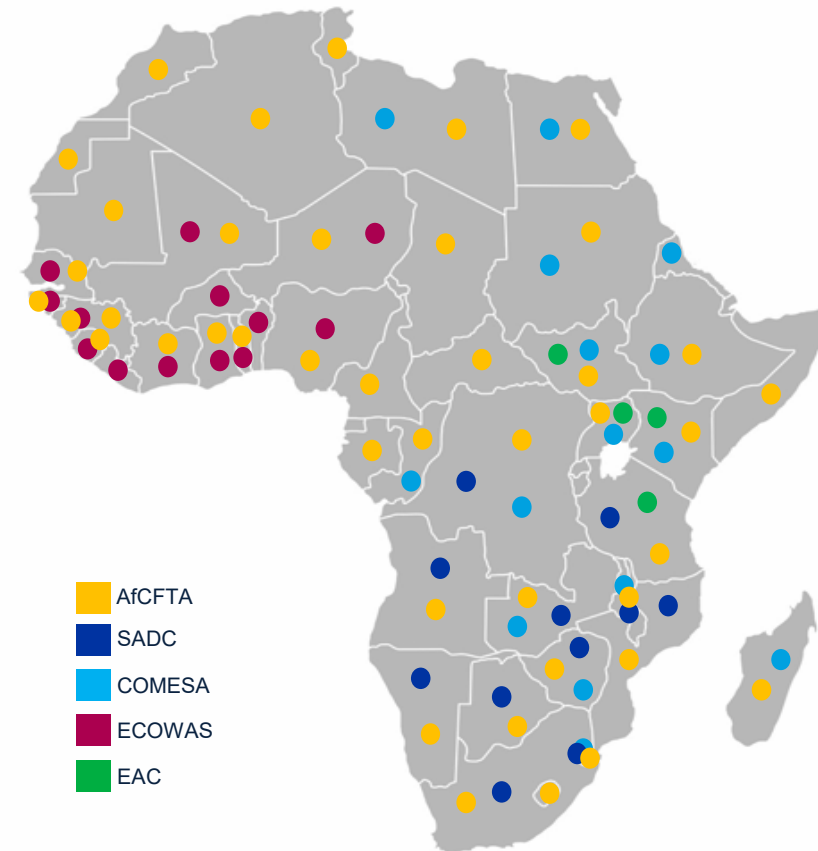
AFRICA – A GROWING PLAYER IN GLOBAL TRADE

CONTINENTAL AND REGIONAL TRADE AGREEMENTS

Africa's commercial trade flows have increased from USD 243 billion in 2000 to almost USD 1 trillion in 2019

INCREASED INTEGRATION THROUGH TRADE

- African Continental Free Trade Area (AfCFTA):
 - Largest free trade area in the world measured by number of signatory countries (currently 54 – all except Eritrea)
 - Entered into force on May 2019. When fully implemented, will consist of a combined GDP of USD 3.4 trillion, comprising 1.3 Billion people
 - Major opportunity to help African countries diversify exports, accelerate growth and inter-Africa trade, and attract FDI
- Other regional arrangements:
 - EAC: East African Community
 - ECOWAS: Economic Community of West African States
 - COMESA: Common Market for Eastern and Southern Africa
 - SADC: Southern Africa Development Community

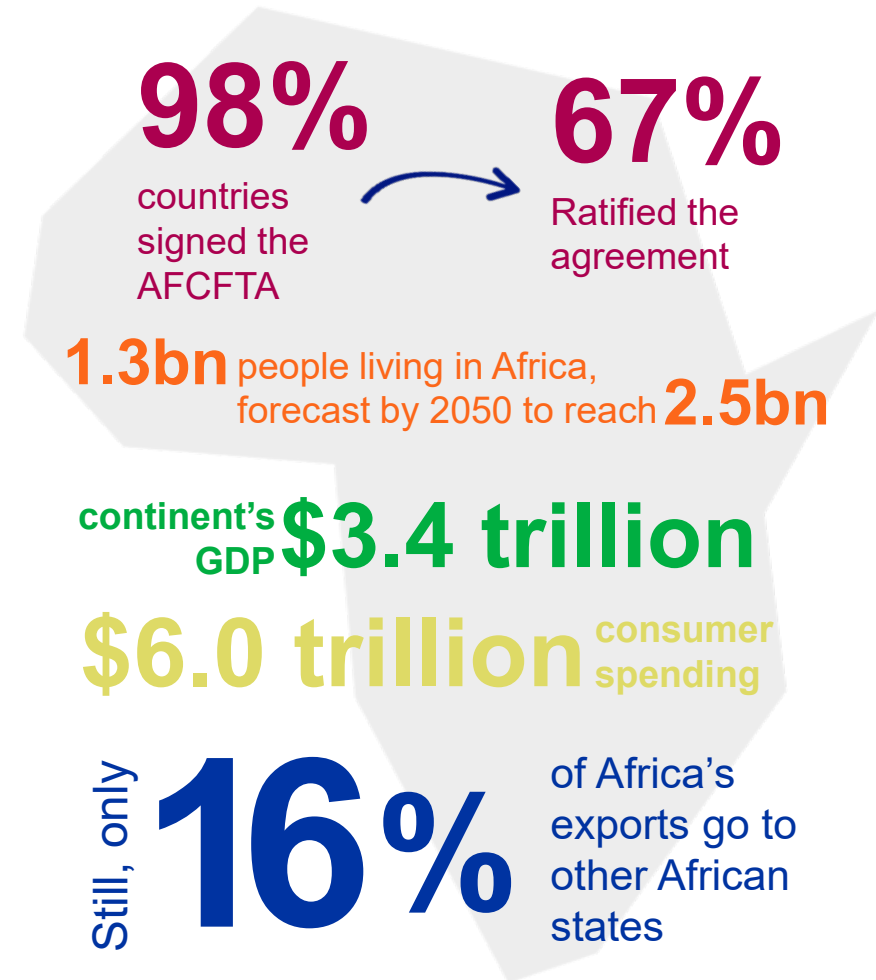




THE START OF THE AFRICAN CONTINENTAL FREE TRADE AREA

THE AGREEMENT IS A BOLD MOVE IN A LONG GAME

- Practical implementation of the free trade agreement will take time
- Tariff lines are the main structure: 3-7-90:
 - **Excluded:** 3% of tariff lines can be excluded from the FTA by each country
 - **Sensitive:** 7% of tariff lines can be deemed 'sensitive' and qualify for some protection
 - **Zero:** 90% of tariff lines need to be on a five-year (or 10 year) path to zero tariffs
- Future investments is closely linked to trade policy
- RECs remain strong: the AfCFTA does not affect existing agreements
- Rates agreed with outside countries must be made available to other African states provided they are also willing to lower their own corresponding tariffs
- Deadline for completion of Rules of Origin is June 21. Despite its importance, it remains unfinished and thus cannot yet be consulted
- Tariffs are often not the biggest obstacles to trade in Africa. Additional regulations can impact products and services, and poor logistics and infrastructure remain a big non-tariff barrier



DISCOVERING AFRICA

BRAZIL & AFRICA RELATIONS





A LONG-STANDING DIPLOMATIC RELATIONSHIP

STRONGER FOCUS ON THE SOUTH-SOUTH COOPERATION HAS THE POTENTIAL TO SPUR ECONOMIC TIES

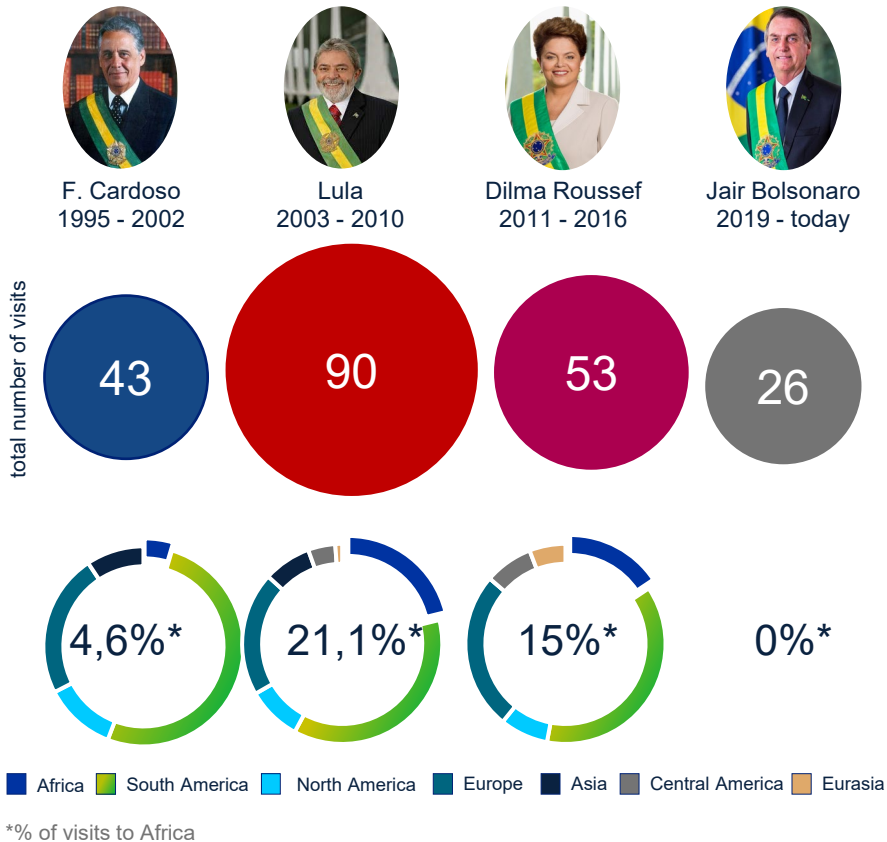
During Pres. Lula's two mandates, Brazil's foreign policy towards Africa became more akin to State Policy with a doubling in the number of embassies to 34 and a fourfold increase in trade

His focus was the South-South agenda (of haughty and active diplomacy) and international protagonism

During his government, the BRICS bloc was created, and the IBSA agreement was made

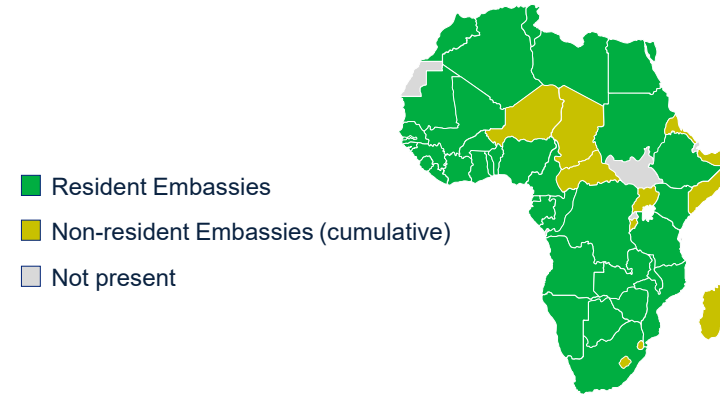
RECENT EVOLUTION OF FOREIGN POLICY

Lula's government was the closest diplomatically to Africa



DIPLOMATIC COVER OF AFRICA

Brazil is one of the countries with the largest diplomatic presence



LONG STANDING INSTITUTIONAL RELATIONSHIP

- One of the largest diplomatic presences in the continent (37 embassies in 54 African countries)
- BNDES Disbursements to date of c. USD 6 bn to support exports of goods and services (Angola, Mozambique and Ghana)
- More Foods International - c. USD 200m investments aiming at Africa's agriculture development. Participant African countries are Zimbabwe, Mozambique, Senegal and Ghana
- USD1bn for Nigeria (Jan-19) to finance agriculture projects
- 900m in debt forgiveness for 12 countries
- Technical cooperation in the agriculture segment (Embrapa, FGV, Campo), health (Fiocruz) and education (SEBRAE)



THE BRAZIL-AFRICA TRADE CORRIDOR

WEAKENING COMMERCIAL RELATIONS DESPITE AFRICA'S INCREASING INSERTION IN GLOBAL TRADE, BUT POSITIVE OUTLOOK

After peaking in 2013, trade flows fell sharply and stagnated

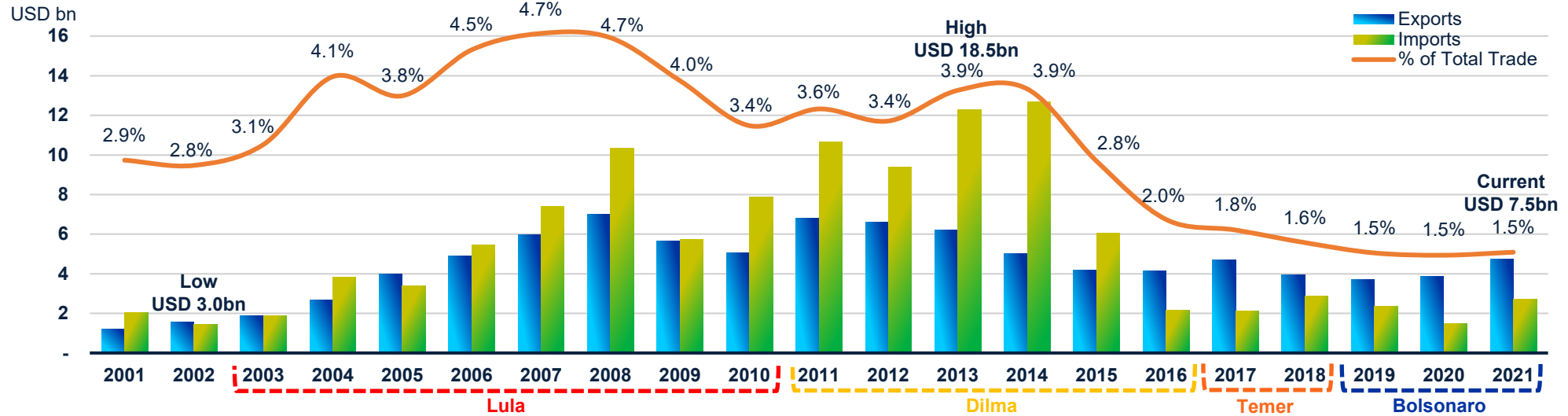
Expected post-pandemic pick-up (global trade surge + higher commodities pricing)

African economies have been catching-up at double the pace of Brazil

This, combined with a likely weaker BRL and beneficial terms of trade, will drive demand for Brazilian goods

North African countries are significant trading partners - Algeria, Egypt, Morocco and Senegal

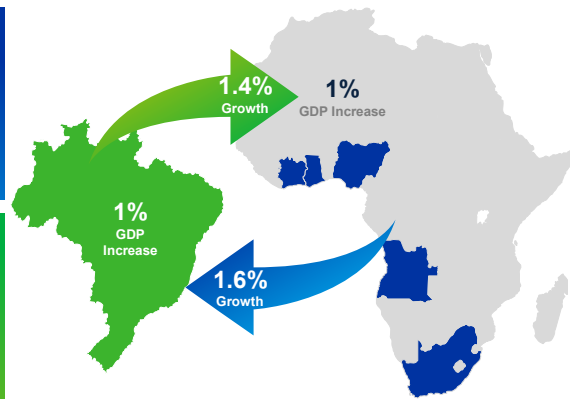
RECENT EVOLUTION OF TRADE BETWEEN BRAZIL AND SSA



TOP TRADED PRODUCTS – DEMAND ELASTICITIES¹

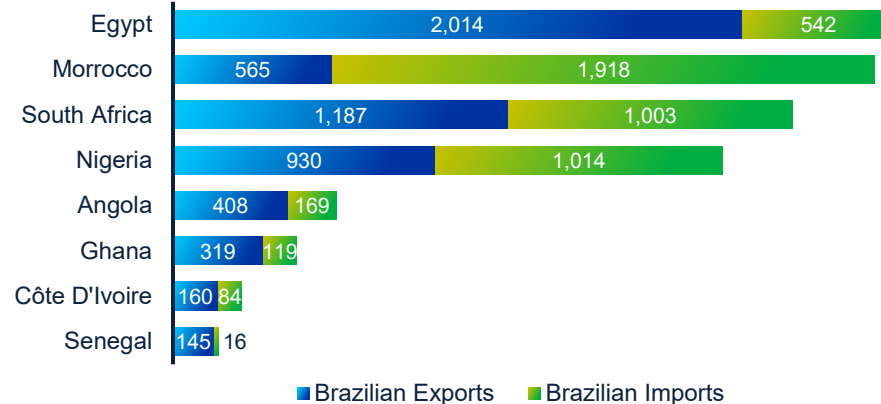
Major products traded with main SB Presence countries

- BR Exports**
 - Sugar
 - Protein
 - Grains
 - Auto parts
 - Machinery
- BR Imports**
 - Oil
 - Fertilizers
 - Chemicals
 - Metals
 - Cocoa



MAIN TRADING PARTNERS IN AFRICA

2021, USD bn





BRAZIL IS A RELATIVELY CLOSED ECONOMY AND A NET RECEIVER OF FDI

OUTFLOWS FROM BRAZIL CONCENTRATED ON DEVELOPED MARKETS AND LATAM

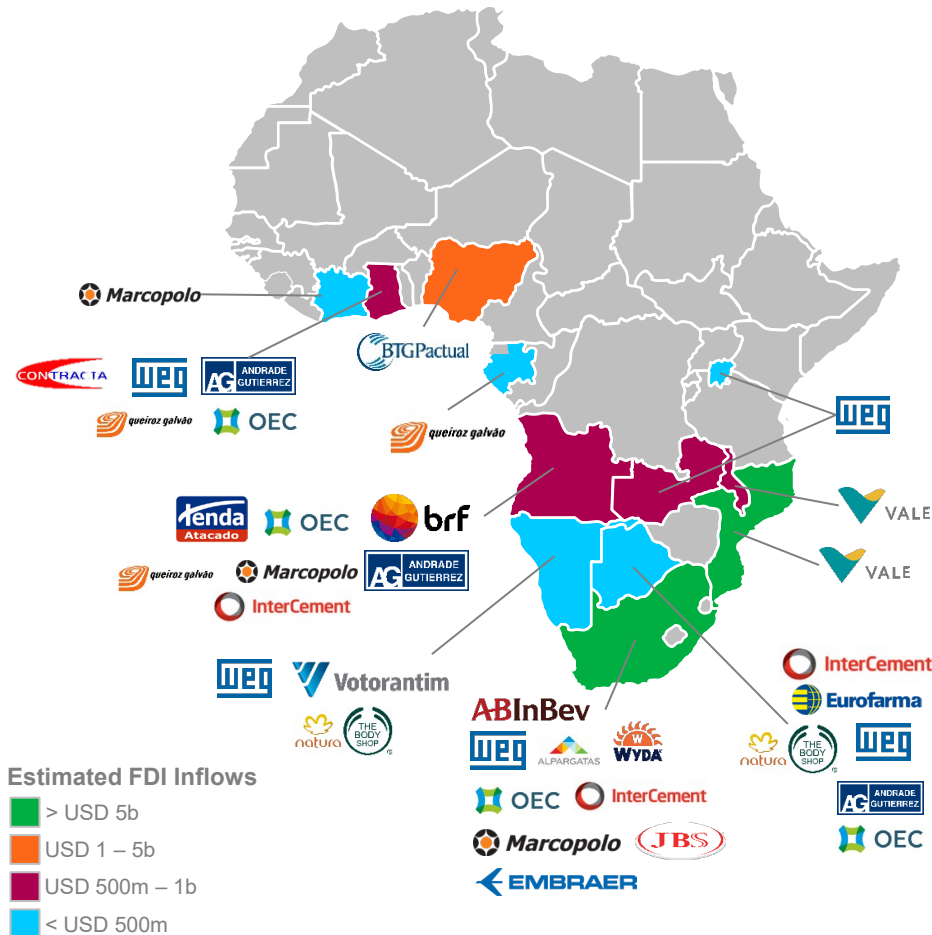
China has invested USD 150b in Africa since 2000, while Brazil less than 10% of that

As an emerging country with a diversified economy and big consumption market, Brazil is a net receiver of FDI

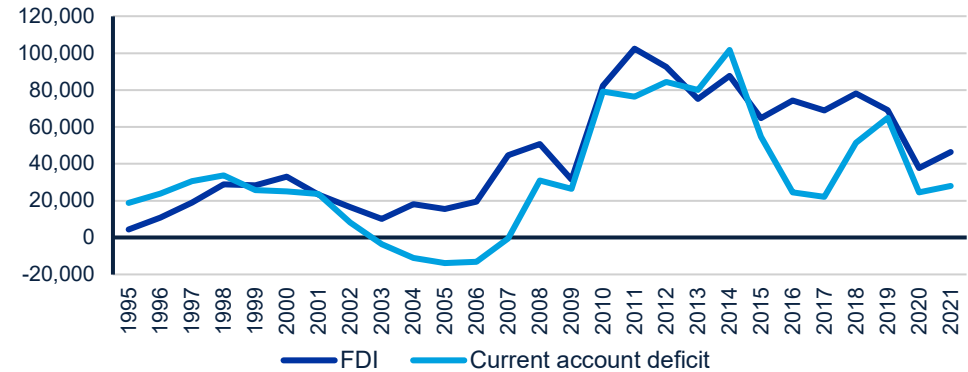
Average inflows of USD 52b are more than sufficient to cover CAD

Major recipient sectors include O&G, auto and chemical, FIs, consumer and energy

USD 15B IN OUTGOING FDI TO AFRICA PRIMARILY IN NATURAL RESOURCES SECTOR

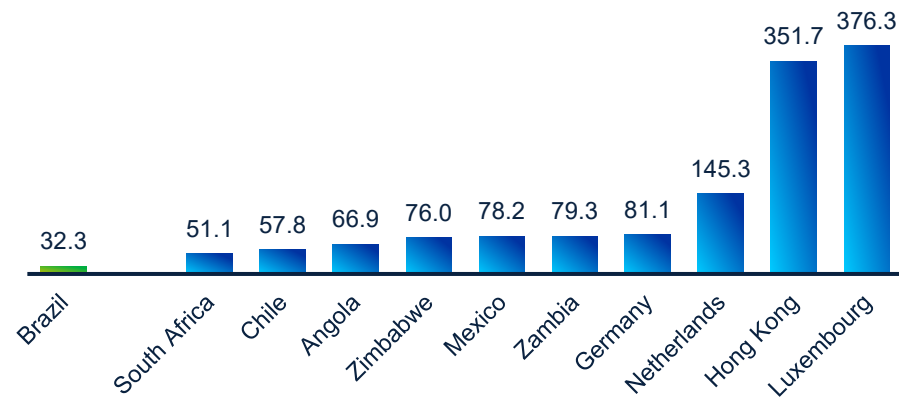


BRAZIL IS A NET RECEIVER OF FOREIGN DIRECT INVESTMENT USDm¹



BRAZIL TRADE OPENESS

Exports plus imports as percentage of GDP, 2020





THEMES IMPACTING BRAZIL-AFRICA RELATIONS

External Engagement

- **Internationalization:** weak economic outlook will increasingly drive companies to invest abroad, boosting Brazil's stock of international assets

Foreign policy shift

- **Elections:** Upcoming ballot may bring a revival of a more Africa-centric external policy and the South-South cooperation agenda
- **Export Credit:** The resumption of BNDES as a major financier for Brazilian exports of goods and services

Trade and investment

- **OCDE:** Advancing towards membership. On Jan 2022, OCDE Council formally began accession discussions
- **Diversification:** Striving to diversify Agri export markets to reduce China dependency. Africa as net importer of food is natural off-taker and offers investment opportunity in Agri
- **Openness:** Brazil remains a closed economy but trade dynamization and openness have become a priority

Agriculture

- **Sugar:** Brazil largest global producer and seller, geographically close to West Africa. Continent soon to become the largest importing region globally
- **Technology Transfer:** Subsistence agriculture still dominates the African landscape, explaining low productivity levels. Opportunities for Brazilian players to leverage tropical technology and know-how
- **Biofuels:** Brazil's positive experience can be shared and leveraged

Russia-Ukraine conflict

- **Oil:** Likely to increase imports (in volume and amount) from Nigeria, Angola and Ghana
- **Fertilizers:** Heavily dependent on imports, seeking new suppliers (Russia and Belarus represent 1/3 of imports)

Politics

- **Elections:** Political turmoil until the conclusion of the election cycle leading to instability in 2022 and hindering FDI outflows
- **Geopolitics:** Lack of a purposeful Africa strategy under current government

Africa Engagement

- **Divestments:** divestments in the natural resources sectors (Vale and Petrobras exits)
- **Maturity:** Africa is increasingly seen as a trade and investment destination, but Brazil is far behind other regions. Brazil's engagement level with Africa is much less developed than that of other regions

Internationalization

- **Competing Forces:** Brazil's massive internal consumer base and significant hydrocarbon, mineral and agricultural resources coupled with its infra-structure gap still present sizeable opportunities for FDI attraction (competing with Africa) and domestic investment within its own borders
- **Perception:** Negative perception of Brazilian business community towards Africa
- **Obsolescence:** focus still tied on former Lusophone partners (no regional diversification)

Trade

- **Agreements:** Current trade agreements with Africa (SACU*, Egypt) are not relevant and sit within the broader Mercosur bloc (no individual agreements). Talks around AfCFTA integration are yet to begin
- **Europe:** Current priority is to close EU-Mercosur negotiation (low likelihood of completion under current government)
- **Export Credit:** Lack of export credit support under current government

DISCOVERING AFRICA










DOING BUSINESS IN AFRICA





WINNING IN AFRICA

KEY THEMES IN THE AFRICAN LANDSCAPE

-  Growing drive towards industrialization
-  Closing the infra-structure gap
-  Diversification of economies away from resource dependence
-  Innovations to unleash agricultural and resource wealth. Food security is key
-  Bolstering intra-Africa trade
-  Increasing usage of renewable energy. Decentralized power gaining relevance
-  Growing demand for basic services (education, healthcare)

WINNING IN AFRICA

SOLVE AFRICA'S UNMET NEEDS TO DRIVE PROFITABLE SUSTAINABLE GROWTH



Map your Africa Strategy

- Set a clear aspirational goal
- Prioritize markets that matter most
- Define how you will achieve scale and relevance
- Build the ecosystems you need to thrive

Innovate your business model

- Create products and services that fulfill Africa's unmet needs
- Rethink your business model to truly engage with customers
- Get lean to drive down cost and price points
- Harness Technology to unleash innovation

Unleash Africa's Talent

- Build vocational skills for frontline workers
- Create robust processes to grow talent from within
- Harness the power of inclusion – particularly women's advancement

Build resilience for the long term

- Take a long-term view – and ride out short-term volatility
- Diversify to build a balanced portfolio
- Integrate up and down the value chain
- Understand local content and engage with governments

LEARNINGS FROM RECENT EXPERIENCE

DOS & DON'TS WHEN TRADING AND/OR INVESTING IN AFRICA



- Risk perception worse than reality
- Corruption and political instability can be dealt with and have shown significant improvements
- On-the-ground knowledge is key to realizing business potential
- Know your client
- Foreign currency availability may be hindered in certain countries
- Map your risks and opportunities arising from Covid-19
- Deteriorating public finances for most African government's limits appetite for sovereign risk
- Find the right financial and business partners

THANK YOU

Natalia Dias, CEO Brazil