RESEARCH REPORT

FIXED INCOME

| AFRICA | MID TERM

AGR Africa Bond Index

AFRICAN SOVEREIGN **EUROBONDS**: STRONG **DYNAMIC** IN **2025**

Attijari Global Research

Calculated by S&P Dow Jones Indices

CONTINUED STRONG EUROBOND ISSUANCE ACTIVITY IN AFRICA DURING 2025

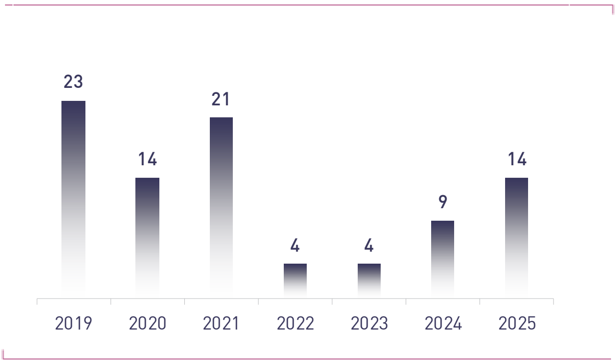
The year 2025 was marked by the continuation of momentum in the African Eurobond market, confirming the positive trend that began in 2024. After a total issuance volume of $ 13.7 Bn in 2024, year 2025 witnessed 14 sovereign issuances by 8 African countries, for a cumulative amount of $ 15.7 Bn, representing up 15% compared to the previous year. This trend reflects growing foreign investor appetite for African debt.

Among the major transactions, Côte d'Ivoire issued a $ 1.75 Bn Eurobond aimed at refinancing maturing debt and supporting infrastructure development projects. Benin raised $ 1.0 Bn to both pay back existing borrowings and fund projects in the energy and transport sectors. Kenya issued $ 1.5 Bn, intended to meet maturing obligations and strengthen public liquidity. Angola came back to the market after several years of absence through a structured issuance designed to refinance external debt and provide liquidity for strategic projects in the oil and seaport sectors.

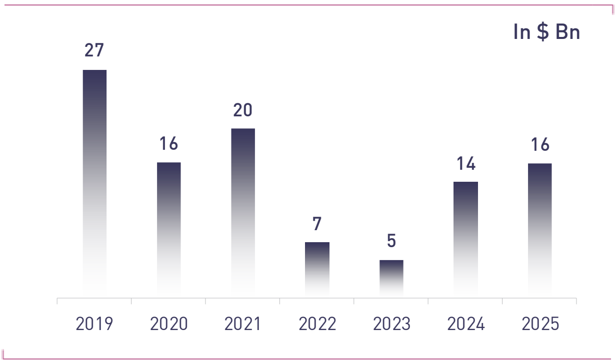
Morocco, a traditional player in the Eurobond market, reinforced its presence in 2025 by raising $ 2.0 Bn. This issuance was intended to reimburse debt and fund its planned investment program of MAD 380 Bn in 2026E. The transaction benefited from strong investor demand.

Other countries, including Nigeria, Ghana, and South Africa, also contributed to this momentum through significant issuances. Overall, the 2025 issuances were aimed at rolling over maturing bonds and making available resources for major public investment projects. Despite ongoing uncertainties such as fiscal transparency, commodity price volatility, geopolitical tensions and persistent inflationary pressures, investors continued to support African issuers, demonstrating sustained confidence in the market.

ANNUAL NUMBER OF EUROBOND ISSUANCES IN AFRICA



ANNUAL VOLUME OF EUROBOND ISSUANCES IN AFRICA



For the **AGR Africa Bond Index**, this period of sustained market activity resulted in the inclusion in our index of a significant number of new bond issues. The strong momentum in the African Eurobond market enabled the addition of several constituents meeting the index's inclusion criteria. In total, 10 new bond lines, representing USD 10 Bn, were added to the index over the course of 2025.

Conversely, nine bond lines were removed from the index, as their remaining maturity fell below six months, thereby no longer meeting the inclusion criteria defined for the AGR Africa Bond Index.

Sources : S&P Dow Jones Indices, Bloomberg, FMI, AGR Computations

KEY DRIVERS OF EUROBOND MARKET DYNAMICS

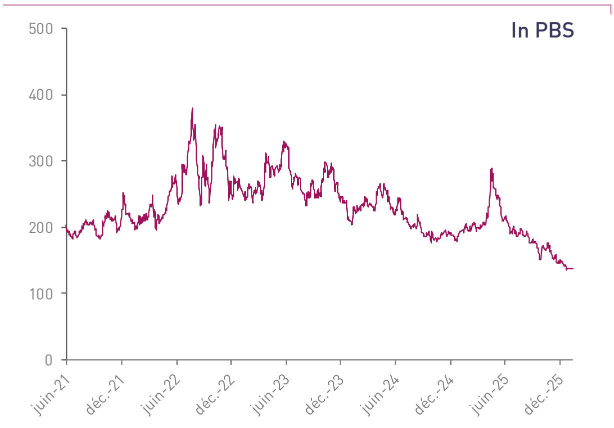
The continued positive momentum in the African sovereign Eurobond market in 2025 can be attributed to several macroeconomic and structural factors, which have enhanced the attractiveness of African debt and improved issuers' access to international capital markets.

- **Easing of global monetary policies:** A more accommodative stance by the U.S. Federal Reserve (Fed) and the European Central Bank (ECB) helped improve financing conditions. The stabilization and subsequent onset of policy rate easing contributed to a decline in African countries' borrowing costs, reaching their lowest levels since 2019.
- **Strengthening of international investor appetite:** African sovereign issuances saw strong demand in 2025, as evidenced by Morocco's $ 2.0 Bn Eurobond, which was significantly oversubscribed, reflecting investor confidence in its macroeconomic and fiscal framework. Similarly, Côte d'Ivoire raised $ 1.75 Bn in 2025 at funding costs lower than those observed in its previous issuances.
- **Improvement in sovereign credit ratings:** Several African countries enhanced budget transparency, clarified their debt trajectories, and, in some cases, implemented IMF-supported programs, thereby reducing perceived credit risk and reassuring investors about medium-term debt sustainability. In 2025, several African sovereigns saw their ratings upgraded, reflecting macroeconomic and fiscal progress and reinforcing investor confidence. South Africa was upgraded from BB- to BB, Morocco from BB+ to BBB-, Egypt from B- to B, and Ghana from CCC+ to B-, reflecting greater confidence in debt sustainability, facilitating access to international markets, and lowering borrowing costs. This trend is reflected in the tightening of sovereign spreads and CDS between 2023 and 2025: in Morocco, spreads narrowed by 120-150 BPS with the 5-year CDS around 100 BPS; in Côte d'Ivoire, spreads fell by nearly 200bps with CDS at 180-200 BPS; in Ghana, the CDS declined from over 1,500 BPS to 700-800 BPS; and in South Africa, spreads compressed by 150-200 BPS with CDS around 150-200 BPS, indicating renewed investor confidence.
- **Diversification of funding sources:** The increasing use of alternative instruments, notably Islamic sukuk, broadened the investor base, providing African issuers with complementary options to conventional Eurobonds, particularly among investors from the Gulf and Asia.

BENCHMARK: S&P RATING UPDATES

Countries	Last rating in 2025		Former Rating	
MOROCCO	BBB^{-}	26/09/2025	BB^{+}	03/29/2024
S. AFRICA	BB	14/11/2025	BB^{-}	11/15/2024
EGYPT	B	10/10/2025	B^{-}	04/11/2025
KENYA	B	22/08/2025	B^{-}	08/23/2024
GHANA	B^{-}	07/11/2025	CCC^{+}	05/09/2025

SOUTH AFRICA : RISK PREMIUM EVOLUTION[1]



(1) Represents the 5-year CDS credit spreads for South Africa

Sources : S&P Dow Jones Indices, Bloomberg, AGR computations

IMPROVEMENT IN GHANA'S CREDIT PROFILE: ANALYSIS OF THE 2025 DRIVERS

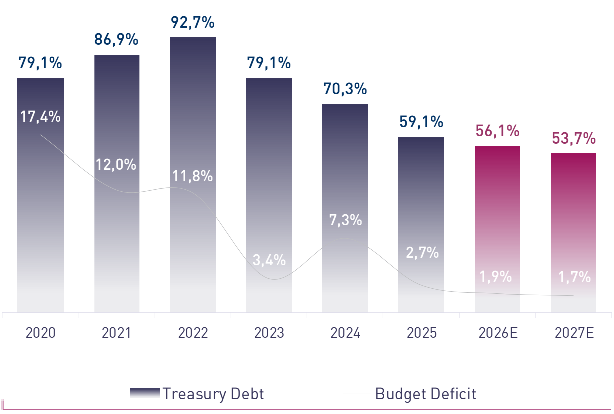
As of November 5th, 2025, S&P upgraded Ghana's sovereign rating from CCC+ to B-, highlighting improved liquidity and reduced financial risks. Moody's also adjusted its rating from Caa2 to Caa1, while Fitch, in June 2025, raised the country's rating from "Restricted Default" to B- with a stable outlook.

Three main factors explain the improvement in Ghana's credit profile:

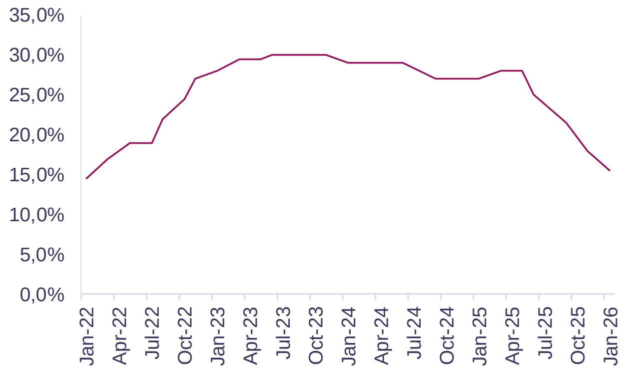
1) **Significant reduction in public debt profile:** The rating upgrade reflects notable progress in the public debt restructuring process. After exceeding 90% of GDP in 2022, the debt ratio is now on a downward trajectory, with levels expected to reach around 55–60% of GDP in the medium term ;

2) **Strengthening fiscal credibility through the IMF program:** The rigorous implementation of the Extended Fund Facility program with the IMF, amounting to approximately $ 3.0 Bn, was a key factor in improving Ghana's credit profile. This framework has supported gradual fiscal consolidation, with the public deficit reduced from over 11% of GDP in 2022 to around 3% of GDP in 2025, and a trajectory targeting below 2% of GDP in the medium term, supported by improved revenue mobilization and expenditure rationalization ;

GHANA : BUDGET DEFICIT VS. TREASURY DEBT

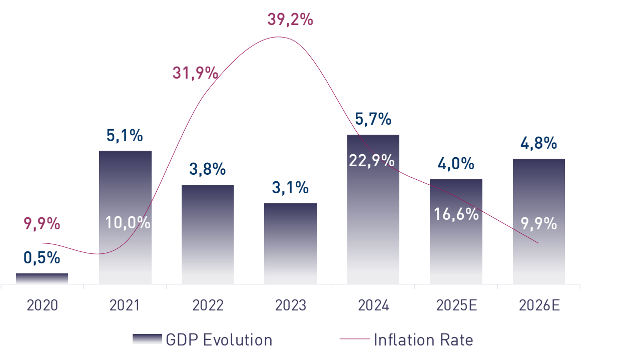


GHANA : GDP EVOLUTION

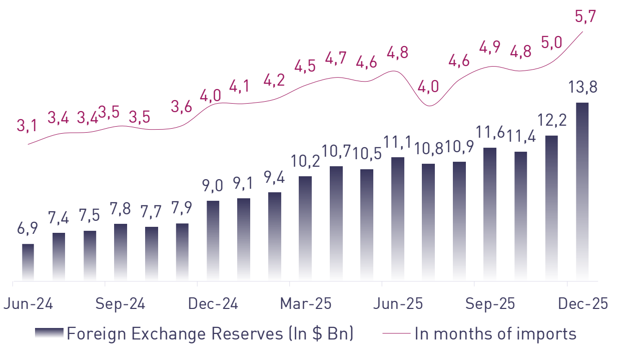


3) **Improvement in Macroeconomic and External Balances:** The stabilization of macroeconomic indicators has strengthened perceptions of the country's financial sustainability. Inflation, which peaked at 50% in 2023, slowed to around 20% in 2024–2025, while exchange rate volatility eased. Moreover, foreign exchange reserves were rebuilt to cover over five months of imports, compared to less than two months at the crisis peak, helping to reduce external vulnerabilities and bolster investor confidence.

GDP EVOLUTION VS. INFLATION RATE



GHANA : EVOLUTION OF FOREIGN EXCHANGE RESERVES



Sources : S&P Dow Jones Indices, Bloomberg, FMI, AGR computations

SUMMARY OF RESULTS IN H2-25

For this edition, we have chosen to track the performance of the **AGR Africa Bond Index (AGR ABI)** during H2-25. The main findings of this analysis are as follows:

- The AGR ABI index increased by +6.0 points to 98.1 as of January 1st 2026, compared to 92.1 points on July 1st 2025 ;
- The outstanding amount of the bond universe improved by +21.4% to $ 101.5 Bn, compared to $ 83.6 Bn in H1-25 ;
- The number of constituents stood at 76 bond lines at the end of H2-25, up from 71 lines six months earlier ;
- Ten new bond lines were added, issued respectively by Kenya, Ghana, Nigeria, and South Africa, each including multiple tranches, while five bond lines with remaining maturities strictly below six months were removed. It should be noted that the Ghana lines were not issued during H2-25, but are Eurobonds issued in 2024. These lines were only added to the index in H2-25 following Ghana's sovereign rating upgrade from CCC+ to B-, making the country eligible under the AGR Africa Bond Index inclusion criteria, which require a minimum B3 / B- rating by S&P;
- The AGR ABI is now represented by six main countries following the integration of Ghana. In detail, Nigeria, South Africa, Egypt, Morocco, Kenya, and Ghana now share the index's weight ;
- Analysis of the current index composition by S&P ratings shows that bonds rated BBB- represent 15.0% of the AGR ABI, while sovereign bonds rated BB, B, and B- account for 20%, 32%, and 32%, respectively. Furthermore, 70% of the outstanding amount has remaining maturities exceeding five years.

Sources : S&P Dow Jones Indices, AGR computations

DETAILS OF RESULTS IN H2-25

During the second half of 2025, the AGR Africa Bond Index (AGR ABI) increased by +6.0 points, rising from 92.1 points on July 1st , 2025 to 98.1 points on January 1st, 2026.

The half year was also marked by the inclusion of new Eurobond issuances from Kenya, Ghana, Nigeria, and South Africa, each including multiple tranches, as well as the elimination of five bond lines with remaining maturities strictly below six months.

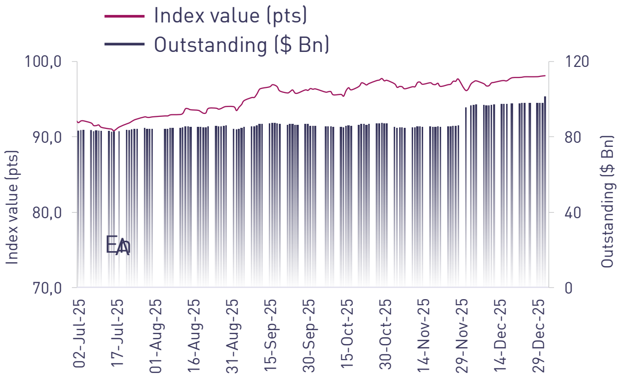
- **Continued increase in the AGR ABI value**

The AGR ABI is up +6.0 points, moving from 92.1 points in July 2025 to 98.1 points at the end of H2-25. This positive development was accompanied by a 21.4% increase in the total outstanding amount, surpassing $ 100 Bn. The number of constituents reached 76 bond lines at the end of H2-25, up from 71 lines six months earlier.

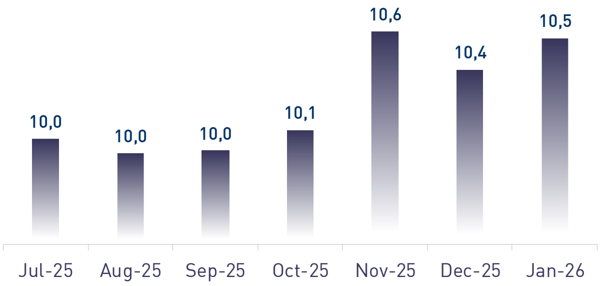
- **Increase in weighted average residual maturity**

The weighted average residual maturity of the AGR ABI stood at 10.5 years following the monthly "rebalancing" carried out during H2-25, representing a +0.5 pt year increase compared to the level observed at the end of H1-25. Notably, 25% of the AGR ABI is composed of Eurobonds with residual maturities exceeding 15 years.

EVOLUTION OF AGR ABI (PTS) VS. OUTSTANDING ($BN)



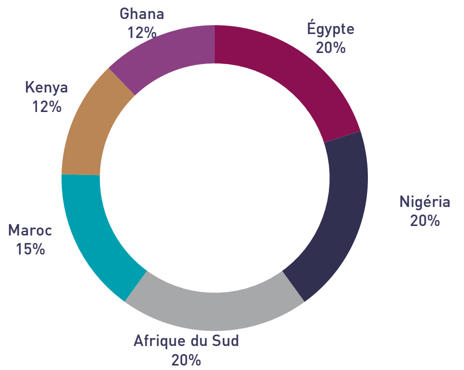
EVOLUTION OF RESIDUAL MATURITY (YEARS)



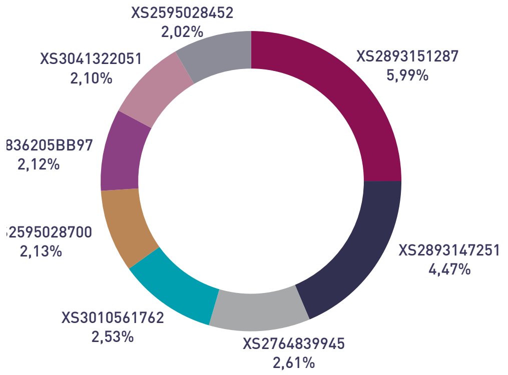
The AGR Africa Bond Index continues to be dominated by Egypt, South Africa, and Nigeria, which maintain a strong representation within the index. These three countries account for nearly 60% of the outstanding amount, while Morocco, Kenya, and Ghana share the remaining 40%.

In terms of the number of bond lines, among the 76 current constituents of the AGR Africa Bond Index, Egypt alone has 24 issuances, representing nearly 34% of the total universe.

AGR ABI : BREAKDOWN BY COUNTRY



AGR ABI : WEIGHT OF THE MAIN LINES(1) (ISIN)



(1) Representing 24% of the AGR ABI index

Sources : S&P Dow Jones Indices, AGR computations

DETAILS OF H2-25 RESULTS

The number of bond lines representing the AGR Africa Bond Index (AGR ABI) stood at 76 in January 2026. In addition to the monthly rebalancing carried out during H2 2025, we note the following:

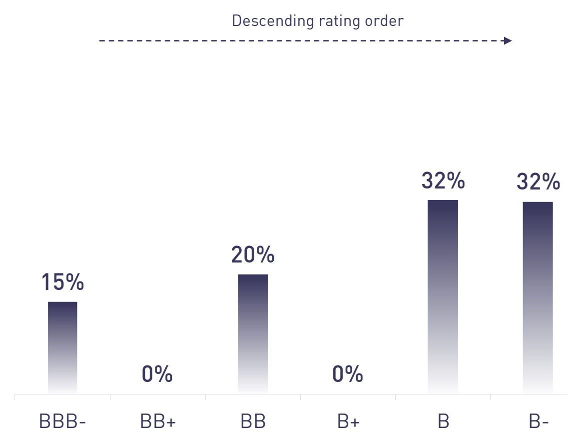
- Inclusion of ten new bond lines, issued by Kenya, Ghana, Nigeria, and South Africa, each comprising multiple tranches, alongside the removal of five bond lines (two from Egypt, and one each from Morocco, South Africa and Kenya) with remaining maturities strictly below six months ;
- Sovereign rating upgrades by S&P for countries represented in the index were also observed: Morocco was upgraded from BB+ to BBB-, South Africa from BB- to BB, Kenya from B- to B, and Egypt from B- to B. In addition, Ghana was integrated into the index following its rating improvement from CCC+ to B-, making it eligible under the AGR Africa Bond Index criteria, which require a minimum rating of B3 / B- by S&P.

In this context, bonds rated BBB- represent 15.0% of the AGR ABI, while sovereign bonds rated BB, B, and B- account for 20%, 32%, and 32%, respectively.

ENTRIES AND/OR OUTPUTS OF LINES IN THE INDEX

Countries	Code ISIN	Description	Weight in the index
		Entries	
Kenya	XS3196101201	KEGV 7.875 10/09/33	1.16%
	XS3196129632	KEGV 8.800 10/09/38	1.16%
Ghana	XS2893147251	GHGV 5.000 07/03/29	4.52%
	XS2893147681	GHGV 01/03/30	0.76%
	XS2893151287	GHGV 5.000 07/03/35	5.90%
	XS2893165584	GHGV 1.500 01/03/37	0.95%
Nigeria	XS3218072919	NGGV 8.631 01/13/36 MTN	1.37%
	XS3218073057	NGGV 9.130 01/13/46 MTN	1.22%
S. Africa	XS3250317354	ZAGV 6.125 12/11/37	1.43%
	XS3250317867	ZAGV 7.250 12/11/55	1.43%
		Outputs	
Egypt	XS2297220423	EGGV 3.875 02/16/26 MTN	0.50%
Morocco	XS2239830222	MAGV 1.375 03/30/26	1.11%
S. Africa	XS2948511949	NGGV 9.625 06/09/31 MTN	0.95%
Kenya	XS1781710543	KEGV 7.250 02/28/28	2.87%
Egypt	XS1807306300	EGGV 4.750 04/16/26 MTN	0.79%

INDEX BREAKDOWN BY S&P RATING



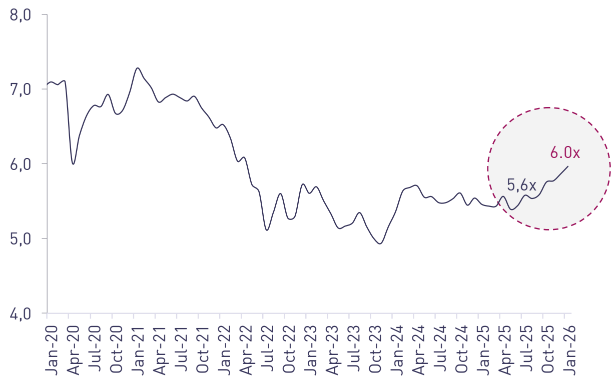
Sources : S&P Dow Jones Indices, AGR computations

DETAILS OF H2-25 RESULTS

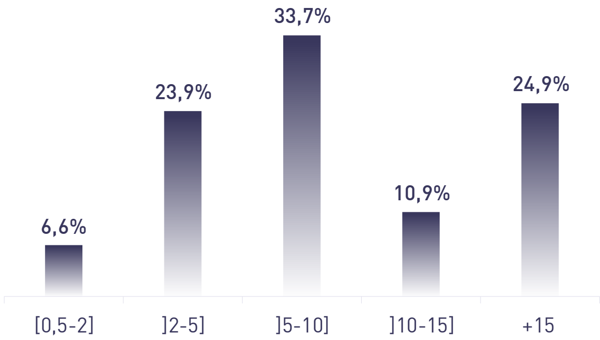
The sensitivity[1] of the AGR Africa Bond Index (AGR ABI) increased compared to its level observed in July 2025. This reflects the lengthening of the index's residual life following the removal of five Eurobond lines with remaining maturities strictly below six months. As the index is predominantly composed of long-dated securities, it has become more responsive to interest rate movements. Consequently, changes in market expectations regarding interest rates now have a more pronounced impact on the index's overall value. As a result, the sensitivity of the AGR ABI stands at 6.0x, compared to 5.6x in July.

Eligible bonds within the index can be classified into five maturity buckets based on residual maturity (0.5-2 years, 2-5 years, 5-10 years, 10-15 years and more than 15 years). In this edition, we note that 70% of the AGR ABI is composed of bonds with residual maturities strictly exceeding five years

AGR ABI : EVOLUTION OF SENSITIVITY



AGR ABI : BREAKDOWN BY MATURITY[2] (YEARS)



(1) Sensitivity : expressed as a multiple (x), it represents the change in the price of a bond following a 1% change in the discount rate. This notion of sensitivity takes into account the weighting of the lines by their market values.

(2) Residual maturity

Sources : S&P Dow Jones Indices, AGR computations

PRESENTATION OF THE AGR ABI

As a part of its mission to represent a high profile Research Center based in Africa and dedicated to African markets, Attijari Global Research has launched in March 2019 a new index called **AGR Africa Bond Index** « Code Bloomberg AGRAFBDT ».

Being the intellectual owner of the index, AGR joins forces with S&P Dow Jones Indices, world leader in indices computations and conception.

AGR Africa Bond Index represents a Total Return Index denominated in USD. Its starting universe is sovereign Eurobonds in Africa. In order to get closer to the economic reality across the continent, a series of eligibility criteria have been selected for the filters, particularly in terms of size, liquidity and rating.

This index aims to follow the outstanding amount of sovereign debts issued by African countries and denominated in foreign currencies. It thus allows to:

- Analyze debt behavior in the Continent ;
- Track a profitable funding vehicle in full expansion in Africa ;
- Present an investment benchmark which could be replicated in respect of investment, size and diversification standards.

Through this new publication, AGR is gradually strengthening its coverage of African markets in a particular context where African economies express a more pronounced appetite for debt issuances, particularly Eurobonds (Cf. « Africa: Eurobonds, an acclaimed tool for an expanding debt » published on March 15th, 2019).

The role of S&P Dow Jones Indices revolves around the index calculation according to international standards and in accordance with criteria defined by AGR. Computed on a daily basis, this index is released on the Bloomberg platform. AGR ensures the edition and the publication of this document on a quarterly basis. This release provides a detailed analysis of the index evolution and its main characteristics.

TECHNICAL SPECIFICATIONS OF AGR ABI

CHARACTERISTICS

Characteristics :

- **Return type** : Total Return
- **Base date** : 30 juin 2014
- **Index Currency** : US Dollars
- **Base Value** : 100 pts

METHODOLOGY

- **Starting Universe :** All African countries to which we apply selection criteria of S&P AFRICA HARD CURRENCY SOVEREIGN BOND INDEX which leads to 13 countries, including : Botswana • Kenya • Namibia • Tanzania • Zambia • Egypt • Mauritius • Nigeria • Tunisia • Ghana • Morocco • South Africa • Uganda.
- **Weighting :** 20% per country of risk.
- **Selection criteria :**
  - ⇒ Residual maturity is 6 months meaning that a bond is only added into the index only if its residual maturity is strictly inferior to 6 months and is from the index if its residual maturity is superior or equal to 6 months ;
  - ⇒ Only include EUR and USD dominated bonds ;
  - ⇒ Minimum outstanding amount will be set for $ 500 Mn for USD bonds and € 500 Mn for EUR bonds ;
  - ⇒ Only include fixed coupons bonds ;
  - ⇒ Only include bullet/at maturity type ;
  - ⇒ Only include bond rating superior or equal to B3/B- per S&P rating ;
  - ⇒ Only include 144A* ISIN issues.
- **Custom Index Calculation :**

Follows « S&P Fixed Income Index Mathematics Methodology » and all S&P standardized calculation approaches, precisely interest payments and principle prepayments are kept in cash until next rebalance date and Bids are used as pricing input for the calculation.

- **Rebalance** : The Custom Index is rebalanced on a Monthly basis after the close of the last business day of the month.
- **Rebalance Proforma schedule** : T-3 to T, T being the previous trading day of rebalance effective date.
- **Selection** : S&P will perform the constituent selection and weighting at each rebalance.
- **Calculation frequency** : End of The Day (EOD).
- **Calculation date** : Monday to Friday.
- **History** : since June 30th 2014.

* Reg 144A : réglementation préconisée par la Securities and Exchange Commission régissant les conditions d'accès aux marchés financiers américains pour les émetteurs étrangers.

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